



Legislation Details (With Text)

File #: 1349-2013 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 5/28/2013 **In control:** Development Committee

On agenda: 6/17/2013 **Final action:** 6/19/2013

Title: To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with Columbus Equipment Company for a tax abatement of seventy-five percent (75%) for a period of ten (10) years on real property improvements and acquisition in consideration of a proposed total investment of approximately \$3,400,000.00.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD1349-2013 Columbus Equipment Company - Fact Sheet, 2. ORD1349-2013 Columbus Equipment Company - Project Site Map

Date	Ver.	Action By	Action	Result
6/19/2013	1	CITY CLERK	Attest	
6/18/2013	1	MAYOR	Signed	
6/17/2013	1	COUNCIL PRESIDENT	Signed	
6/17/2013	1	Columbus City Council	Approved	Pass
6/10/2013	1	Columbus City Council	Read for the First Time	

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Columbus Equipment Company. 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.

The family-owned Columbus Equipment Company is one of the leading heavy equipment distributors in the United States. Willis "Bill" Early purchased the firm of Carroll & Edwards in 1952, incorporating and renaming the firm Columbus Equipment Company which 60 years later continues to supply some of the best known brands in the industry: Komatsu, Takeuchi, Link-Belt, Dynapac and Morbark. In addition to being an equipment distributor, Columbus Equipment sells used equipment as well as rents and leases heavy equipment to a variety of industry sectors including construction, mining, paving, lifting (cranes) and environmental. The company is currently headquartered in Columbus with operations located around the state in Cadiz, Canton, Cincinnati, Dayton, Painesville, Piketon, Richfield, Toledo and Zanesville.

Columbus Equipment Company is proposing to purchase a vacant commercial office building consisting of approximately 13,500 square feet and invest \$500,000 in new improvements to expand and relocate their corporate headquarters. Additionally, the company is proposing to construct a new 16,000 square foot building with shop bays, a parts department, and office spaces to serve as their local operation facility at a cost of \$1,500,000. Columbus Equipment Company will retain 74 full-time employees with an estimated annual payroll of \$3,650,000 and create 2 new full-time permanent positions with an estimated annual payroll of approximately \$80,000.

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

The Columbus City School District has been advised of this project.

FISCAL IMPACT: No funding is required for this project.

To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with Columbus Equipment Company for a tax abatement of seventy-five percent (75%) for a period of ten (10) years on real property improvements and acquisition in consideration of a proposed total investment of approximately \$3,400,000.00.

WHEREAS, City Council has amended the Columbus Enterprise Zone by Ordinance Numbers 2722-85 in 1986; 2080-89 in 1989; 1949-92, 2249-92 and 2690-92 in 1992; 1079-94 and 1228-94 in 1994; 1274-95, 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, Columbus Equipment Company plans to invest approximately \$3,400,000 in real property improvements, including land acquisition on Parcel Number 010-102565; and

WHEREAS, the project to be developed by Columbus Equipment Company at the project site will consist of purchasing and renovating a vacant commercial office facility consisting of 13,500 square feet, investing approximately \$500,000 in real property improvements and approximately \$1,350,000 on acquisition costs. Additionally, the company is proposing to invest \$1,560,000 to construct a new operation facility consisting of approximately 16,000 square feet. Both facilities will be located on parcel number 010-102565 further known as 2325 Performance Way, Columbus, Ohio 43207; and

WHEREAS, Columbus Equipment Company will create 2 new full-time permanent positions within the City of Columbus over a three-year period following construction completion with an estimated annual payroll of \$80,000; and

WHEREAS, Columbus Equipment Company will retain 74 full-time employees with an annual payroll of approximately \$3,650,000; and

WHEREAS, the City is encouraging this project because of plans to redevelop an urban commercial property in the central city; and

WHEREAS, the City desires to enter in such a binding formal agreement in order to foster economic growth; **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 and tax credit is a critical factor in the decision by Columbus Equipment Company to go forward with the project expansion.

Section 2. That the City Council hereby finds and determines that the project meets all the requirements of the City Act.

Section 3. That the Director of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with Columbus Equipment Company to provide therewith an exemption of seventy-five percent (75%) on real property

improvements for a term of ten (10) taxable years in association with the project's proposed investment of approximately \$2.0 million in real property improvements.

Section 4. That the City of Columbus Enterprise Zone Agreement is signed by Columbus Equipment Company within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credits authorized herein are null and void.

Section 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.