



Legislation Details (With Text)

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Title: To dissolve the Enterprise Zone Agreement with Superconductive Components, Inc. at the company's request, to end the tax exemptions, and to direct the Director of the Department of Development to notify as necessary the local and state tax authorities; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
10/26/2005	1	ACTING CITY CLERK	Attest	
10/25/2005	1	MAYOR	Signed	
10/24/2005	1	Columbus City Council	Approved	Pass
10/24/2005	1	COUNCIL PRESIDENT	Signed	
10/11/2005	1	Dev Drafter	Sent to Clerk's Office for Council	
10/7/2005	1	Dev Drafter	Sent for Approval	
10/7/2005	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
10/7/2005	1	Dev Drafter	Sent for Approval	
10/7/2005	1	CITY ATTORNEY	Reviewed and Approved	

BACKGROUND: This legislation will dissolve the City's Enterprise Zone Agreement with Superconductive Components, Inc. (the "EZA") at the company's request. The EZA, signed in October 2003, provides for a 50%/6-year abatement on personal property. Total project investment was to be \$1.8 million, of which personal property comprised \$1.5 million. The investment was scheduled to be completed by the end of April 2004 but delays occurred and at the end of 2004 only \$810,000 had been invested. The first year of exemption was taken for the 2005 Tax Year and normally the abatement would run through the 2010 Tax Year. However, the Ohio personal property tax rates will be reduced over the next three years with the 2008 Tax Year to be the final year for the tax. The company has determined that as a result of the phase-out and elimination of the personal property tax and also due to delays in development of the project, the tax savings from the abatement would be much less than anticipated. Superconductive Components requested on August 11, 2005 that the City dissolve the EZA and several days later the City recommended this action to the Columbus Tax Incentive Review Council (TIRC). The TIRC voted on August 15, 2005 to accept the City's recommendation to dissolve the EZA.

FISCAL IMPACT: No funding is required for this legislation.

To dissolve the Enterprise Zone Agreement with Superconductive Components, Inc. at the company's request, to end the tax exemptions, and to direct the Director of the Department of Development to notify as necessary the local and state tax authorities; and to declare an emergency.

WHEREAS, Columbus City Council approved an Enterprise Zone Agreement with Superconductive Components, Inc. (the "EZA") by Ordinance No. 2182-2003 on September 29, 2003; and

WHEREAS, the EZA grants Superconductive Components, Inc. ("Superconductive") a 50%/6-year abatement on personal property, for a total investment of \$1.8 million, the retention of 19 existing jobs and the creation of 15 new jobs; and

WHEREAS, Superconductive is in compliance with its EZA retention goal, has time remaining to create the required number of new jobs, but project investment is behind schedule (\$810,000 invested) and is not anticipated to be complete until sometime in 2006 or 2007; and

WHEREAS, Superconductive used the tax exemptions granted by the EZA in only Tax Year 2005 and the amount of the exempt taxes was small (estimated at \$1,651); and

WHEREAS, the personal property tax exemptions granted by the EZA would result in less than anticipated tax savings for Superconductive in future years due to the phase-out of Ohio's personal property tax combined with delays in the company's project investment; and

WHEREAS, Superconductive has requested that the City dissolve the EZA and the City desires to grant the company's request; and

WHEREAS, the City recommended to the Columbus Tax Incentive Review Council (TIRC) that the EZA be dissolved at the request of Superconductive and on August 15, 2005 the TIRC voted to accept the City's recommendation; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to take action on the TIRC's recommendations to comply with the sixty (60) day deadline for City Council action imposed by imposed by R.C. Section 5709.85 and to preserve the public health, property, safety and welfare; **NOW, THEREFORE,**

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

Section 1. The City hereby dissolves the Enterprise Zone Agreement with Superconductive Components, Inc., ends the associated tax exemptions with 2004 (2005 Tax Year) as the final year of exemption, and directs the Director of Development to notify as necessary the state and local authorities.

Section 2. For the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.