



Legislation Details (With Text)

File #: 0515-2015 **Version:** 1
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File created: 2/11/2015 **In control:** Development Committee
On agenda: 3/2/2015 **Final action:** 3/4/2015

Title: To authorize the Director of the Department of Development to enter into a Job Creation Tax Credit Agreement of fifty percent (50%) for a period of six (6) years with Superior Production, LLC dba The Superior Die, Tool and Machine Co. in consideration of the company's proposed investment of \$7.45 million and the creation of 35 new full-time permanent positions.

Sponsors:

Indexes:

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Attachments: 1. ORD0515-2015 Superior Die - Fact Sheet, 2. ORD0515-2015 Superior Die - Project Site Map

Date	Ver.	Action By	Action	Result
3/4/2015	1	CITY CLERK	Attest	
3/3/2015	1	MAYOR	Signed	
3/2/2015	1	COUNCIL PRESIDENT	Signed	
3/2/2015	1	Columbus City Council	Approved	Pass
2/23/2015	1	Columbus City Council	Read for the First Time	

BACKGROUND: The need exists to enter into a Job Creation Tax Credit Agreement with Superior Production, LLC dba The Superior Die, Tool and Machine Co. The Ohio Tax Credit Legislation (Section 718.15 of the Ohio Revised Code) authorizing such agreements became effective January 14, 1993 and requires the City to enter a Council-approved agreement between the City and a participating company.

Superior Production, LLC dba The Superior Die, Tool and Machine Co. was founded in 1913 by the Holstein family, and is headquartered in the Southeast business corridor of Columbus, Ohio. The company has been a manufacturer of automotive, agriculture and appliance dies and metal stampings for over 60 years. The Superior Die Tool & Machine Co. produces a wide range of products for light trucks, lawn, garden and agricultural applications. It provides a variety of products, including quarter panels, pillars, brackets, braces, hoods, back windows, dash panels, door inners, floor pans, fenders and bumpers. The company offers a variety of services, such as concentrator and conventional milling, die repair engineering changes, welding, die construction, stamping and emergency assistance. The Superior Die, Tool and Machine Co. serves various customers, including Honda, Ford Motor Company, Mack Truck, Tower Automotive, General Motors, Jefferson Industries and MTD Products. In addition, the company maintains a large inventory of equipment that includes welders, grinders, die separators, boring machines, lathes, radial drill presses, forklifts, saws and small conventional mills.

The Superior Die Tool & Machine Co. is proposing to invest approximately \$7.45 million, which includes facility improvements, machinery, equipment, inventory, furniture and fixtures to expand its current operation. In addition, the company is proposing to create 35 new full-time permanent positions with an estimated annual payroll of approximately \$1.1 million and retain 120 full-time jobs with an annual payroll of approximately \$7.36 million.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Job Creation Tax Credit Agreement of fifty percent (50%) for a period of six (6) years with Superior Production, LLC dba The Superior Die, Tool and Machine Co. in consideration of the company's proposed investment of \$7.45 million and the creation of 35 new full-time permanent positions.

WHEREAS, pursuant to Section 122.17 of the Ohio Revised Code, the State of Ohio is authorized to establish the Tax Credit Authority and to execute agreements with taxpayers of the State of Ohio for the purpose of granting these tax payers job creation tax credits against their corporate franchise tax or income tax, which tax credits are provided to create new jobs in the State Of Ohio; and

WHEREAS, pursuant to Section 718.15 of the Ohio Revised Code (the "City Act") a municipal corporation is authorized to grant local income tax credits to taxpayers that foster new jobs in the municipality; and

WHEREAS, contingent on the City granting a Job Creation Tax Credit, The Superior Die, Tool and Machine Co. will expand its current operations in the City by creating 35 new full-time permanent positions with an estimated annual payroll of approximately \$1.1 million and retain 120 full-time jobs with an annual payroll of approximately \$7.36 million. In addition, the company will invest roughly \$7.45 million at the project site (2301 Fairwood), which includes building improvements, machinery, equipment, inventory, furniture and fixtures, to increase job opportunities and strengthen the economy of the city; and

WHEREAS, receiving these tax credits from the State and the City is a critical factor in The Superior Die, Tool and Machine Co.'s decision to go forward with the project in Columbus; and

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 Superior Die, Tool and Machine Co. has indicated that a Job Creation Tax Credit is crucial to its decision to locate the aforementioned expansion in Columbus; and

WHEREAS, the City of Columbus desires to facilitate The Superior Die, Tool and Machine Co.'s growth at the project site; **NOW THEREFORE**,

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

SECTION 1. That the City hereby finds and determines that the project will (1) create jobs in the State and City; (2) the project is economically sound and will benefit the people of the State and City by increasing opportunities for employment and strengthening the economy of the State and City; and (3) receiving the aforementioned tax credits is a critical factor in the decision by Superior Production, LLC dba The Superior Die, Tool and Machine Co. to go forward with the project.

SECTION 2. That the City Council hereby finds and determines that the project meets all the requirements of the City Act.

SECTION 3. That the Director of the Department of Development is hereby authorized and directed to enter into and execute a Job Creation Tax Credit of fifty percent (50%) of the amount of personal income tax withheld on new employees for a term of six (6) years with Superior Production, LLC dba The Superior Die, Tool and Machine Co.

SECTION 4. That the City of Columbus Job Creation Tax Credit Agreement is signed by Superior Production, LLC dba The Superior Die, Tool and Machine Co. 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 Superior

Production, LLC dba The Superior Die, Tool and Machine Co. City of Columbus Job Creation Tax Credit 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.