



Legislation Text

File #: 1783-2016, **Version:** 1

BACKGROUND: The City of Columbus (City) entered into a Jobs Growth Incentive Agreement (hereinafter “Agreement”) with Simonton Windows, Inc., (also referred to as the “Grantee”) effective May 23, 2011. Columbus City Council approved the Agreement by Ordinance 0348-2011, approved March 14, 2011, and granted a financial incentive based on an amount equal to twenty-five percent (25%) of the new Columbus withholding tax paid by the new employees at the project site, to commence on January 1, 2011 for a period of seven (7) consecutive taxable years based on an investment of approximately \$1.1 million in leasehold improvements and personal property, the relocation of 49 full-time positions to the City of Columbus and the creation of 46 new permanent full-time positions at 3948 Townsfair Way, Columbus, OH 43219. The Agreement was subsequently authorized to be amended for the first time to add Simonton Building Products, Incorporated as an additional Grantee to the Agreement by Ordinance 2284-2012, passed October 29, 2012, and was authorized to be amended for the second time to remove Simonton Building Products, Incorporated as a Grantee to the Agreement to be replaced by Simonton Building Products, LLC as the additional Grantee to the Agreement by Ordinance 2502-2015, passed October 19, 2015; both amendments entered into effective as of the date and year first written in the Agreement.

In a letter from the Grantee received by the City on May 26, 2016, the Grantee indicated that “on September 19, 2014 Plygem Holdings Inc. purchased Simonton Windows Inc. and Simonton Building Products LLC” and “as a result of the purchase Simonton Windows Inc. and Simonton Building Products LLC payroll were consolidated into one legal entity called Simonton Industries Inc.” and that they “would like to amend [the] Simonton [Windows, Inc. and Simonton Building Projects, LLC] Columbus Job Growth Incentive Agreement to include Simonton Industries Inc.” As such, the need exists to amend the Agreement to add Simonton Industries Inc. as an additional Grantee to the Agreement.

This legislation is requested to be considered as an emergency in order to add Simonton Industries Inc. as an additional Grantee to the Agreement so that the incentive payment can be made in a timely fashion for Report Year 2015 and beyond.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to amend the Jobs Growth Incentive Agreement with Simonton Windows, Inc. & Simonton Building Products, LLC to add Simonton Industries Inc. as an additional Grantee to the Agreement; and to declare an emergency.

WHEREAS, Columbus City Council approved a Jobs Growth Incentive Agreement (the “Agreement”) with Simonton Windows, Inc. (also referred to as the “Grantee”) by Ordinance 0348-2011 on March 14, 2011, made and entered into effective May 23, 2011; and

WHEREAS, the Agreement granted a financial incentive based on an amount equal to twenty-five percent (25%) of the new Columbus withholding tax paid at the project site, to commence on January 1, 2011 for a period of seven (7) consecutive taxable years; and

WHEREAS, in the Agreement, Grantee committed to making an investment of approximately \$1.1 million in leasehold improvements and personal property, relocating 49 full-time positions to the City of Columbus and creating 46 new permanent full-time positions at 3948 Townsfair Way, Columbus, OH 43219; and

WHEREAS, the Agreement was subsequently authorized to be amended for the first time to add Simonton Building Products, Incorporated as an additional Grantee to the Agreement by Ordinance 2284-2012, passed October 29, 2012, with this First Amendment entered into effective as of the date and year first written in the Agreement; and

WHEREAS, the Agreement was subsequently authorized to be amended for the second time to remove Simonton Building Products, Incorporated and to add Simonton Building Products LLC by Ordinance 2502-2015, passed October 19, 2015, with this Second Amendment also entered into effective as of the date and year first written in the Agreement; and

WHEREAS, a letter from the Grantee received by the City on May 26, 2016 indicated that “on September 19, 2014 Plygem Holdings Inc purchased Simonton Windows Inc. and Simonton Building Products LLC” and “as a result of the purchase Simonton Windows Inc. and Simonton Building Products LLC payroll were consolidated into one legal entity called Simonton Industries Inc.” and that they “would like to amend [the] Simonton [Windows, Inc. and Simonton Building Projects, LLC] Columbus Job Growth Incentive Agreement to include Simonton Industries Inc.,” and

WHEREAS, an amendment is needed to add Simonton Industries Inc. as a Grantee to the Agreement; and

WHEREAS, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to seek an amendment to the Jobs Growth Incentive Agreement so that the incentive payment can be made in a timely fashion for Report Year 2015 and beyond, thereby preserving the public health, peace, property and safety. **NOW, THEREFORE**,

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

SECTION 1. That the Director of Development is hereby authorized to amend the Jobs Growth Incentive Agreement with Simonton Windows, Inc. & Simonton Building Products, LLC to add Simonton Industries Inc. as a Grantee to the Agreement.

SECTION 2. That the amendment to the City of Columbus Jobs Growth Incentive Agreement be signed by Simonton Windows, Inc., Simonton Building Products, LLC and Simonton Industries Inc. within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

SECTION 3. That for reasons stated in the preamble hereto, which is hereby made a part hereof, the ordinance is hereby 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 days after the passage if the Mayor neither approves nor vetoes the same.