



Legislation Text

File #: 1350-2013, **Version:** 1

BACKGROUND: Columbus City Council, by Ordinance 1212-2007, passed July 23, 2007, authorized the City to enter into a Job Creation Tax Credit Agreement (the Agreement) with Whirlpool Corporation (Enterprise) and Penske Logistics (Employer) for a tax incentive of sixty-five percent (65%) for a period of seven (7) years in consideration of a \$46,200,000 investment in real property improvements and the creation of 301 permanent full-time jobs related to the construction of a new 1,560,000 square foot facility at 1912 London-Groveport Road with the actual physical address of the project site being 6241 Shook Road, Lockbourne, Ohio 43127. The Agreement was made and entered into to be effective May 13, 2008. This Agreement was subsequently authorized by Council to be amended for the first time for the purpose of replacing Penske Logistics as Employer and party to the Agreement with Kenco Logistic Services, LLC as Employer and party to the Agreement by Ordinance 1868-2008, passed December 1, 2008, made and entered into effective January 7, 2010. This Agreement was subsequently authorized by Council to be amended for the second time to amend the job creation requirements as set forth in the Agreement from the creation of 301 permanent full-time jobs to the creation of 200 permanent full-time jobs by Ordinance 1751-2010, passed December 6, 2010. This amendment to the Agreement was never executed by the parties.

On February 5, 2013 the City received a letter dated the same on behalf of Enterprise indicating that effective March 1, 2013, Penske Logistics would be replacing Kenco Logistic Services, LLC as the third party employer at the project site and requested that the Agreement be amended to reflect this change.

This legislation seeks to authorize amending the Agreement to replace Kenco Logistic Services, LLC as the third party employer at the project site with Penske Logistics as the third party employer at the project site.

The incentive percentage terms and the length of the incentive are not modified by this amendment.

This legislation is presented as an emergency measure in order for this amendment to be legislated in an expedient manner as is possible so as not to delay opportunity for the parties to this Agreement to receive the benefits of this incentive.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the Job Creation Tax Credit Agreement with Whirlpool Corporation and Kenco Logistic Services, LLC to replace Kenco Logistic Services, LLC as Employer and party to the Agreement with Penske Logistics as Employer and party to the Agreement; and to declare an emergency.

WHEREAS, the Columbus City Council approved the Job Creation Tax Credit Agreement (the Agreement) with Whirlpool Corporation (Enterprise) and Penske Logistics (Employer) on July 23, 2007 by Ordinance 1212-2007 and entered into effective March 13, 2008; and

WHEREAS, the Agreement was subsequently authorized by Council to be amended for the first time for the purpose of replacing Penske Logistics as Employer and party to the Agreement with Kenco Logistic Services, LLC as Employer and party to the Agreement by Ordinance 1868-2008, passed December 1, 2008, made and entered into effective January 7,

2010; and

WHEREAS, the Agreement was subsequently authorized by Council to be amended for the second time to amend the job creation requirements as set forth in the Agreement from the creation of 301 permanent full-time jobs to the creation of 200 permanent full-time jobs by Ordinance 1751-2010, passed December 6, 2010 but the amendment to the Agreement was never executed by the parties to the Agreement; and

WHEREAS, the Agreement currently grants a tax incentive of sixty-five percent (65%) for a period of seven (7) years in consideration of a \$46,200,000 investment in real property improvements and the creation of 301 permanent full-time jobs related to the construction of a new 1,560,000 square foot facility at 1912 London-Groveport Road with the actual physical address of the project site being 6241 Shook Road, Lockbourne, Ohio 43127; and

WHEREAS, on February 5, 2013 the City received a letter dated the same on behalf of Enterprise indicating that effective March 1, 2013, Penske Logistics would be replacing Kenco Logistic Services, LLC as the third party employer at the project site and requested that the Agreement be amended to reflect this change; and

WHEREAS, as Enterprise has been fully compliant with the terms of the Agreement, the City desires to amend the Agreement to replace Kenco Logistic Services, LLC as the third party employer at the project site with Penske Logistics as the third party employer at the project site; 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 amendment to be legislated in as expedient a manner as is possible so as not to delay opportunity for the parties to this Agreement to receive the benefits of this incentive, 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 amend the Whirlpool Corporation and Kenco Logistic Services, LLC Job Creation Tax Credit Agreement to replace Kenco Logistic Services, LLC as Employer and party to the Agreement with Penske Logistics as Employer and party to the Agreement.

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.