



City of Columbus

Office of City Clerk
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Legislation Text

File #: 0920-2011, **Version:** 1

BACKGROUND: The City of Columbus entered into a Job Creation Tax Credit Agreement (hereinafter "Agreement") with Limited Technology Services, Inc. and MAST Industries, Inc. (hereinafter "Project") effective August 8, 2003. Columbus City Council approved the Agreement by Ordinance 1084-2003, passed June 9, 2003 and granted a non-refundable tax credit allowed against the tax imposed under Article 9, Chapter 361 of the Columbus City Codes (the "City Tax Credit") of sixty percent (60%) of the new income tax revenue received by the City for a taxable year from new employees, as that term was defined in Section 4 of the Agreement, commencing June 10, 2003 and for seven (7) consecutive full taxable years thereafter based on the lease of a 10,500 square foot building, an investment of \$1.3 million, and the creation of 51 new permanent full-time positions.

Because Project had failed to submit an Annual Report for Report Year 2008, the Annual Report documents for both Report Year 2009 and Report Year 2008 were sent to Project via Certified Mail on April 26, 2010. Project received the materials as indicated by the return of the Domestic Return Receipt Card signed by Project on April 28, 2010 and received by the City on April 29, 2010. The cover memo included in the mailing directed that Project submit monitoring fees totaling \$2,000 and reporting materials for both reporting years by the reporting deadline of May 24, 2010, and should that not occur the Agreement would be dissolved.

Project did not comply. This being, the Agreement needs to be dissolved.

This legislation is presented as an emergency measure so that the dissolution of the Agreement can be reported to the necessary local and state agencies in an expedient manner.

FISCAL IMPACT: No funding is required for this legislation.

To dissolve the Job Creation Tax Credit Agreement between the City of Columbus and Limited Technology Services, Inc. and MAST Industries, Inc.; to direct the Director of the Department of Development to notify as necessary the local and state tax authorities; and to declare an emergency.

WHEREAS, Columbus City Council approved a Job Creation Tax Creation Agreement ("Agreement") with Limited Technology Services, Inc. and MAST Industries, Inc. ("Project") by Ordinance 1084-2003 on June 9, 2003; and

WHEREAS, the Agreement grants a non-refundable tax credit allowed against the tax imposed under Article 9, Chapter 361 of the Columbus City Codes (the "City Tax Credit") of sixty percent (60%) of the new income tax revenue received by the City for a taxable year from new employees commencing June 10, 2003 and for seven (7) consecutive full taxable years thereafter; and

WHEREAS, the Agreement requires Project to invest \$1.3 million and create 51 new permanent full-time jobs; and

WHEREAS, Project had failed to submit reporting materials for Report Year 2008, Annual Report materials for Report Years 2008 and 2009 were sent to Project via Certified Mail on April 26, 2010 with the City receiving confirmation of delivery on April 29, 2010; and

WHEREAS, communication was contained within the reporting materials that full reporting compliance including payment of \$2,000 in monitoring fees was required to be received by the City on or before May 24, 2010 and that should this not occur then the Agreement would be dissolved; and

WHEREAS, as Project has been out of reporting compliance for two consecutive reporting years and has not responded to the request to report, there exists a need to dissolve the Agreement and this legislation serves to dissolve the Agreement effective January

1, 2008; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to dissolve the Job Creation Tax Credit Agreement between the City of Columbus and Limited Technology Services, Inc. and MAST Industries, Inc. so that the dissolution of the Agreement can be reported to the necessary local and state agencies in an expedient manner, thereby preserving the public health, peace, safety, and welfare; **NOW, THEREFORE**,

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

Section 1. That Columbus City Council hereby dissolves the Limited Technology Services, Inc. and MAST Industries, Inc. Job Creation Tax Credit Agreement effective January 1, 2008.

Section 2. That the Director of Development is hereby directed to notify the necessary local and state agencies of any changes to the Limited Technology Services, Inc. and MAST Industries, Inc. Job Creation Tax Credit Agreement.

Section 3. 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 days after passage if the Mayor neither approves nor vetoes this Ordinance.