



Legislation Text

File #: 0201-2013, **Version:** 2

BACKGROUND: The Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with The Kroger Co. equal to twenty-five percent (25%) of the amount of personal income tax withheld on new employees for a term of five (5) years. The Kroger Co. will make an investment of approximately \$14.7 million including acquisition, improvements, furniture and fixtures, create 23 new full-time permanent positions and retain 103 existing jobs in the City of Columbus.

Headquartered in downtown Cincinnati, The Kroger Co. is an American retailer founded by Bernard Kroger in 1883. With nearly 2,500 stores in 31 states under two dozen banners with annual sales of more than \$70 billion, Kroger ranks as one of the nation's largest retailers. The Kroger Co. also operates 40 food processing facilities that make thousands of products ranging from bread, cookies and milk to soda pop, ice cream and peanut butter. Nearly half of the 14,400 private-label items found in the company's stores today are made at one of these manufacturing plants.

The Kroger Co. is proposing to relocate and expand its Columbus Central Fill Pharmacy facility by acquiring a vacant commercial warehouse consisting of 35,000 square feet with the plan of expanding another 10,000 square feet at 2270 W. Rickenbacker Parkway, to meet its increased growth and its consumer demand. This new Central Fill Pharmacy facility will distribute prescription medicine to over 400 Kroger stores and potentially third parties.

Emergency action is necessary in order for this project to move forward with its initial permitting process in order to meet completion deadlines.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into a Jobs Growth Incentive Agreement with The Kroger Co. equal to twenty-five percent (25%) of the amount of new income tax withheld on new employees for a term of five (5) years in consideration of the company's proposed investment of \$14.7 million, the creation of 23 new full-time permanent positions and the retention of 103 full-time jobs; ~~and to declare an emergency.~~

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 Application from The Kroger Co.; and

WHEREAS, The Kroger Co. is proposing to purchase and equip a vacant commercial warehouse located at 2270 W. Rickenbacker Parkway to expand its Columbus Central Fill Pharmacy facility; and

WHEREAS, The Kroger Co. has indicated that a Jobs Growth Incentive is crucial to its decision to expand the aforementioned operation in Columbus; and

WHEREAS, the City of Columbus desires to facilitate The Kroger Co.'s future growth at the project site; and

WHEREAS, in consideration of The Kroger Co.'s proposed investment of \$14.7 million, the creation of 23 new full-time permanent positions and the retention of 103 existing jobs; ~~and~~ **now, therefore**

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to take action on this agreement in order for this project to move forward with its initial permitting process in order to meet completion deadlines, all for the preservation of the public health, property, safety and welfare; **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 The Kroger Co. equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term of five (5) years.

Section 2. Each year of the term of the agreement with The Kroger Co. 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 The Kroger Co. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

Section 4. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same. **That this ordinance shall take effect and be in force from and after the earliest period allowed by law.**