



Legislation Text

File #: 3107-2016, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Butler Animal Health Supply, LLC dba Henry Schein Animal Health in an amount equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, both for a term of up to five (5) consecutive years.

Butler Animal Health Supply, LLC dba Henry Schein Animal Health (“Henry Schein Animal Health”) serves over 26,000 licensed veterinarians providing a comprehensive offering of products, which includes biologicals, diagnostics, pharmaceuticals, equipment, and technology for companion animal, equine and large animal practices. The company is headquartered in Dublin, Ohio with over 200 employees statewide and has 12 distribution centers that receive product from over 400 manufacturing partners.

Butler Animal Health Supply, LLC dba Henry Schein Animal Health is proposing to expand its distribution operations by entering into a lease with an initial space of 67,000 square feet at an existing distribution center located at 3880 Twin Creeks Drive, Columbus, Ohio 43204.

Administrative/headquarter operations will remain in Dublin, Ohio. The project involves a total investment of approximately \$1,284,000 related to the acquisition of machinery/equipment and leasehold improvements.

Butler Animal Health Supply, LLC dba Henry Schein Animal Health anticipates creating 25 new full-time permanent positions in support of this project with an associated new annual payroll of approximately \$783,161. The new positions include warehouse, supervisor/management and sourcing positions.

Butler Animal Health Supply, LLC dba Henry Schein Animal Health may relocate a few positions from the Dublin headquarters to the new Columbus location. No final decision has been made on whether this will occur. If this does occur, the relocated jobs will be offset in Dublin by the newly created positions. As such, the City of Dublin will have no adverse impact.

FISCAL IMPACT: No funding is required for this legislation

To authorize the Director of Development to enter into a dual-rate Jobs Growth Incentive with Butler Animal Health Supply, LLC, dba Henry Schein Animal Health, for a term of up to five (5) consecutive years in consideration of investing an estimated \$1,284,000.00 and creating 25 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 Butler Animal Health Supply, LLC dba Henry Schein Animal Health; and

WHEREAS, Butler Animal Health Supply, LLC dba Henry Schein Animal Health will establish operations in approximately 67,000 square feet at an existing distribution center located at 3880 Twin Creeks Drive, Columbus, Ohio 43204; and

WHEREAS, Butler Animal Health Supply, LLC dba Henry Schein Animal Health will invest a total of approximately

\$1,284,000 related to the acquisition of machinery/equipment and leasehold improvements and create 25 new full-time permanent positions in support of this project with an associated new annual payroll of approximately \$783,161; and

WHEREAS, per City of Columbus policy as set forth by Columbus City Council, only new full-time permanent positions compensated at an hourly wage rate of at least \$12.00 will be eligible for City incentive support; the incentive will be applied for any new full-time employee hired as a result of the project so long as they meet the minimum hourly wage requirement during the incentive term; and

WHEREAS, Butler Animal Health Supply, LLC dba Henry Schein Animal Health has indicated that a Jobs Growth Incentive is crucial to its decisions to establish their operation within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Butler Animal Health Supply, LLC dba Henry Schein Animal Health at the project site 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 dual-rate Jobs Growth Incentive Agreement with Butler Animal Health Supply, LLC dba Henry Schein Animal Health equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, both for a term of up to five (5) consecutive years.

SECTION 2. That if Butler Animal Health Supply, LLC dba Henry Schein Animal Health is not able to sufficiently document residency for an employee associated with this project during a calendar year of the term of the agreement, the default rate of the Jobs Growth Incentive to be applied that calendar year for that new employee shall be twenty-five percent (25%).

SECTION 3. That each year of the term of the agreement with Butler Animal Health Supply, LLC dba Henry Schein Animal Health, 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 4. That the City of Columbus Jobs Growth Incentive Agreement is signed by Butler Animal Health Supply, LLC dba Henry Schein Animal Health within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 5. That City Council hereby extends authority to the Director of Development to amend the Butler Animal Health Supply, LLC dba Henry Schein Animal Health 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 6. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.