



City of Columbus

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

Legislation Text

File #: 1206-2016, **Version:** 1

BACKGROUND: The City of Columbus entered into a Jobs Growth Incentive Agreement (hereinafter “Agreement”) with Universal Fabricating & Construction Services, Inc. and their employer of record, OneSource Employee Management, LLC (also referred to as the “Grantee”) effective October 3, 2014. Columbus City Council approved the Agreement by Ordinance 1488-2014, adopted July 21, 2014, and granted a financial incentive based on an amount equal to twenty-five percent (25%) of the new Columbus withholding tax paid by new employees at the project site, to commence January 1, 2015 for a period of five (5) consecutive taxable years based on the retention of 40 full-time positions, the creation of 30 new permanent full-time positions with an estimated annual payroll of \$1.123 million and an investment of approximately \$215,000 related to the acquisition of machinery and equipment at 1241 McKinley Avenue, Columbus, Ohio 43222 (the “Project Site”).

In a letter from the Grantee to the City dated February 5, 2016, it was requested “that the Jobs Growth Incentive be cancelled for Universal Fabricating & Construction Services, Inc.” as “the Company is no longer in operation and has no assets.” This legislation is to dissolve the Agreement between the City of Columbus and Universal Fabricating & Construction Services, Inc. and their employer of record, OneSource Employee Management, LLC.

This legislation is presented as an emergency measure in order for this dissolution to be legislated prior to the completion of the report year 2015 (RY2015) Jobs Growth Incentive reporting cycle in 2016 noting that RY2015 would have been the first reporting year for the Grantee and that the Grantee has not received nor will the Grantee receive any benefit under the terms of the Agreement.

FISCAL IMPACT: No funding is required for this legislation.

To dissolve the Jobs Growth Incentive Agreement between the City of Columbus and Universal Fabricating & Construction Services, Inc. and their employer of record, OneSource Employee Management, LLC.; and to declare an emergency.

WHEREAS, Columbus City Council approved a Jobs Growth Incentive Agreement (the “Agreement”) with Universal Fabricating & Construction Services, Inc. and their employer of record, OneSource Employee Management, LLC (also referred to as the “Grantee”) by Ordinance 1488-2014 on July 21, 2014 with the Agreement having been made and entered into effective October 3, 2014; and

WHEREAS, the Agreement granted a financial incentive based on an amount equal to twenty-five percent (25%) of the new Columbus withholding tax paid at the project site, to commence January 1, 2015 and for a period of five (5) consecutive taxable years thereafter; and

WHEREAS, in the Agreement, Grantee committed to retain 40 full-time positions, create 30 new permanent full-time positions with an annual payroll of approximately \$1.123 million and invest approximately \$215,000 related to the acquisition of machinery and equipment at 1241 McKinley Avenue, Columbus, Ohio 43222 (the “Project Site”); and

WHEREAS, in a letter from the Grantee to the City dated February 5, 2016, it was requested “that the Jobs Growth

Incentive be cancelled for Universal Fabricating & Construction Services, Inc.” as “the Company is no longer in operation and has no assets;” which has led to this legislation to dissolve the Agreement between the City of Columbus and the Grantee effective January 1, 2015; and

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 dissolution to be legislated prior to the completion of the report year 2015 (RY2015) Jobs Growth Incentive reporting cycle in 2016 noting that RY2015 would have been the first reporting year for the Grantee and that the Grantee has not received nor will the Grantee receive any benefit under the terms of the Agreement, and to preserve the public health, property, safety and welfare; **NOW, THEREFORE**,

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

SECTION 1. That Columbus City Council hereby dissolves the Universal Fabricating & Construction Services, Inc. and their employer of record, OneSource Employee Management, LLC Jobs Growth Incentive Agreement effective January 1, 2015 thereby eliminating any and all reporting years for the incentive.

SECTION 2. For the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is 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 (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.