



Legislation Details (With Text)

File #: 0525-2011 **Version:** 1
Type: Ordinance **Status:** Passed
File created: 3/23/2011 **In control:** Development Committee
On agenda: 4/11/2011 **Final action:** 4/13/2011

Title: To authorize the Director of the Department of Development to enter into a Jobs Growth Incentive Agreement with Pactiv Corporation equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term of four (4) years in consideration of the company's proposed investment of \$380,000, the creation of 43 new permanent full-time positions and the retention of 130 existing jobs.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD0525-2011 Pactiv JGI Fact Sheet.pdf, 2. ORD0525-2011 Pactiv Map.pdf

Date	Ver.	Action By	Action	Result
4/13/2011	1	CITY CLERK	Attest	
4/12/2011	1	MAYOR	Signed	
4/11/2011	1	Columbus City Council	Approved	Pass
4/11/2011	1	COUNCIL PRESIDENT	Signed	
4/4/2011	1	Columbus City Council	Read for the First Time	
3/24/2011	1	CITY ATTORNEY	Reviewed and Approved	
3/24/2011	1	Dev Drafter	Sent to Clerk's Office for Council	
3/23/2011	1	Dev Drafter	Sent for Approval	
3/23/2011	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
3/23/2011	1	Dev Drafter	Sent for Approval	

BACKGROUND: The Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with Pactiv Corporation (Pactiv) equal to twenty-five percent (25%) of the amount of personal income tax withheld on new employees to Columbus for a term of four (4) years. The company will invest approximately \$380,000 to increase production capacity at 2120 Westbelt Drive, create 43 new full-time permanent positions and retain 130 full-time employees.

Pactiv was founded in 1999 and is a well-known leader in the consumer market for foodservice/food packaging products. The company manufactures and distributes its products through 43 manufacturing and 9 distribution facilities in North America. Pactiv derives over 80% of sales from markets in which the company is in the top two for market-share position. The company's Hefty brand includes slider storage bags, disposable tableware, waste bags and disposable cookware. The company was purchased by Reynolds Group Holdings Limited in late 2010 and is now a privately held company.

Pactiv is proposing to consolidate assets into one manufacturing location as a result of excess capacity in the company's manufacturing footprint due to the recent merger with Reynolds. The company has considered Texas, Illinois and Ohio for the consolidation. The Columbus site is located at 2120 Westbelt Drive and is currently used for manufacturing. The consolidation will increase production capacity for the company's pressware division.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Jobs Growth Incentive Agreement with Pactiv Corporation equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term of four (4) years in consideration of the company's proposed investment of \$380,000, the creation of 43 new permanent full-time positions and the retention of 130 existing jobs.

WHEREAS, the City desires to increase employment opportunities and encourage the creation of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and

WHEREAS, the Department of Development has received a completed Jobs Growth Incentive Agreement Application from Pactiv; and

WHEREAS, Pactiv will continue its current lease through 2017 at the facility at 2120 Westbelt Drive; and

WHEREAS, Pactiv has indicated that a Jobs Growth Incentive is crucial to its decision to expand its manufacturing capacity with the installation of existing machinery and equipment in Columbus; and

WHEREAS, the City of Columbus desires to facilitate Pactiv's future growth at the project site by providing a Jobs Growth Incentive; and

WHEREAS, Pactiv plans to invest of \$380,000, create 43 new full-time permanent positions and retain 130 existing employees; and **NOW THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That the Director of the Department of Development is hereby authorized to enter into a Jobs Growth Incentive Agreement equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term of four (4) years with Pactiv Corporation.

Section 2. Each year of the term of the agreement with Pactiv, the City's obligation to pay the incentive is expressly contingent upon the passage of an ordinance appropriating and authorizing the expenditure of monies sufficient to make such payment and the certification of the City Auditor pursuant to Section 159 of the Columbus City Charter.

Section 3. That the City of Columbus Jobs Growth Incentive Agreement is signed by Pactiv within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

Section 4. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.