



## Legislation Text

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**File #:** 2031-2020, **Version:** 1

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**BACKGROUND:** The need exists to enter into an Enterprise Zone Agreement with Franklin International, Inc. The Ohio Enterprise Zone law O.R.C. Section 5709.62(C) requires the City to enter into a Council-approved agreement between the City and participating companies.

Franklin International, Inc., founded in 1935, is a manufacturer and distributor of adhesives whose headquarters, central production and distribution facility are in Columbus, Ohio. This project is an expansion of their production and distribution facilities. Over the last several years, Franklin International, Inc.'s sales growth and the increasing complexity of their business have created significant inefficiencies in the daily operations of their Industrial plant and Dock 4 areas. A major obstacle in this effort is the inability to expand the Industrial plant and Dock 4 areas from a facilities or building standpoint. These facilities are "landlocked" and expansion of the existing building is not feasible. The construction of the new facility and renovation of existing facility will allow operations to expand by 44 percent.

Franklin International, Inc. is proposing to invest a total project cost of approximately \$12,500,000, including \$3,500,000 in new construction to build a new 21,780 sq. ft. facility and renovate an existing 30,000 sq. ft. industrial structure located at 174 Hosack Street, Columbus, Ohio, 43207 parcel number 010-025691 into a production and distribution facility ("Project Site"). The company anticipates that the development of the proposed project will lead to the creation of 2 net new full-time permanent positions with an estimated new annual payroll of approximately \$88,650 and the retention of 350 jobs with an approximate annual payroll of \$24,838,883 at the proposed Project Site.

The Department of Development recommends a 75%/10-year Enterprise Zone tax abatement on real property improvements.

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 the Department of Development to enter into an Enterprise Zone Agreement with Franklin International, Inc. for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a total proposed capital investment of approximately \$12,500,000.00 including \$3,500,000.00 in additions and construction, \$2,500,000.00 in improvements to existing buildings, and \$6,500,000.00 in machinery and equipment and the creation of 2 net new full-time permanent positions with an estimated new annual payroll of approximately \$88,650.00 and the retention of 350 jobs with an approximate annual payroll of \$24,838,883.00 at the Project Site. **(AMENDED BY ORD. 1065-2021; PASSED 5/10/2021)**

**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 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., founded in 1935, is a manufacturer and distributor of adhesives based in Columbus, Ohio; and

**WHEREAS**, Franklin International, Inc. is proposing to invest a total project cost of approximately \$12,500,000 including \$3,500,000 in additions and construction, \$2,500,000 in improvements to existing buildings, and \$6,500,000 in machinery and equipment construction to build a new 21,780 sq. ft. facility and renovate an existing 30,000 sq. ft. industrial structure located at 174 Hosack Street, Columbus, Ohio, 43207 parcel number 010-025691 ("Project Site"); and

**WHEREAS**, Franklin International, Inc. anticipates that the development of the proposed project will lead to the creation of 2 net new full-time permanent positions with an estimated new annual payroll of approximately \$88,650 and the retention of 350 jobs with an approximate annual payroll of \$24,838,883 at the proposed Project Site; and

**WHEREAS**, the City is encouraging this project because of plans to expand the facility and operations; 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 in such a binding formal agreement in order to foster economic growth for the preservation of public health, peace, property and safety; **NOW, THEREFORE:**

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

**SECTION 1.** That this Council hereby finds and determines that the enterprise submitting the proposal is qualified by financial responsibility and business experience to create and preserve employment opportunities in the zone and improve the economic climate of the municipal corporation and receiving this tax incentive is a critical factor in the decision by Franklin International, Inc. to move forward with the proposed project.

**SECTION 2.** That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with Franklin International, Inc. to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) consecutive taxable years in association with the project's proposed total investment of approximately \$12,500,000 including \$3,500,000 in additions and construction, \$2,500,000 in improvements to existing buildings, and \$6,500,000 in machinery and equipment and the creation of 2 net new full-time permanent positions with an estimated new annual payroll of approximately \$88,650 and the retention of 350 jobs with an approximate annual payroll of \$24,838,883 at the Project Site.

**SECTION 3.** That the City of Columbus Enterprise Zone Agreement is signed by Franklin International, Inc. within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credit authorized herein are null and void.

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