



Legislation Text

File #: 1733-2005, Version: 1

BACKGROUND: This legislation authorizes the Director of Development to amend the City's Enterprise Zone Agreement (EZA) with Plastic Suppliers, Inc. ("Plastic Suppliers"). The EZA was approved by City Council in January 2000 and signed in March 2000. Plastic Suppliers committed to invest \$3.5 million in real property improvements to expand its manufacturing facility at 2450 Marilyn Park Drive and to invest \$4 million in new M & E and \$1.2 million in inventory. Plastic Supplies also agreed to retain 145 existing jobs and to create 15 new jobs by March 2003. Plastic Suppliers has exceeded both the real and personal property investment goals but as of December 2004 was three jobs short of the job retention goal and had not created any new jobs. The Columbus Tax Incentive Review Council (the "TIRC") recommended on August 16, 2005, to amend the EZA to reduce the job creation requirement to 7 jobs and to extend the time deadline for the job creation to June 30, 2006. The TIRC acknowledged that Plastic Suppliers had exceeded the goals for both real and personal property investment.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to amend the Enterprise Zone Agreement with Plastic Suppliers by reducing the number of jobs required to be created and providing additional time for the job creation; and to declare an emergency.

WHEREAS, the Columbus City Council approved an Enterprise Zone Agreement with Plastic Suppliers, Inc. ("Plastic Suppliers") on January 10, 2000 by Ordinance No. 34-00; and

WHEREAS, the City entered into an Enterprise Zone Agreement with Plastic Suppliers on March 10, 2000 (the "EZA"), in which the City granted a 50%/5-year abatement (2002-2006) on real property improvements, and Plastic Suppliers agreed to invest \$3.5 million in real property improvements and \$5.2 million in personal property, to retain 145 existing jobs and to create 15 new jobs within three years of entering into the EZA; and

WHEREAS, as of December 31, 2004, Plastic Supplies had exceeded both the real and personal property investment commitments but was several jobs short of the job retention commitment and had not created any of the 15 new jobs called for in the EZA; and

WHEREAS, in 2001 and 2002 Plastics Suppliers exceeded the EZA job creation goal but more recently has suffered from foreign competition in the plastics market and has had to reduce employment; and

WHEREAS, Plastic Suppliers is hoping to become less vulnerable to low-cost offshore competitors by investing in a new process it has patented for the production of an environmentally friendly plastic substitute (PLA); and

WHEREAS, the Columbus Tax Incentive Review Council (the "TIRC") on August 16, 2005 recommended to amend the EZA to change the job creation requirement to 7 (was originally 15) and to extend the job creation deadline to June 30, 2006 (was originally March 10, 2003); and

WHEREAS, the City desires to amend the EZA following the TIRC's recommendations; 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 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 Director of Development is hereby authorized to amend the City's Enterprise Zone Agreement with Plastic Suppliers to change the job creation requirement to 7 (was originally 15) and to extend the job creation deadline to June 30, 2006.

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.