



Legislation Details (With Text)

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Type: Ordinance **Status:** Passed

File created: 9/21/2005 **In control:** Jobs and Economic Development Committee

On agenda: 10/24/2005 **Final action:** 10/26/2005

Title: To authorize the Director of the Department of Development to enter into an agreement with Chasm Industries for a Jobs Creation Tax Credit of sixty-five percent (65%) for a period of ten (10) years; 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 | |
| 9/22/2005 | 1 | Dev Drafter | Sent for Approval | |

BACKGROUND: The need exists to enter into a Jobs Creation Tax Credit Agreement with Chasm Industries. The Ohio Tax Credit Legislation (Section 718.08 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.

Chasm Industries plans to expand its business into the City of Columbus at 2626 Port Road. Chasm Industries does not currently have a location in Columbus. The project will include an investment of \$3.5 million that will include \$546,400 in real property improvements, \$2,658,600 for machinery & equipment, \$195,000 for furniture & fixtures, and \$100,000 for stand-alone computers. The project also includes the relocation and retention of 21 (twenty-one) full-time permanent jobs, which will be new to Columbus, and the creation of 100 full-time permanent jobs. The anticipated annual payroll will be \$3,320,240.

The Department of Development recommends a 65%/10 year Jobs Creation Tax Credit. Only jobs with an average hourly rate of \$10.00 or more per hour will be eligible for the tax credit.

Emergency action is requested in order to allow Chasm Industries to make a decision on the location of the proposed project as quickly as possible.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into an agreement with Chasm Industries for a Jobs Creation Tax Credit of sixty-five percent (65%) for a period of ten (10) years; and to declare an emergency.

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 taxpayers job creation tax credits against their corporate franchise or income tax, which tax credits are provided to create new jobs in the State of Ohio; and

WHEREAS, this legislation is contingent upon the Ohio Department of Development granting Chasm Industries a Jobs Creation Tax Credit; and

WHEREAS, pursuant to Section 718.08 of the Ohio Revised Code (the "City Act") a municipal corporation is authorized to grant local income tax credits to taxpayers who have received tax credits from the State; and

WHEREAS, contingent on the City granting a Jobs Creation Tax Credit, Chasm Industries will expand into Columbus, relocate and retain 21 full-time permanent jobs which will be new to Columbus, create 100 full-time permanent jobs, invest \$3.5 million which will include real property improvements of \$546,400, machinery & equipment of \$2,658,600, furniture & fixtures of \$195,000 and stand-alone computers of \$100,000 and increase opportunities for employment and strengthen the economy of the city; and

WHEREAS, receiving these tax credits from the State and the City is a critical factor in Chasm Industries' decision to go forward with the project; and

WHEREAS, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to enter into an agreement with Chasm Industries, all for the preservation of public health, peace, property and safety; **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 Chasm Industries 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 10-year, 65% Jobs Creation Tax Credit Agreement with Chasm Industries. Only jobs with an average hourly rate of \$10.00 or more will be eligible for the tax credit.

Section 4. That for reasons stated in the preamble hereto, which is hereby made a part hereof, the ordinance is hereby 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 days after the passage if the Mayor neither approves nor vetoes the same.