



Legislation Details (With Text)

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Type: Ordinance **Status:** Passed

File created: 6/20/2012 **In control:** Development Committee

On agenda: 7/16/2012 **Final action:** 7/18/2012

Title: To authorize the Director of the Department of Development to enter into a Job Creation Tax Credit Agreement of sixty-five percent (65%) for a period of seven (7) years with Allied Mineral Products, Inc. in consideration of the company's proposed investment of \$5.0 million, the creation of 39 new full-time permanent positions and the retention of 225 full-time jobs.

Sponsors:

Indexes:

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Attachments: 1. ORD1428-2012 Allied Mineral JCTC - Fact Sheet, 2. ORD1428-2012 Allied Mineral - Project Site Map

Date	Ver.	Action By	Action	Result
7/18/2012	1	CITY CLERK	Attest	
7/17/2012	1	MAYOR	Signed	
7/16/2012	1	COUNCIL PRESIDENT	Signed	
7/16/2012	1	Columbus City Council	Approved	Pass
7/9/2012	1	Columbus City Council	Read for the First Time	

BACKGROUND: The need exists to enter into a Job Creation Tax Credit Agreement with Allied Mineral Products, Inc. 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.

Allied Mineral Products, Inc. is a global company that was founded in 1961, headquartered in Columbus, Ohio. The company is the worldwide leader in the design and manufacture of monolithic refractories and precast refractory shapes, including castables, dry vibratables, wet rammables, precast shapes, bricks/mortars, gunning materials, plastics, mica and cloth slips, plane products, fluxes, installation equipment, fiber insulation products, refractory coatings. Allied Mineral Products, Inc. offers refractory solutions and develops, manufactures and markets products for various metal melting applications. The company offers a wide variety of products, such as DRI-VIBE, MINRO-SIL, MINRO-AL, and MINRO-SIL LD refractories and compositions. The company has manufacturing facilities in Brownsville, Texas, Mexico, Australia, Russia, Turkey, China, South Africa and Italy.

Allied Mineral Products, Inc. is proposing to expand its corporate headquarters by investing \$5.0 million in new high-tech machinery, equipment, and building improvements. The company will retain 225 full-time jobs and create approximately 39 new full-time permanent positions with an estimated annual payroll of \$1.6 million.

The State has offered a Job Creation Tax Credit of 45% for 8 years for Allied Mineral Products, Inc.

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 sixty-five percent (65%) for a period of seven (7) years with Allied Mineral Products, Inc. in consideration of the company's proposed investment of \$5.0 million, the creation of 39 new full-time permanent positions and the retention of 225 full-time jobs.

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, the Ohio Department of Development has offered a 45%/8-year Job Creation Tax Credit for Allied Mineral Products, Inc.; 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 who have received tax credits from the State; and

WHEREAS, contingent on the City granting a Job Creation Tax Credit, Allied Mineral Products, Inc. will expand its' corporate headquarters by creating 39 new full-time permanent positions with an annual payroll of \$1.6 million, retaining 225 full-time jobs, investing \$525,000 in building improvements and \$4.4 million in high-tech machinery and equipment, and 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 Allied Mineral Products, Inc.'s decision to go forward with the project in Columbus; and **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 Allied Mineral Products, Inc. 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 sixty-five percent (65%) of the amount of personal income tax withheld on new employees for a term seven (7) years with Allied Mineral Products, Inc.

Section 4. That the City of Columbus Job Creation Tax Credit Agreement is signed by Allied Mineral Products, Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

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