



Legislation Text

File #: 2993-2018, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Installed Building Products, Inc. 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.

Installed Building Products, Inc. (IBP) is the second largest insulation installer serving the residential new construction market in the United States. Installed Building Products, Inc. is a holding company that was incorporated in October 2011. The company technically began in 1977 with one location, known at that time as Edwards Insulation in Columbus, Ohio. As of December 31, 2016, the company's national platform included over 100 locations accessing customers in 48 continental states and the District of Columbia. IBP also installs complementary building products, including garage doors, rain gutters, shower doors, closet shelving and mirrors, which provides cross-selling opportunities to supplement its insulation installation business. The company also provides roof installation services. Jeffrey W. Edwards is the current President, Chief Executive Officer and Chairman of the company.

Installed Building Products, Inc. is proposing to invest a total project cost of approximately \$680,850, which includes \$378,000 in lease-hold improvements, \$101,850 in stand-alone computers, and \$181,000 in furniture and fixtures to expand its corporate headquarters at 495 S. High Street, Columbus, Ohio 43215 located in the Brewery District. With this expansion, the company plans to renovate approximately 32,500 sq. ft. of office space to support its strategic growth plan, as the company continues to grow its footprint in various markets, and to accommodate future acquisitions. Additionally, Installed Building Products, Inc. will retain 145 full-time jobs with an annual payroll of approximately \$11.76 million and create 52 net new full-time permanent positions with a cumulative estimated annual payroll of approximately \$3.32 million to support its strategic growth initiative.

Installed Building Products, Inc. is requesting a dual-rate 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 dual-rate Jobs Growth Incentive Agreement with Installed Building Products, Inc. for a term of up to five (5) consecutive years in consideration of the company's proposed capital investment of \$660,850.00, the retention of 145 jobs and the creation of 52 net new full-time permanent positions with an estimated annual payroll of approximately \$3.32 million.

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 Installed Building Products, Inc.; and

WHEREAS, Installed Building Products, Inc. proposes to expand its corporate headquarters by investing a total project cost of approximately \$660,850, which includes \$378,000 in lease-hold improvements, \$101,850 in stand-alone computers, and \$181,000 in furniture and fixtures. With this expansion, the company plans to renovate approximately 32,500 sq. ft. of office space to support its strategic growth plan, as the company continues to grow its footprint in various markets, and to accommodate future acquisitions at 495 S. High Street, Columbus, Ohio, parcel number 010-215363 and

010-251491, located in the Brewery District; and

WHEREAS, Installed Building Products, Inc. will retain 145 full-time jobs with an annual payroll of approximately \$11.76 million and create 52 net new full-time permanent positions with a cumulative estimated annual payroll of approximately \$3.32 million to support its strategic growth initiative; and

WHEREAS, Installed Building Products, Inc. has indicated that a Jobs Growth Incentive is crucial to its decision to expand its corporate headquarters within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Installed Building Products, Inc. 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 Installed Building Products, Inc. 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 Installed Building Products, Inc. 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 twenty-five percent (25%).

SECTION 3. Each year of the term of the agreement with Installed Building Products, 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 4. That the City of Columbus Jobs Growth Incentive Agreement is signed by Installed Building Products, Inc. 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 Installed Building Products, 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 6. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.