



Legislation Text

File #: 0545-2019, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Filtra-Systems Company LLC 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.

Filtra-Systems Company LLC provides custom-engineered industrial filtration & separation products, systems, and technology for the metalworking, water & wastewater, chemical, industrial minerals, and steel industries. Founded in 1979, the company has installed over 16,000 filtration systems worldwide. Each industrial filtration system integrates many components into one system specifically designed to meet each client's requirements and applications. Filtra-Systems Company is a part of CNI Commercial, a subsidiary of Chickasaw Nation Industries, Inc.

Filtra-Systems Company LLC is proposing to invest approximately \$20,000 in real property improvements, \$500,000 in machinery and equipment, \$10,000 in furniture and fixtures, \$50,000 in inventory, and \$10,000 in technology to establish manufacturing operations at 1720 Westbelt Drive, parcel number 560-181272. With this project, the company plans to lease an approximately 14,000 sq. ft. facility to support a manufacturing operation. Additionally, Filtra-Systems Company LLC will create 10 new full-time permanent positions with a cumulative estimated annual payroll of approximately \$600,000 to support its growth.

Filtra-Systems Company LLC is requesting a dual-rate Jobs Growth Incentive from the City of Columbus to assist with this expansion project. 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 Filtra-Systems Company LLC for a term of up to five (5) consecutive years in consideration of the company's proposed capital investment of \$590,000.00 and creation of 10 new full-time permanent positions with an estimated annual payroll of approximately \$600,000.00.

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 citizens; and

WHEREAS, the Department of Development received a completed Jobs Growth Incentive Application from Filtra-Systems Company LLC; and

WHEREAS, Filtra-Systems Company LLC proposes to establish manufacturing operations by investing a total project cost of approximately \$590,000 in real property improvements. With this project, the company proposes to lease approximately 14,000 sq. ft. of industrial space at 1720 Westbelt Drive, parcel number 560-181272; and

WHEREAS, Filtra-Systems Company LLC will create 10 new full-time permanent positions with an estimated associated annual payroll of approximately \$600,000 at the proposed project site; and

WHEREAS, Filtra-Systems Company LLC has indicated that a Jobs Growth Incentive is crucial to its decision to establish manufacturing operations within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Filtra-Systems Company LLC 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 Filtra-Systems Company LLC 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.** Should Filtra-Systems Company LLC 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.** Each year of the term of the agreement with Filtra-Systems Company LLC 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 Filtra-Systems Company LLC within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.
- SECTION 5.** The City Council hereby extends authority to the Director of the Department of Development to amend Filtra-Systems Company LLC's City of Columbus Jobs Growth Incentive Agreement for certain modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of Development with these 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.