



Legislation Text

File #: 1132-2015, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Genpak LLC and Jim Pattison Developments, Inc. The Ohio Enterprise Zone law O.R.C. Section 5709.62 (C) requires the City to enter into a Council-approved agreement between the City and participating companies.

Founded in 1969, and headquartered in Glens Falls, New York, Genpak LLC is a manufacturer that serves the foodservice packaging industry. Genpak provides packaging materials to various markets, including snacks, pasta, confectionery, medical, cookie, lawn and garden, bottle labels, pet foods and coffee. The company provides foam-and deli-hinged containers and paper portion and plastic creamer cups. Genpak LLC also offers microwave safe containers, bakery and food trays, and serving bowls. The company provides low-density film and bag products. Its harvest collection offers a range of biodegradable products, including compostable food containers, cups and dinnerware items. Its PartyTime brand offers lids and bowls. The company started with one manufacturing facility located in Middletown, New York and has since expanded to 18 facilities throughout the United States and Canada, including an existing facility in Columbus, Ohio. Jim Pattison Developments, Inc. is the parent company for Genpak LLC and will provide the investment for the project.

Jim Pattison Developments, Inc. is proposing to invest approximately \$12.8 million in project costs, which includes new construction, building improvements, machinery, equipment, inventory, furniture and fixtures to expand its existing operation approximately another 200,000 square feet, while Genpak LLC will create 14 new full-time permanent positions with an estimated annual payroll of approximately \$412,880 and retain 89 full-time employees with an estimated annual payroll of approximately \$3.58 million at the project site known as 845 Kaderly Drive, within the City of Columbus Central Enterprise Zone.

The Department of Development recommends 75%/10-year Enterprise Zone tax abatement on real property improvements.

The Columbus City School District has been advised of this project.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with Genpak LLC and Jim Pattison Developments, Inc. for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of a proposed total investment of approximately \$12.8 million, which includes \$6.5 million in real property improvements and 14 new full-time permanent positions.

WHEREAS, City Council enacted and subsequently amended the Columbus Enterprise Zone by Ordinance Numbers 2722-85 in 1986; 2080-89 in 1989; 1949-92, 2249-92 and 2690-92 in 1992; 1079-94 and 1228-94 in 1994; 1274-95, 2196-95 and 2817-95 in 1995; 0533-99 in 1999; 1785-00 in 2000; 1464-02 in 2002; 0225-03 in 2003; and 0032-2012 in 2012; and

WHEREAS, the Director of the Development Department of the State of Ohio determined that the Columbus Enterprise Zone as amended by the aforementioned Ordinances continued to contain the characteristics set forth in Section 5709.61

(A) of the Ohio Revised and recertified said Zone in 1986, December 20, 1989, September 28, 1992, October 22, 1992, December 17, 1992, May 31, 1994, June 24, 1994, June 16, 1995, October 5, 1995, December 19, 1995, April 1, 1999, September 25, 2000, January 27, 2003, August 19, 2003 and most recently on April 3, 2012 as an “urban jobs and enterprise zone” under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Jim Pattison Developments, Inc. is proposing to invest approximately \$12.8 million in total project costs, which includes new construction, building improvements, machinery, equipment, inventory, furniture and fixtures to expand Genpak LLC’s Columbus branch operation approximately another 200,000 square feet on parcel number 010-110865, further known as 845 Kaderly Drive, Columbus, Ohio 43228; and

WHEREAS, Genpak, LLC will create 14 new full-time permanent positions within the City of Columbus over a three-year period following construction completion with an estimated annual payroll of approximately \$412,880; and

WHEREAS, Genpak LLC will retain 89 full-time jobs with an annual payroll of approximately \$3.58 million; and

WHEREAS, the City is encouraging this project because of plans to redevelop an urban commercial property in the central city; and

WHEREAS, the City desires to enter in such a binding formal agreement in order to foster economic growth for the preservation of public health, peace, property and safety; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

SECTION 1. That City hereby finds and determines that the enterprise submitting the proposal is qualified by financial responsibility and business experience to create and preserve employment opportunities in the zone and improve the economic climate of the municipal corporation and receiving this tax incentive is a critical factor in the decision by Genpak LLC and Jim Pattison Developments, Inc. to go forward with the project expansion.

SECTION 2. That the Director of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with Genpak LLC and Jim Pattison Developments, Inc. to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) taxable years in association with the project’s proposed investment of approximately \$6.5 million in new construction and building improvements, and an estimated \$6.3 million in machinery, equipment, inventory, furniture and fixtures.

SECTION 3. That the City of Columbus Enterprise Zone Agreement is signed by Genpak LLC and Jim Pattison Developments, Inc. within ninety (90) days of passage of this ordinance, or the ordinance and the abatements and credits authorized herein are null and void.

SECTION 4. That this ordinance shall take effect and be in force form and after the earliest period allowed by law.