



Legislation Details (With Text)

File #: 2898-2019 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 10/31/2019 **In control:** Economic Development Committee

On agenda: 11/25/2019 **Final action:** 11/27/2019

Title: To authorize the Director of the Department of Development to enter into a Job Creation Tax Credit Agreement of fifty percent (50%) for a period of six (6) consecutive years with Essilor of America, Inc. and Essilor Laboratories of America, Inc. in consideration of the company's total proposed capital investment of approximately \$24.2 million and the creation of 118 net new full-time permanent positions.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD2898-2019 Essilor - Project Site Map, 2. ORD2898-2019 Essilor - Fact Sheet JCTC

Date	Ver.	Action By	Action	Result
11/27/2019	1	CITY CLERK	Attest	
11/26/2019	1	MAYOR	Signed	
11/25/2019	1	COUNCIL PRESIDENT	Signed	
11/25/2019	1	Columbus City Council	Approved	Pass
11/18/2019	1	Columbus City Council	Read for the First Time	

BACKGROUND: The need exists to enter into a Job Creation Tax Credit Agreement with Essilor of America, Inc. and Essilor Laboratories of America, Inc. (collectively, and hereinafter referred to as “Essilor”). The Ohio Tax Credit Legislation (Section 718.15 of the Ohio Revised Code) authorizing such agreements became effective January 14, 1993 and requires the City to enter a Council-approved agreement between the City and a participating company.

Essilor of America, Inc., founded in 1985, and Essilor Laboratories of America, Inc., founded in 1972, is one of the leading providers of eyeglass lenses in the United States and has been operational for more than 150 years. Essilor is a manufacturer and wholesale distributor of optical lenses that specializes in ophthalmic lens production and wholesale optical laboratory operations. The company produces a range of technologically advanced lenses, such as Essilor's Varilux, Crizal, Thin&Lite, Airwear and Transitions. The company operates a network of independent laboratories that serve opticians, optometrists and ophthalmologists nationwide. The company's mission is improving lives by improving sight. Essilor's parent company is EssilorLuxottica S.A., a French-based international ophthalmic optics company headquartered in Charenton-le Pont, France.

Essilor is proposing to invest a total capital expenditure of approximately \$24,200,000, which includes \$20,900,000 in machinery and equipment, and \$3,300,000 in leasehold improvements to create a new state-of-the-art lens processing facility. The proposed lens processing facility will be co-located within Essilor's existing distribution center located at 2400 Spiegel Drive, Groveport, Ohio 43125, parcel number 495-239965 (the “**Project Site**”). The company is proposing to enter into a lease agreement for additional available space consisting of approximately 98,966 square feet, expanding its existing distribution center from 231,213 square feet to approximately 330,179 square feet. Additionally, Essilor proposes to create 118 net new full-time permanent positions with an annual payroll of approximately \$4,518,530 and retain 342 full-time positions with an annual payroll of approximately \$12,465,089 at the proposed **Project Site**.

Essilor of America, Inc. and Essilor Laboratories of America, Inc. are requesting a Job Creation Tax Credit from the City of Columbus to assist in the development of the aforementioned project. This legislation is presented as 30-day legislation.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Job Creation Tax Credit Agreement of fifty percent (50%) for a period of six (6) consecutive years with Essilor of America, Inc. and Essilor Laboratories of America, Inc. in consideration of the company's total proposed capital investment of approximately \$24.2 million and the creation of 118 net new full-time permanent positions.

WHEREAS, contingent on the City granting a Job Creation Tax Credit, Essilor of America, Inc. and Essilor Laboratories of America, Inc. (collectively, and hereinafter referred to as "Essilor"), will expand its existing distribution facility and create a new state-of-the-art lens processing facility. The proposed lens processing facility will be co-located within Essilor's existing distribution center located at 2400 Spiegel Drive, Groveport, Ohio 43125 (the "**Project Site**"), parcel number 495-239965; and

WHEREAS, Essilor is proposing to invest a total capital expenditure of approximately \$24,200,000, which include \$20,900,000 in machinery and equipment, and \$3,300,000 in leasehold improvements to create a new state-of-the-art lens processing facility; and

WHEREAS, Essilor is proposing to enter into a lease agreement for additional available space consisting of approximately 98,966 square feet, expanding its existing distribution center from 231,213 square feet to approximately 330,179 square feet; and

WHEREAS, Essilor proposes to create 118 net new full-time permanent positions with a new estimated annual payroll of approximately \$4,518,530 and retain 342 full-time jobs with an annual payroll of approximately \$12,465,089, to increase employment opportunities and strengthen the economy of the city; and

WHEREAS, receiving these tax credits from the City is a critical factor in Essilor's decision to go forward with the aforementioned project in Columbus; and

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 City of Columbus desires to facilitate Essilor's growth at the **Project Site**; **NOW, THEREFORE**,

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

SECTION 1. That the City hereby finds and determines that the project will (1) create jobs in the State and City; (2) the project is economically sound and will benefit the people of the State and City by increasing opportunities for employment and strengthening the economy of the State and City; and (3) receiving the aforementioned tax credits is a critical factor in the decision for Essilor of America, Inc. and Essilor Laboratories of America, Inc. to go forward with the project.

SECTION 2. That the Director of the Department of Development is hereby authorized to enter into and execute a Job Creation Tax Credit Agreement of fifty percent (50%) of the amount of City income tax withheld on new employees for a term up to six (6) consecutive years with Essilor of America, Inc. and Essilor Laboratories of America, Inc.

SECTION 3. That the City of Columbus Job Creation Tax Credit Agreement is signed by Essilor of America, Inc. and Essilor Laboratories of America, Inc. 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 the Department of Development to amend the Essilor

of America, Inc. and Essilor Laboratories of America, Inc. City of Columbus Job Creation Tax Credit 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.