

The Columbus Dispatch

City Council OKs employer penalties for 'wage theft,' and more tax breaks

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Columbus City Council approved legislation that tells companies the city won't do business with them if they don't fairly pay their workers.

The Columbus City Council sent a message Monday to employers engaged in "wage theft" from employees -- such as not paying minimum or prevailing wages or overtime -- and awarded two more companies tax breaks.

Under a bill adopted by the council, those employers will be ineligible for up to four years to receive any financial incentives the city provides, as well as city contracts, building permits, and commercial licenses or business permits. They won't be able to register register with the city's vendor services portal, or to perform work at a development site covered by a financial incentive agreement.

The ban also applies to companies misclassifying workers as independent contractors.

Councilman Rob Dorans, who sponsored the legislation, called it a "fair day's wage for a fair day's work."

Dorans, who also is the chief legal counsel for the union-affiliated Affiliated Construction Trades of Ohio, said if employers fail to treat workers with dignity, they will not be able to do business with the city.

"It's good for reputable employers and good for the city's bottom line," Dorans said. He said the city has lost significant tax dollars because of these practices.

Dorsey Hager, executive secretary-treasurer of the Columbus/Central Ohio Building and Construction Trades, said many workers don't have the financial resources to defend themselves. "The working poor are taken advantage of by unscrupulous contractors and employers.

Also on Monday, the council approved 10-year, 75% property tax abatements for two companies.

Franklin International, an adhesives and glue manufacturer, plans to invest \$12.5 million into its South Side operation, including a new 21,780-square-foot building and renovation of a 30,000-square-foot building at 174 Hosack St.

The investment is expected to result in the creation of two new jobs and retention of 350 existing jobs. It will save the company \$754,265 in property taxes over the 10 years.

"We want to continue to invest in central Ohio in the south end of Columbus," said Nick Ford, the company's vice president of business and technical support.

HQ Office I LLC plans to build a \$19.2 million, 141,000-square-foot speculative office building at 4960 E. Dublin-Granville Rd. on the city's Northeast Side. Work is expected to begin this month.

The developer is a subsidiary of Hamilton Crossing LLC. The officers of Hamilton Crossing are: Robert C. White, Don M. Casto III, Christopher Ruess, Brent Bradbury, Robert C. White Jr., and Paul Ghidotti.

The abatement will save the developer \$4.15 million in taxes over the 10 years.

Joe Motil, a former Columbus City Council candidate who has been critical of tax abatements, harshly questioned why city officials were granting tax breaks at a time when they just had to cut \$41.5 million from the city operating budget.

"You don't blink an eye giving away millions in tax revenue," he said. "You are giving away resources that you claim to be so damned concerned about."

In other business, the council awarded \$14.2 million in federal CARES Act money to 80 social services organizations.

The city and Franklin County received 247 applications seeking a total \$91 million.

In the end, 80 organizations received money through the city, and 30 received a total of \$5 million from the county.

Jimmy Mehl, executive director of the Columbus Diaper Bank, said fundraising has been difficult this year because of COVID-19 while the need is great. He said his agency distributed 200,000 diapers last year and will likely double that in 2020.

City Council also approved another \$883,355 in CARES money so Columbus Public Health -- in partnership with Ohio State University Hospitals -- can provide more COVID-19 testing through the end of the year.

The council also:

* Approved \$164,500 for the city Department of Recreation and Parks to contract with the Columbus Urban League and another \$164,500 to contract with the Community for New Direction for violence prevention programs. There have been 110 homicides in Columbus this year as of Monday evening. There were 104 in all of 2019 and the city is on a pace to potentially pass the record 143 homicides in 2017.

* Approved allocating \$2.5 million in cash and property seized and forfeited to Columbus police to pay for police training and travel, office furniture and this year, for equipment to move helicopters in the hangar.

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