



Legislation Details (With Text)

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Type: Ordinance **Status:** Passed
File created: 10/31/2022 **In control:** Economic Development Committee
On agenda: 12/5/2022 **Final action:** 12/7/2022

Title: To authorize the Director of the Department of Development to enter into a dual-rate Jobs Growth Incentive Agreement with Safecor Health, LLC for a term of up to five (5) consecutive years in consideration of the company's creation of 100 net new full-time permanent positions with an estimated annual payroll of approximately \$12,389,296.00 and the retention of 129 full-time jobs.

Sponsors:

Indexes:

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Attachments: 1. 3025-2022 Safecor Health - Project Site Map, 2. 3025-2022 Safecor Health - Fact Sheet

Date	Ver.	Action By	Action	Result
12/7/2022	1	CITY CLERK	Attest	
12/6/2022	1	MAYOR	Signed	
12/5/2022	1	COUNCIL PRESIDENT	Signed	
12/5/2022	1	Columbus City Council	Approved	Pass
11/21/2022	1	Columbus City Council	Read for the First Time	

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Safecor Health, LLC (“Safecor 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, for a term of up to five (5) consecutive years.

Safecor Health was founded in 2008 by Steve Fischbach and Ryan O'Dell in Woburn MA to fulfill an unmet need in hospital pharmaceutical unit-dose repackaging. The company expanded into Columbus in 2011 and later doubled the size of the Facility in 2018 and added additional ISO certifications to the facility. In 2020, Safecor Health continued investing in Columbus by adding additional machinery in order to expand its business. The company serves over 1000 hospitals with unit dose repackaging and has other lines of business including commercial product with distribution to wholesalers and contract packaging for other pharmaceutical companies. Safecor Health adds value to its products by reducing waste by packaging only what is required, freeing hospital pharmacies from repackaging medication, eliminating packaging mistakes, and re labeling packaging and bar coding which save hospitals time and reduce patient cost.

Safecor Health is proposing to invest a total project cost of approximately \$2,200,000, which includes \$1,700,000 in leasehold in improvements and \$500,000 in machinery and equipment to expand its operations to accommodate its increased sales growth and consumer demands. With this expansion, the company proposes to remodel an existing company owned facility at 4060 Business Park Drive, Columbus Ohio, 43204, parcel number 570-212284 and to enter into a new lease agreement on a vacant commercial space consisting of approximately 50,000 square feet at 4000 Business park Drive, Columbus, Ohio 43204, parcel number 570-231802 (collectively, and hereinafter referred to as the “**Project Site**”). Additionally, Safecor Health will retain 129 full-time jobs with an annual payroll of approximately \$7.71 million and create 100 net new full-time permanent positions with a cumulative estimated annual payroll of

approximately \$5.5 million at the proposed **Project Site**.

Safecor Health is requesting a dual-rate Jobs Growth Incentive from the City of Columbus to assist in the expansion 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 dual-rate Jobs Growth Incentive Agreement with Safecor Health, LLC for a term of up to five (5) consecutive years in consideration of the company's creation of 100 net new full-time permanent positions with an estimated annual payroll of approximately \$12,389,296.00 and the retention of 129 full-time jobs.

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 Safecor Health, LLC ("Safecor Health"); and

WHEREAS, Safecor Health is proposing to invest a total project cost of approximately \$2,200,000, which includes \$1,700,000 in leasehold improvements and \$500,000 in machinery and equipment to expand its operation to accommodate its increased sales growth and consumer demands; and

WHEREAS, with this expansion, Safecor Health proposes to remodel an existing company owned facility at 4060 Business Park Drive, Columbus Ohio, 43204, parcel number 570-212284 and to enter into a new lease agreement on a vacant commercial space consisting of approximately 50,000 square feet at 4000 Business Park Drive, Columbus, Ohio 43204, parcel number 570-231802 (collectively, and hereinafter referred to as the "**Project Site**"); and

WHEREAS, Safecor Health will create 100 net new full-time permanent positions with an estimated associated annual payroll of approximately \$5.5 million and retain 129 full-time jobs with an estimated annual payroll of approximately \$7.71 million at the proposed **Project Site**; and

WHEREAS, Safecor Health has indicated that a Jobs Growth Incentive is crucial to its decision to expand its operations within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Safecor 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 Safecor Health, LLC 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, for a term of up to five (5) consecutive years.

SECTION 2. Should Safecor Health, LLC not be 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 thirty percent (30%).

SECTION 3. Each year of the term of the agreement with Safecor Health, LLC 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 Safecor Health, LLC within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 5. The City Council hereby extends authority to the Director of the Department of Development to amend Safecor Health, LLC's 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 certain 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.