



City of Columbus

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

Legislation Text

File #: 3057-2015, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with Pactiv LLC 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 three (3) years.

Pactiv LLC is one of the largest manufacturers and distributors of food packaging and foodservice products, supplying packers, processors, supermarkets, restaurants, institutions and foodservice outlets around the world. Since the company's founding in 1965 as Packaging Corporation of America, the company has focused on producing and distributing high-quality foodservice packaging products. Pactiv product lines today include custom and stock foam, plastic, aluminum, pressed-paperboard, PE coated board, and molded-fiber packaging. Pactiv supplies every major foodservice retailer and distributor in North America, including McDonald's, Wendy's, Burger King, WalMart, Kroger, and Tim Horton's.

Pactiv is proposing to consolidate assets into one manufacturing location as a result of excess capacity in the company's manufacturing footprint. The consolidation will increase production capacity for the company's existing operation located at 2120 Westbelt Drive, Columbus, Ohio 43228. Pactiv will invest approximately \$4.5 million to purchase equipment valued at approximately \$700,000, decommission and transport that equipment to the project site from other facilities, and transfer over 50 product lines into the facility. Pactiv will retain 120 full-time permanent positions with an annual payroll of approximately \$5,349,103 and create 58 new full-time permanent positions with a new annual payroll of approximately \$2,165,120.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into a Jobs Growth Incentive with Pactiv LLC equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term of up to three (3) years in consideration of investing approximately \$700,000 related to machinery and equipment acquisition, retaining 120 full-time permanent positions, and creating 58 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 and its citizens; and

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

WHEREAS, Pactiv LLC will expand operations at their existing manufacturing facility located at 2120 Westbelt Drive, Columbus, Ohio 43228; and

WHEREAS, Pactiv LLC will invest a total of approximately \$700,000 related to machinery and equipment acquisition, retain 120 full-time permanent positions with an annual payroll of approximately \$5,349,103, and create 58 new full-time permanent positions with a new annual payroll of approximately \$2,165,120; and

WHEREAS, Pactiv LLC 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 Pactiv LLC at the project sites by providing a Jobs Growth Incentive; 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 with Pactiv LLC 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 three (3) years.

SECTION 2. Each year of the term of the agreement with Pactiv LLC, 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 LLC 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 Development to amend the Pactiv LLC 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.