



Legislation Text

File #: 1800-2016, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with Jendco Inc. dba Jendco Safety 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 job creation and employment opportunities for the citizens of Columbus.

Jendco Inc. is a family owned and operated wholesale distribution company headquartered in Southeast Columbus. Established in 1989 by Beth Jarvis, the company is a global distributor of safety and industrial products. The company wholesales various safety products from top manufacturers supply such as DuPont Personal Protection, Honeywell Industrial Safety, Miller Fall Protection, MSA, Allergo, Air Systems, Accuform, Gateway, Chicago Protective Apparel, First Aid Only, Jackson Safety, HexArmor, and many more.

Jendco Inc. is proposing to invest approximately \$310,000, which includes leasehold improvements, stand-alone computers, furniture and fixtures while Integrity Drive East LLC (Jendco Inc.'s real estate holding company that is owned by Beth Jarvis) will invest approximately \$1.1 million in acquisition costs to expand and relocate Jendco Inc.'s corporate headquarters. The company will move from a 10,000-square-foot facility to a vacant office warehouse space consisting of approximately 34,840 square feet at 1303 Alum Creek Drive Columbus, Ohio, 43209. Jendco Inc. will enter into a lease agreement (with its own real estate holding company, Integrity Drive East LLC), retain and relocate 14 full-time positions with an associated annual payroll of approximately \$1.21 million and create 16 new full-time permanent positions with an estimated annual payroll of approximately \$890,240, resulting in new income tax revenue for the City of Columbus.

Jendco Inc. is requesting a Jobs Growth Incentive from the City of Columbus to assist in the expansion of this 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 Jobs Growth Incentive Agreement with Jendco Inc. dba Jendco Safety 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 \$1.41 million and the creation of 16 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 Jendco Inc.; and

WHEREAS, Jendco Inc. is proposing to invest approximately \$310,000 in leasehold improvements, stand-alone computers, furniture and fixtures while Integrity Drive East LLC (the real estate holding company for Jendco, owned by Beth Jarvis) will invest approximately \$1.1 million in acquisition costs to expand and relocate Jendco Inc.'s corporate headquarters; and

WHEREAS, Jendco Inc. will enter into a lease agreement (with its own real estate holding company, Integrity Drive East

LLC) on a vacant office warehouse space consisting of approximately 34,840 sq. ft. at 1303 Alum Creek Drive Columbus, Ohio 43209; and

WHEREAS, Jendco Inc. will retain and relocate 14 existing positions with an estimated annual payroll of approximately \$1.21 million, and create 16 new full-time permanent positions with an estimated annual payroll of approximately \$890,240; and

WHEREAS, Jendco 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 Jendco Inc.'s future growth at the project site; **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 Jendco Inc. dba Jendco Safety 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 Jendco Inc. dba Jendco Safety 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 Jendco Inc. dba Jendco Safety 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 Jendco Inc. dba Jendco Safety 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.