



Legislation Details (With Text)

File #: 0711-2021 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 3/15/2021 **In control:** Economic Development Committee

On agenda: 4/5/2021 **Final action:** 4/9/2021

Title: To authorize the Director of the Department of Development to enter into a dual-rate Jobs Growth Incentive Agreement with International Technical Coatings for a term of up to five (5) consecutive years in consideration of the company's proposed capital investment of \$14,200,000.00 and creation of 67 net new full-time permanent positions with an estimated annual payroll of approximately \$3,151,830.00.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD0711-21 ITC - JGI Fact Sheet 3.4.pdf, 2. ORD0711-2021 ITC Site Map 3.12.21 (002)

Date	Ver.	Action By	Action	Result
4/9/2021	1	CITY CLERK	Attest	
4/8/2021	1	MAYOR	Signed	
4/5/2021	1	COUNCIL PRESIDENT	Signed	
4/5/2021	1	Columbus City Council	Approved	Pass
3/29/2021	1	Columbus City Council	Read for the First Time	

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with International Technical Coatings in an amount equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, for a term of up to five (5) consecutive years.

International Technical Coatings (“ITC”) founded in 1993, is one of the largest producers of wire mesh shelving in the United States. Currently headquartered in Phoenix Arizona, ITC is a supplier to stores such as Home Depot, Wal-Mart, Lowes, Sam’s Club, Ikea, and Costco. ITC also has a distribution facility in Dayton, Ohio. ITC has annual sales of \$50 million and supplies 25% of the \$250 million wire mesh shelving market. Some products and services offered by ITC include production of a wide variety of wire products while specializing in decking, shelving, and custom wire applications.

ITC proposes to invest total project cost of approximately \$14,200,000 including \$13,500,000 in machinery and equipment and \$700,000 in improvements to existing buildings to add a production line at their current manufacturing facility at 845 E. Markison Ave., Columbus, Ohio 43207, parcel number 010-289599 (“**Project Site**”) that will increase production by 50%. The company will create 67 net new full-time permanent positions with an annual payroll of \$3,151,830 and retain 165 full-time permanent positions with an annual payroll of \$8,340,000 at the **Project Site**.

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 dual-rate Jobs Growth Incentive Agreement with International Technical Coatings for a term of up to five (5) consecutive years in consideration of the company's proposed capital investment of \$14,200,000.00 and creation of 67 net new full-time permanent positions with an estimated annual payroll of approximately \$3,151,830.00.

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 residents; and

WHEREAS, the Department of Development received a completed Jobs Growth Incentive Application from International Technical Coatings; and

WHEREAS, International Technical Coatings proposes to invest total project cost of approximately \$14,200,000 including \$13,500,000 in machinery and equipment and \$700,000 in improvements to existing buildings to add a production line at their current manufacturing facility at 845 E. Markison Ave., Columbus, Ohio 43207, parcel number 010-289599 to support these operations; and

WHEREAS, International Technical Coatings will create 67 net new full-time permanent positions with an estimated associated annual payroll of approximately \$3,151,830 and retain 165 full-time permanent positions with an associated annual payroll of approximately \$8,340,000 at the proposed project site; and

WHEREAS, International Technical Coatings has indicated that a Jobs Growth Incentive is crucial to its decision to establish administrative operations within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of International Technical Coatings at the project site by providing a Jobs Growth Incentive; and **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 dual-rate Jobs Growth Incentive Agreement with International Technical Coatings equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, for a term of up to five (5) consecutive years.

SECTION 2. That, should International Technical Coatings not be able to sufficiently document residency for an employee associated with this project during a calendar year of the term of the agreement, the default rate of the Jobs Growth Incentive to be applied that calendar year for that new employee shall be twenty-five percent (25%).

SECTION 3. That, for each year of the term of the agreement with International Technical Coatings, 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 4. That the City of Columbus Jobs Growth Incentive Agreement is signed by International Technical Coatings within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 5. That City Council hereby extends authority to the Director of the Department of Development to amend International Technical Coatings' City of Columbus Jobs Growth Incentive Agreement for certain revisions to the agreement requested in writing by the company and or the City and deemed appropriate by the Director 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. All other requested amendments must be approved by City Council.

SECTION 6. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.