



Legislation Text

File #: 1663-2017, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with F. I. Industries, Inc. and Franklin International, Inc. The Ohio Enterprise Zone law (Section 5709.62(C) of the Ohio Revised Code) requires the City to enter into Council-approved agreements between the City and participating companies.

Established in 1935, Franklin International, Inc. ("Franklin International") is a privately held manufacturer of adhesives and sealants. Franklin International's Adhesives and Polymers Division provides wood adhesives, pressure sensitive adhesives, and specialty polymers for industrial manufacturers of wood products, labels, fiberglass, non-wovens, and more. The company's Construction Building Products Division provides Titebond glues, adhesives, and sealants for use in woodworking, general repairs, home construction, and flooring installation.

Franklin International, Inc., the site operator, together with F. I. Industries, Inc. ("F. I. Industries"), the property owner and a wholly-owned subsidiary of Franklin International, Inc., is proposing to redevelop an underutilized parcel within their more than 25-acre industrial campus ("Campus") in south Columbus into an approximately 12,300-square-foot Polymer Research & Development Center to be located at 145 Hosack Street Columbus, Ohio 43207 (parcel number 010-270616-00) ("Project Site"). Franklin International is considering the development of an on-site Polymer Research & Development Center in order to further strengthen its market position and allow for large-scale testing and development. Furthermore, it is thought to be a boon to attract top-tier international technical talent by affording the use of the latest technology related to polymer and adhesive development, thereby creating an opportunity to showcase the company's products and capabilities.

Franklin International expects to invest a total of approximately \$3,369,800 to construct and equip the Center, of which approximately \$2,227,000 will be related to the construction of the new commercial laboratory space. Franklin International, Inc. will retain 335 full-time permanent positions at their Campus with an associated annual payroll of approximately \$22,062,332 and create five (5) net new full-time permanent positions at the Project Site with an associated new annual payroll of approximately \$290,000.

The Department of Development recommends an Enterprise Zone property tax abatement of seventy-five (75%) for a period of ten (10) consecutive years on real property improvements for the purpose of constructing a 12,300-square-foot Polymer Research & Development Center to be located at 145 Hosack Street Columbus, Ohio 43207.

The Columbus City School District has been advised of this project. This legislation is presented as 30 day legislation.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into an Enterprise Zone Agreement with F. I. Industries, Inc. and Franklin International, Inc. for a property tax abatement of seventy-five (75%) for a period of ten (10) consecutive years in consideration of a proposed total investment of approximately \$3,369,800.00, of which approximately \$2,227,000.00 will be related to the construction of new commercial laboratory space, the retention of 335 full-time permanent positions, and the creation of five (5) net new full-time permanent positions.

WHEREAS, the Columbus City Council authorized the designation of the Central Enterprise Zone by legislation, Ordinance Number 779-85, dated April 22, 1985; and subsequently amended the Zone by Ordinance Nos. 2722-85 in 1986; 2080-89 in 1989; 1949-92, 2690-92 and 2249-92 in 1992; 1079-94 and 1228-94 in 1994; 2196-95 and 2817-95 in 1995; 0533-99 in 1999; 1785-00 in 2000; 1464-02 in 2002; 0225-03 in 2003; and 0032-2012 in 2012; and

WHEREAS, the Director of the Development Department of the State of Ohio determined that the Columbus Enterprise Zone as amended by the aforementioned Ordinances continued to contain the characteristics set forth in Section 5709.61 (A) of the Ohio Revised Code and recertified said Zone in 1986, December 20, 1989, September 28, 1992, October 22, 1992, December 17, 1992, May 31, 1994, June 24, 1994, June 16, 1995, October 5, 1995, December 19, 1995, April 1, 1999, September 25, 2000, January 27, 2003, August 19, 2003 and most recently on April 3, 2012 as an "urban jobs and enterprise zone" under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Franklin International, Inc., the site operator, together with F. I. Industries, Inc. ("F. I. Industries"), the property owner and a wholly-owned subsidiary of Franklin International, Inc., is proposing to redevelop an underutilized parcel within their Campus in south Columbus into an approximately 12,300-square-foot Polymer Research & Development Center to be located at 145 Hosack Street Columbus, Ohio 43207 (parcel number 010-270616-00); and

WHEREAS, Franklin International, Inc. will invest a total of approximately \$3,369,800 to construct and equip the Center, of which approximately \$2,227,000 will be related to the construction of the new commercial laboratory space; and

WHEREAS, contingent on the City granting an Enterprise Zone Agreement property tax abatement, Franklin International, Inc. will retain 335 full-time permanent positions at their Campus and create five (5) new full-time permanent positions with an associated new annual payroll of approximately \$290,000; thereby increasing job opportunities and strengthening the economy of the City; and

WHEREAS, F. I. Industries, Inc. and Franklin International, Inc. have each indicated that receiving this tax incentive from the City is crucial to their decision to advance the aforementioned expansion in Columbus; and

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 City desires to enter into such a binding formal agreement in order to foster economic growth for the preservation of the public health, property, safety and welfare; **NOW THEREFORE**,

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

SECTION 1. That City hereby finds and determines that the project will (1) create jobs in the State and City (2) the project is economically sound and will benefit the people of the State and City by increasing opportunities for employment and strengthening the economy of the State and City; and (3) receiving the aforementioned tax abatement is a critical factor in the decision by F. I. Industries, Inc. and Franklin International, Inc. to expand their Campus.

SECTION 2. That the Director of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with F. I. Industries, Inc. and Franklin International, Inc. to provide therewith an exemption of seventy-five (75%) on real property improvements for a term of ten (10) taxable years in association with the project's proposed total investment of approximately \$3,369,800, which includes approximately \$2,227,000 in real property improvements and the balance related to the acquisition of machinery, equipment, furniture, and fixtures; the retention of 335 full-time permanent positions; and the creation of five (5) new full-time permanent positions with an associated new annual payroll of approximately \$290,000 at 145 Hosack Street Columbus, Ohio 43207.

SECTION 3. That the City of Columbus Enterprise Zone Agreement shall be signed by F. I. Industries, Inc. and Franklin International, Inc. within ninety (90) days of passage of this ordinance or this ordinance and the abatement authorized herein shall be null and void.

SECTION 4. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.