



Legislation Text

File #: 1755-2018, **Version:** 2

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Prime Equipment Group, Inc., Prime Property Group, LTD, and Prime Leasing Group, LTD (hereinafter collectively “Prime Equipment”) 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, both for a term of up to five (5) consecutive years.

Prime Equipment Group, Inc. is a Columbus-based manufacturer of poultry processing equipment. Founded in 1992, Prime Equipment Group is a privately held company that was started, and is still run by, the Gasbarro family, which has owned and operated poultry plants and poultry-processing businesses for more than 65 years. Prime Equipment Group designs and builds stand-alone machines, as well as customized equipment systems and equipment from brand partners for processing plants all over the world. The company also offers helpful engineering assistance, hands-on field support, and a quality selection of spare and replacement parts for multiple industries in over 15 countries.

Prime Equipment Group, Inc., the operating company and employer of record, is proposing to relocate their operations from 2000 East Fulton Street, Columbus, Ohio 43205 to 2001 Courtright Road, Columbus, Ohio 43232 (“Project Site”) to proceed with an expansion of operations. As part of this expansion, Prime Property Group, LTD, a related entity, is expected to purchase the 228,935-square-foot building to house fabrication and administrative operations. Another related entity, Prime Leasing Group, LTD, is expected to equip and furnish the Project Site. All three entities collectively are hereinafter referred to as Prime Equipment.

In total, the project involves a total investment of approximately \$4,900,000 related to building acquisition, building improvements, and the acquisition of machinery and equipment. Prime Equipment Group, Inc. anticipates retaining 105 existing full-time permanent positions with an associated annual payroll of approximately \$5,556,907 and creating 20 new full-time permanent positions with an associated new annual payroll of approximately \$1,119,800.

FISCAL IMPACT: No funding is required for this legislation

To authorize the Director of Development to enter into a dual-rate Jobs Growth Incentive with Prime Equipment Group, Inc., Prime Property Group, LTD, and Prime Leasing Group, LTD (hereinafter collectively “Prime Equipment”) for a term of up to five (5) consecutive years in consideration of investing an estimated \$4,900,000.00, retaining 105 full-time permanent positions, and creating 20 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 received a completed Jobs Growth Incentive Application from Prime Equipment; and

WHEREAS, Prime Equipment will relocate operations from 2000 East Fulton Street, Columbus, Ohio 43205 to 2001 Courtright Road, Columbus, Ohio 43232 after acquiring and equipping a 228,395-square-foot building to house fabrication and administrative operations; and

WHEREAS, Prime Equipment Group, Inc. will retain 105 existing full-time permanent positions with an associated annual payroll of approximately \$5,556,907 and create 20 new full-time permanent positions with an associated new

annual payroll of approximately \$1,119,800; and

WHEREAS, Prime Property Group, LTD is expected to purchase the 228,935-square-foot building and Prime Leasing Group, LTD is expected to equip and furnish the Project Site for a total investment of approximately \$4,900,000; and

WHEREAS, both Prime Property Group, LTD and Prime Leasing Group, LTD are entities related to Prime Equipment Group, Inc.; and

WHEREAS, Prime Equipment has indicated that a Jobs Growth Incentive is crucial to its decision to expand operations in the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Prime Equipment at the Project Site by providing a Jobs Growth Incentive; 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 dual-rate Jobs Growth Incentive Agreement with Prime Equipment Group, Inc., Prime Property Group, LTD, and Prime Leasing Group, LTD (hereinafter collectively “Prime Equipment”) 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, both for a term of up to five (5) consecutive years.

SECTION 2. If Prime Equipment is not 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 twenty-five percent (25%).

SECTION 3. Each year of the term of the agreement with Prime Equipment, 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 Prime Equipment 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 Development to amend the Prime Equipment and City of Columbus Jobs Growth Incentive Agreement for non-substantive modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of Development with these non-substantive 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.