



## Legislation Text

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**File #:** 1801-2016, **Version:** 1

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**BACKGROUND:** The Columbus Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with GENCO I, Inc. equal to twenty-five percent (25%) of the amount of personal income tax withheld on new employees to Columbus for a term of up to five (5) years.

GENCO I, Inc. was founded in 1898 as H. Shear Trucking Company in Pittsburgh, Pennsylvania. Beginning as a horse and wagon transport and moving to motorized vehicles in 1917, the business took a new name: General Commodities Warehouse and Distribution Company (GENCO, for short). The third generation family business merged with ATC Technology Corp. in 2010 and incorporated the consumer electronics sector into its product lifestyle logistics services. GENCO I, Inc. was acquired by FedEx Corp. in 2015 and is a leader and provider of third party logistics, warehousing and storage. It serves over 300 customers and operates over 38 million square feet of warehouse space. Customer-base industries include consumer goods, healthcare, government and defense, retail, industrial goods and technology. GENCO I, Inc.'s product lifecycle services include transportation logistics, distribution and warehousing, reverse logistics, contract packaging, inventory liquidation and unsalables management.

GENCO I, Inc. is proposing to invest approximately \$2,752,180 which includes machinery and equipment and the renovation of an existing building to support a central United States supply chain location for eCommerce fulfillment services. The company will enter into a lease agreement on a vacant warehouse space consisting of approximately 150,000-200,000 square feet at 2221 John Glenn Avenue Columbus, Ohio, 43217. GENCO I, Inc. will create 82 new full-time permanent positions with an associated new annual payroll of approximately \$2,988,336, which will be new income tax revenue for the City of Columbus.

GENCO I, Inc. is requesting a Jobs Growth Incentive from the City of Columbus to assist in the development of this project.

**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 GENCO I, Inc. equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term up to five (5) years in consideration of the company's proposed investment of \$2,752,180.00 and the creation of 82 new full-time permanent positions.

**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 for its citizens; and

**WHEREAS,** the Department of Development received a completed Jobs Growth Incentive application from GENCO I, Inc.; and

**WHEREAS,** GENCO I, Inc. is proposing to invest approximately \$2,752,180 in leasehold improvements, which includes machinery and equipment and improvements to existing buildings, to expand its Columbus operations by entering into a long-term lease agreement on approximately 150,000-200,000 square feet of vacant warehouse space at 2221 John Glenn Avenue, Columbus, Ohio; and

**WHEREAS**, GENCO I, Inc. will create approximately 82 new full-time permanent positions with an estimated new annual payroll of approximately \$2,988,336; and

**WHEREAS**, GENCO I, Inc. has indicated that a Jobs Growth Incentive is crucial to its decisions to expand their operation within the City of Columbus; and

**WHEREAS**, the City of Columbus desires to facilitate the future growth of GENCO I, Inc. at the project sites by providing a Jobs Growth Incentive; **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 with GENCO I, Inc. equal to twenty-five percent (25%) of the amount of personal income tax withheld on new employees to Columbus for a term of up to five (5) years.

**SECTION 2.** Each year of the term of the agreement with GENCO I, Inc. 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 GENCO I, Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

**SECTION 4.** The City Council hereby extends authority to the Director of the Department of Development to amend the GENCO I, Inc. City of Columbus Jobs Growth Incentive Agreement for certain modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of Development with these modifications being specifically limited to reductions in length of term, methods of calculating the incentive, or adding or deleting business entities associated with the employment commitments related to this incentive. All other requested amendments must be approved by City Council.

**SECTION 5.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.