

FACT SHEET
Upgrade Equity LLC & Taggart Texas LTD (TechSouth)
February 2020

I. STATEMENT OF PURPOSE – ENTERPRISE ZONE & JOB CREATION

The Department of Development recommends an Enterprise Zone Tax Abatement of seventy-five (75%) for a period of ten (10) consecutive years on real property improvements for the purpose of renovating an industrial warehouse and office facility, and creating new employment opportunities for the residents of the City of Columbus.

II. PROJECT HISTORY

Based out of Palo Alto, California Upgrade Equity LLC (“Upgrade”) and Taggart Texas LTD (“Taggart”) are both owned by Jim and Ken Taggart who have been in the industrial development business since 1982. Along with Columbus, they own properties in Texas and California totaling 1.24 million square feet of space valued at \$69 million. The majority of the properties are industrial properties they purchase to rehabilitate and lease out. The two entities also operate and own several manufacturing operations in the metals industry. The groups purchased the former Techneglas manufacturing facility in 2018 which is a legacy industrial property that has been at least partially vacant for decades.

Upgrade Equity, LLC and Texas Taggart, LTD are proposing to invest a total project cost of approximately \$3,217,088 which includes \$2,291,656 in real property improvements to renovate an approximately 389,599 square-foot existing warehouse and office facility at 711 Southwood Ave., Columbus, Ohio 43207, parcel number 010-113409 (“**Project Site**”). The companies anticipate that the redevelopment of the proposed project will lead to the relocation of an unknown number of positions from within the City of Columbus and the creation of 27 net new full-time permanent positions with an estimated annual payroll of approximately \$1,254,341 at the **Project Site**.

Upgrade and Taggart are requesting an Enterprise Zone property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years on real property improvements to assist in the redevelopment of this project.

III. PROJECT INVESTMENT

INVESTMENT TYPE	PROPOSED VALUE
Real Property Improvements	\$2,291,656
Leasehold Improvements	\$925,432
TOTAL INVESTMENT	\$3,217,088

IV. DECISION & TIMING

Real property improvements are expected to begin as soon as April, 2020 with a scheduled time of completion of December 2020, contingent upon Columbus City Council approval of the recommended tax incentive.

V. EMPLOYMENT

The project will create 27 net new full-time permanent office positions with an estimated annual payroll of approximately \$1,254,341.

Position Title	Number of New Jobs	Average Hourly Rate	Average Annual Salary	Total Estimated Payroll for New Positions
Midstate Materials				
Logistics Operators	3	\$22.50	\$46,800	\$140,400
Production Operators	5	\$17.50	\$36,400	\$182,000
Production Supervisors	2	\$27.50	\$57,200	\$114,400
Plant Manager	1	\$38.46	\$80,000	\$80,000
TOTALS	11			\$516,800
IMPACT				
Program Manager – HEAP	1	\$24.52	\$51,000	\$51,000
Director of Special Initiatives	1	\$34.38	\$71,500	\$71,500
Self Sufficiency Coordinator	1	\$19.55	\$40,664	\$40,664
Director of Research & Planning	1	\$35.41	\$73,645	\$73,645
Emergency Assistance Representative II	1	\$16.00	\$33,280	\$33,280
AMP Coach	1	\$19.55	\$40,664	\$40,664
QA Project Lead	1	\$22.83	\$47,476	\$47,476
AMP Special Projects Coordinator – Project Lead	1	\$25.96	\$54,000	\$54,000
MIS Coordinator	2	\$19.55	\$40,664	\$81,328
AMP Coach	6	\$19.55	\$40,664	\$243,984
TOTALS	16			\$737,541
OVERALL TOTALS	27			\$1,254,341

Total new payroll to Columbus will be approximately \$1,254,341, and benefits on the new employees includes the following:

- Vacation Pay
- Paid Holidays
- 401K Retirement Plan
- Medical/Dental Insurance

The proposed project site is located at 711 Southwood Ave., Columbus, Ohio 43207, parcel number 010-113409.

VI. REQUESTED PUBLIC PARTICIPATION

The Department of Development recommends an Enterprise Zone Tax Abatement of seventy-five percent (75%) for a period of ten (10) years on real property improvements for the purposes of renovating 389,599 square feet in an existing industrial warehouse facility at the proposed **Project Site**.

VII. NEW TAX IMPACT: ANNUAL & 10-YEAR SUMMARY

Unabated Revenue	Average Annual	10-year Summary	20-year Summary
A. Real Property Tax Revenue	\$66,059	\$660,592	\$1,321,183
B. New City Income Tax Revenue	\$31,359	\$313,585	\$627,180
C. Total Unabated Tax Revenue (i.e., A. + B.)	\$97,418	\$974,177	\$1,948,363
Proposed Tax Abatement Impact	Average Annual	10-year Summary	20-year Summary
D. Total Proposed Tax Abatement seventy-five percent (75%)/ten (10) Consecutive Years on Real Property Improvements	\$49,544	\$495,444	\$495,444
E. Total Unabated Property Tax Revenue (i.e., C.-D.)	\$47,874	\$478,733	\$1,452,919
School District Impact: Columbus City School District	Average Annual	10-year Summary	20-year Summary
F. Existing School District Revenue from Real Property at site (pre abatement)	\$59,614	\$596,140	\$1,192,280
G. New Revenue as a Result of the Proposed Project (post abatement)	\$11,762	\$117,618	\$588,100
H. Total School District Revenue (i.e., F. + G.)	\$71,376	\$713,758	\$1,780,380

VIII. TAX BENEFIT

The recommended 75%/10-year Enterprise Zone property tax abatement could yield a tax savings of approximately \$495,544 for Upgrade Equity, LLC and Taggart Texas, LTD over the incentive term of ten (10) years. Columbus City Schools are estimated to receive an additional \$117,618 over the term of the abatement and approximately \$588,100 over a 20 year period, as a result of the expansion project.

The first ten years of total taxes for the Library, County, Township, Schools and City net of the abatement equals a total of approximately **\$165,148**.

100% for the next ten years is \$660,592, plus the \$165,148 from the first ten years equals a **total for 20 years of approximately \$825,740**.