



Legislation Text

File #: 1281-2015, **Version:** 1

BACKGROUND: The City of Columbus entered into a Downtown Office Incentive Agreement (hereinafter “Agreement”) with Momentive Specialty Chemicals, Inc., (also referred to as the “Grantee”) effective April 28, 2011. Columbus City Council initially approved the Agreement by Ordinance 1343-2006, approved July 31, 2006, and amended that authorizing legislation by Ordinance 0352-2011, approved March 7, 2011, and granted a financial incentive based on an amount equal to fifty percent (50%) of the City of Columbus income tax withholding remitted for the new Columbus employees employed at the project site, to commence on January 1, 2011 for a period of eight (8) consecutive taxable years based on an investment of approximately \$1,360,000 in leasehold improvements and furniture & fixtures, the retention of 243 employees and the creation of 89 new full-time permanent positions at 180 East Broad St., Columbus, OH 43215 in downtown Columbus.

During the Downtown Office Incentive annual reporting cycle for Report Year 2014 and through correspondence with a representative of the Grantee, the City became aware that the name of the Grantee had been changed from Momentive Specialty Chemicals, Inc. to Hexion Inc. on January 20, 2015. As such, the need exists to amend the Agreement to replace Momentive Specialty Chemicals, Inc. with Hexion Inc. as the Grantee to the Agreement.

This legislation is requested to be considered as an emergency in order to replace Momentive Specialty Chemicals, Inc. with Hexion Inc. as the Grantee to the Agreement so that the Downtown Office Incentive payment can be made during the 2015 payment cycle for Report Year 2014 and for the ensuing years moving forward.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the Downtown Office Incentive Agreement to replace Momentive Specialty Chemicals, Inc. with Hexion Inc. as the Grantee to the Agreement; and to declare an emergency.

WHEREAS, Columbus City Council approved a Downtown Office Incentive Agreement (the “Agreement”) with Momentive Specialty Chemicals, Inc. (also referred to as the “Grantee”) by Ordinance 1343-2006 on July 31, 2006 as amended by Ordinance 0352-2011 on March 7, 2011; and

WHEREAS, the Agreement granted a financial incentive based on an amount equal to fifty percent (50%) of the new Columbus withholding tax paid at the project site, to commence on January 1, 2011 for a period of eight (8) consecutive taxable years; and

WHEREAS, in the Agreement, Grantee committed to making an investment of approximately \$1,360,000 in leasehold improvements and furniture & fixtures, the retention of 243 employees and the creation of 89 new full-time permanent positions at 180 East Broad St., Columbus, OH 43215; and

WHEREAS, during the Downtown Office Incentive annual reporting cycle for Report Year 2014 and through correspondence with a representative of the Grantee, the City became aware that the name of the Grantee had been changed from Momentive Specialty Chemicals, Inc. to Hexion Inc. on January 20, 2015; and

WHEREAS, an amendment is needed to replace Momentive Specialty Chemicals, Inc. with Hexion Inc. as the Grantee to the Agreement; and

WHEREAS, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to seek an amendment to the Downtown Office Incentive Agreement with Momentive Specialty Chemicals, Inc. for the purpose of replacing Momentive Specialty Chemicals, Inc. with Hexion Inc. as the Grantee to the Agreement so that the Downtown Office Incentive payment can be made during the 2015 payment cycle for Report Year 2014 and for the ensuing years moving forward; thereby preserving the public health, peace, property and safety, **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 amend the Downtown Office Incentive Agreement with Momentive Specialty Chemicals, Inc. for the purpose of replacing Momentive Specialty Chemicals, Inc. with Hexion Inc. as the Grantee to the Agreement.

SECTION 2. That the amendment to the City of Columbus Downtown Office Incentive Agreement be signed by Hexion Inc. within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

SECTION 3. That for reasons stated in the preamble hereto, which is hereby made a part hereof, the ordinance is hereby 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 the passage if the Mayor neither approves nor vetoes the same.