



Legislation Details (With Text)

File #: 1104-2024 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 4/10/2024 **In control:** Economic Development & Small and Minority Business Committee

On agenda: 5/6/2024 **Final action:** 5/9/2024

Title: To authorize the Director of the Department of Development to enter into a Job Creation Tax Credit Agreement of forty-five percent (45%) for a term of up to six (6) consecutive years with Nuvo Packaging, LLC, in consideration of the company’s proposed total capital investment of \$10,000,000.00 and the creation of one-hundred (100) net new full-time permanent positions with an estimated annual payroll of approximately \$5,872,653.00.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 1104-2024 Nuvo Packaging LLC - Project Site Map, 2. 1104-2024 Nuvo Packaging LLC - Fact Sheet

Date	Ver.	Action By	Action	Result
5/9/2024	1	ACTING CITY CLERK	Attest	
5/7/2024	1	MAYOR	Signed	
5/6/2024	1	COUNCIL PRESIDENT	Signed	
5/6/2024	1	Columbus City Council	Approved	Pass
4/29/2024	1	Columbus City Council	Read for the First Time	

BACKGROUND: The need exists to enter a Job Creation Tax Credit Agreement with Nuvo Packaging, LLC (“Nuvo Packaging”). 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.

Nuvo Packaging is a plastic thermoforming company with a niche in the recyclable food-packaging sector. Nuvo Packaging serves the bakery, deli, confectionary, and food service industries. The company was established to serve as a contract manufacturer for Pinnpack Capital Holdings, a plastic thermoforming company based out of California. The new Ohio manufacturing facility will serve customers on the East Coast, while growing the company’s customer base.

Nuvo Packaging is proposing to invest a total capital expenditure of approximately \$10,000,000.00 in machinery and equipment to establish a new manufacturing operation in the City of Columbus. With this investment, the company proposes to enter into a lease agreement on a vacant industrial facility consisting of approximately 96,000 square feet at 845 Kaderly Drive, Columbus, Ohio, parcel number 010-110865 (the “**Project Site**”). The proposed project will allow Nuvo Packaging to expand into the Columbus region by creating one-hundred (100) net new full-time permanent positions with a cumulative associated estimated annual payroll of approximately \$5,872,653.00 at the proposed **Project Site**.

Nuvo Packaging, LLC is requesting a Job Creation Tax Credit from the City of Columbus to assist in the development of the aforementioned 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 Job Creation Tax Credit Agreement of forty-five percent (45%) for a term of up to six (6) consecutive years with Nuvo Packaging, LLC, in consideration of the company's proposed total capital investment of \$10,000,000.00 and the creation of one-hundred (100) net new full-time permanent positions with an estimated annual payroll of approximately \$5,872,653.00.

WHEREAS, Nuvo Packaging, LLC (“Nuvo Packaging”) is a plastic thermoforming manufacturing company with a niche in the recyclable food-packaging sector. Nuvo Packaging serves the bakery, deli, confectionary, and food service industries. The company was established for to serve as a contract manufacturer for Pinnpack Capital Holdings, a plastic thermoforming company based out of California. The new Ohio manufacturing facility will serve customers on the East Coast, while growing the company's customer base; and

WHEREAS, the company is proposing to invest a total capital expenditure of approximately \$10,000,000.00 in machinery and equipment to establish a new manufacturing operation in the City of Columbus. With this investment, the company proposes to enter into a lease agreement on a vacant industrial facility consisting of approximately 96,000 square feet at 845 Kaderly Drive, Columbus, Ohio, parcel number 010-110865 (the “**Project Site**”); and

WHEREAS, Nuvo Packaging proposes to create one-hundred (100) net new full-time permanent positions with a cumulative associated estimated annual payroll of approximately \$5,872,653.00 at the proposed **Project Site**; 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, Nuvo Packaging has indicated that a Job Creation Tax Credit is crucial to its decision to establish the aforementioned project in the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Nuvo Packaging at the proposed **Project Site** by providing a Job Creation Tax Credit; **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 for Nuvo Packaging, LLC to go forward with the project.

SECTION 2. That the Director of the Department of Development is hereby authorized to enter into a Job Creation Tax Credit Agreement with Nuvo Packaging, LLC of forty-five percent (45%) of the amount of City income tax withheld on new employees for a term up to six (6) consecutive years with Nuvo Packaging, LLC.

SECTION 3. That the City of Columbus Job Creation Tax Credit Agreement is signed by Nuvo Packaging, LLC within 90 days of the passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 4. That the Columbus City Council hereby extends authority to the Director of the Department of Development to amend Nuvo Packaging, LLC, City of Columbus Job Creation Tax Credit Agreement for certain modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of the Department of Development with these certain 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. Columbus City Council must approve all other requested amendments.

SECTION 5. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.