



Legislation Text

File #: 1834-2013, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with FCX Performance, Inc., Integrated Plant Services Inc., and Instrumentation Services, Inc., equal to twenty-five percent (25%) of the amount of personal income tax withheld on new employees to Columbus for a term of three (3) years.

Headquartered in Columbus, Ohio and founded in 1999 with antecedents dating back to 1984, FCX Performance, Inc. distributes and repairs valves, instruments, pumps, compressors, boilers and related process equipment. The company serves end users, original equipment manufacturers, and engineering and construction firms across the chemicals processing, pulp and paper, pharmaceutical, industrial gas, and other industrial end markets. The company has 23 locations serving 33 states and 410 employees.

Integrated Plant Services, Inc., formed in 1999 and wholly-owned by FCX Performance, Inc., provides field and shop valve repair services to those in the power generation, refining, chemical processing, and pulp and paper markets in Ohio and contiguous states. Instrumentation Services, Inc. was acquired by FCX Performance, Inc. in 2012 and provides instrument repair, calibration, project management, and systems integration services to those in the industrial and municipal markets.

In total, FCX Performance, Inc., Integrated Plant Services Inc., and Instrumentation Services, Inc., are proposing to renovate their current commercial space located at 3000 E. 14th Avenue, Columbus, Ohio 43219 (Parcel Number 010-105124) and relocate approximately 12 FCX Performance, Inc. positions from their joint site to an 11,400 square foot leased space located at 1149 Rarig Avenue, Columbus, Ohio 43219 (Parcel Number 010-183723), less than a quarter of a mile away. Leasehold improvements and machinery and equipment acquisition will accommodate the construction of a clean room designed to service the valves, instruments, and pumps to be used in the gas and chemical industries. The project will retain 64 existing positions with an annual payroll of approximately \$4,555,833 and create 19 new full-time positions with an associated annual payroll of approximately \$872,280.

Emergency action is requested in order to allow the company to begin making this investment as soon as possible.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Jobs Growth Incentive with FCX Performance, Inc., Integrated Plant Services Inc., and Instrumentation Services, Inc. equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term of three (3) years in consideration of combined company investments of approximately \$332,500.00 related to leasehold improvements and the acquisition of machinery and equipment, furniture and fixtures, stand-alone computers, and inventory, the retention of 64 existing positions, and the creation of 19 new full-time permanent positions; and to declare an emergency.

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 Department of Development has received completed Jobs Growth Incentive Applications from FCX Performance, Inc., Integrated Plant Services Inc., and Instrumentation Services, Inc.; and

WHEREAS, FCX Performance, Inc., Integrated Plant Services Inc., and Instrumentation Services, Inc. will expand their operations at their existing site located at 3000 E. 14th Avenue and a soon-to-be leased site at 1149 Rarig Avenue; and

WHEREAS, FCX Performance, Inc., Integrated Plant Services Inc., and Instrumentation Services, Inc. are proposing to invest approximately \$332,500, retain 64 existing positions with an annual payroll of approximately \$4,555,833, and create 19 new full-time positions with an associated annual payroll of approximately \$872,280; and

WHEREAS, FCX Performance, Inc., Integrated Plant Services Inc., and Instrumentation Services, Inc. have indicated that a Jobs Growth Incentive is crucial to their decisions to expand their operational capacity; and

WHEREAS, the City of Columbus desires to facilitate the future growth of FCX Performance, Inc., Integrated Plant Services Inc., and Instrumentation Services, Inc. at the project sites by providing a Jobs Growth Incentive; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to enter into a Jobs Growth Incentive Agreement with FCX Performance, Inc., Integrated Plant Services Inc., and Instrumentation Services, Inc. in order to allow the company to begin making this investment as soon as possible, all for the immediate preservation of the public health, peace, property, safety and welfare; **NOW, THEREFORE**,

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

Section 1. That the Director of the Department of Development is hereby authorized to enter into a Jobs Growth Incentive Agreement equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term of three (3) years with FCX Performance, Inc., Integrated Plant Services Inc., and Instrumentation Services, Inc.

Section 2. Each year of the term of the agreement with FCX Performance, Inc., Integrated Plant Services Inc., and Instrumentation Services, Inc., the City's obligation to pay the incentive is expressly contingent upon the passage of an ordinance appropriating and authorizing the expenditure of monies sufficient to make such payment and the certification of the City Auditor pursuant to Section 159 of the Columbus City Charter.

Section 3. That the City of Columbus Jobs Growth Incentive Agreement is signed by FCX Performance, Inc., Integrated Plant Services Inc., and Instrumentation Services, Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

Section 4. The City Council hereby extends authority to the Director of Development to amend the FCX Performance, Inc., Integrated Plant Services Inc., and Instrumentation Services, Inc. City of Columbus Jobs Growth Incentive Agreement for non-substantive modifications to the agreement requested in writing by the companies 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 5. That for the reason stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force form and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.