



Legislation Text

File #: ORD-0008-2024, **Version:** 1

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN OFFICE & INDUSTRIAL INCENTIVE AGREEMENT WITH NUVIK USA, INC, DBA CROCODILE CLOTH FOR A PERIOD OF FIVE YEARS; WAIVING SECOND READING

WHEREAS, the City of Gahanna encourages the retention and creation of new job opportunities within the community; and

WHEREAS, Nuvik USA, Inc., parent company of Crocodile Cloth, one of the fastest growing disposable cleaning cloth companies in the country, is considering relocation and expansion of its operations within Gahanna; and

WHEREAS, Crocodile Cloth has been operating at 930 Claycraft Road since 2019, with 25 employees and an annual payroll of \$2.4 million in 2023, generating \$36,000 in income taxes for the City; and

WHEREAS, Crocodile Cloth is considering opportunities for growth, which includes relocation to a larger facility located at 1800 Deffenbaugh Court in Gahanna, with projected growth in annual payroll to \$6.8 million for 70 employees; and

WHEREAS, to encourage retention and local expansion of Crocodile Cloth, the administration and Incentive Advisory Committee recommend utilization of an Office & Industrial program incentive consisting of a refundable credit of 50 percent of the company's net municipal income tax increase over its current \$2.4 million payroll for a term of five years and based upon the City's 1.5 percent non-Issue 12 municipal income tax rate (an estimated total incentive value of \$100,500); and

WHEREAS, due to the company's need to commit to a lease to begin relocation and delivery of new machinery for business expansion, whether in Gahanna or in another jurisdiction, the Administration requests that the legislation be passed with waiver of second reading.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GAHANNA, COUNTY OF FRANKLIN, STATE OF OHIO:

Section 1. That the Mayor is hereby authorized to enter into an Office & Industrial Incentive Agreement with Nuvik USA, Inc., DBA Crocodile Cloth, whose main offices are currently located at 930 Claycraft Road, Gahanna, OH, in accordance with the terms as specified in EXHIBIT A attached hereto and made a part herein.

Section 2. That for the reasons set forth in the preamble, the second reading is hereby waived.

Section 3. That this Ordinance shall be in full force and effect upon passage by this Council and 30 days after date of signature of approval by the Mayor.