



Legislation Text

File #: 1054-2015, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with G&J Pepsi-Cola Bottlers, Inc. equal to twenty-five percent (25%) of the amount of personal income tax withheld on new employees for a term up to five (5) years for the purposes of encouraging job creation and increasing employment opportunities for the citizens of the Columbus community.

In 1925, the owner of the Grand Pop Bottling Company in Cincinnati decided to put the company on the market. Nell and Walter Gross and Esther and Isaac Jarson decided to purchase the company and become equal partners. Today, G&J Pepsi-Cola Bottlers, Inc. is a privately owned company comprised of seven franchises, which distribute Pepsi-Cola brand products in Athens, Columbus, Hamilton, Portsmouth, Ripley and Zanesville, Ohio and Lexington, Kentucky. The company is headquartered in Cincinnati, Ohio and operates distribution centers in Chillicothe, and Hillsboro, Ohio as well as Winchester and Harrodsburg, Kentucky. The company distributes Pepsi brand products as well as packages under Lipton, Ocean Spray, Starbucks, and SoBe labels as well as Cadbury (Dr. Pepper) beverages. The entire G&J Franchise employs over 1600 employees and has over 300 beverage routes.

G & J Pepsi-Cola Bottlers, Inc. is proposing to invest approximately \$12 million in building improvements, machinery and equipment to begin a new production line and manufacture its own plastic bottles for use of its soft drink bottling operation. The company purchased a vacant distribution warehouse consisting of approximately 25,000 square feet at 1133 Gibbard Avenue last summer, and recently made a corporate decision to begin manufacturing its own plastic bottles instead of using a third party vendor out-of-state. G & J Pepsi-Cola Bottlers, Inc. is proposing to create 14 new full-time permanent positions with an estimated annual payroll of approximately \$565,974 towards this new line of advanced manufacturing.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Jobs Growth Incentive Agreement with G&J Pepsi-Cola Bottlers, Inc. equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term up to five (5) years in consideration of the company's proposed investment of \$12 million and the creation of 14 new full-time permanent positions.

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 has received a completed Jobs Growth Incentive Application from G&J Pepsi-Cola Bottlers, Inc.; and

WHEREAS, G&J Pepsi-Cola Bottlers, Inc. is proposing to invest approximately \$12 million in building improvements, machinery and equipment in a warehouse consisting of approximately 25,000 square feet at 1133 Gibbard Avenue to begin a new production line that will allow the company to manufacture its own plastic bottles for use in its soft drink operation; and

WHEREAS, the company will create 14 new full-time permanent positions with an estimated annual payroll of approximately \$565,974; and

WHEREAS, G&J Pepsi-Cola Bottlers, Inc. has indicated that a Jobs Growth Incentive is crucial to its decision to expand the aforementioned operation in Columbus; and

WHEREAS, the City of Columbus desires to facilitate G&J Pepsi-Cola Bottlers, Inc.'s future growth at the project site; and **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 Jobs Growth Incentive Agreement with G&J Pepsi-Cola Bottlers, Inc. equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term up to five (5) years.

SECTION 2. Each year of the term of the agreement with G&J Pepsi-Cola Bottlers, Inc., 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 3. That the City of Columbus Jobs Growth Incentive Agreement is signed by G&J Pepsi-Cola Bottlers, 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 G&J Pepsi-Cola Bottlers, Inc.'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 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.