



Legislation Details (With Text)

File #: 0863-2007 **Version:** 2

Type: Ordinance **Status:** Passed

File created: 5/22/2007 **In control:** Development Committee

On agenda: 6/11/2007 **Final action:** 6/13/2007

Title: To authorize the Director of Development to enter into an agreement with DCT Industrial for a real estate tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of a proposed \$13,125,000 investment in real property acquisition, \$6,115,000 investment in real property improvements, and the creation of 20 (twenty) full-time permanent jobs; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
6/13/2007	2	CITY CLERK	Attest	
6/12/2007	2	MAYOR	Signed	
6/11/2007	1	Columbus City Council	Taken from the Table	Pass
6/11/2007	1	Columbus City Council	Amended as submitted to the Clerk	Pass
6/11/2007	1	Columbus City Council	Approved as Amended	Pass
6/11/2007	2	COUNCIL PRESIDENT	Signed	
6/4/2007	1	Columbus City Council	Tabled to Certain Date	Pass
5/22/2007	1	Dev Drafter	Sent for Approval	
5/22/2007	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
5/22/2007	1	Dev Drafter	Sent for Approval	
5/22/2007	1	CITY ATTORNEY	Reviewed and Approved	
5/22/2007	1	Dev Drafter	Sent to Clerk's Office for Council	

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with DCT Industrial (DCT). 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.

DCT Industrial is a leading real estate company specializing in the ownership, acquisition, development and management of bulk distribution and light industrial properties located in 24 of the highest volume distribution markets in the United States. In the future, they intend to continue to focus on properties that exhibit these characteristics where they believe they can achieve favorable returns and leverage their management expertise.

In an effort to expand as per their intent outlined above, the company is proposing to invest \$13,125,000 in the purchase of an existing 350,000 square foot distribution facility at 6450 Lasalle Drive (parcel 495-269365) and further invest approximately \$6,115,000 in a 180,000 square foot cross-docked addition which will be rail served in order to attract rail users. DCI will be the owners of the facility and will lease space to the companies that will be responsible for job creation.

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

City's Enterprise Zone Program.

Emergency action is requested in order to allow DCT to begin investing and creating jobs as quickly as possible.

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

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into an agreement with DCT Industrial for a real estate tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of a proposed \$13,125,000 investment in real property acquisition, \$6,115,000 investment in real property improvements, and the creation of 20 (twenty) full-time permanent jobs; and to declare an emergency.

WHEREAS, the Columbus City Council authorized the designation of the 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, 2609-92 and 2249-92 in 1992; 1079-94 and 1228-94 in 1994; 2196-95 and 2817-95 in 1995; 533-99 in 1999; 1785-00 in 2000; 1464-02 in 2002; and 225-03 in 2003; 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 and most recently on August 19, 2003 as an "urban jobs and enterprise zone" under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, DCT Industrial plans to purchase a 350,000 square foot warehousing facility located at 6450 Lasalle Drive in Columbus and expand it by 180,000 square feet; and

WHEREAS, DCT Industrial agrees to invest approximately \$13,125,000 in property acquisition and invest approximately \$6,116,000 in real property improvements within the City; and

WHEREAS, by their investment in and expansion of this facility, DCT Industrial agrees to create 20 (twenty) full-time permanent jobs; and

WHEREAS, DCT Industrial has indicated that tax incentives are crucial to its decision to locate the aforementioned expansion at the Columbus site; and

WHEREAS, it is required by law to enter into a formal, binding agreement in order to provide an Enterprise Zone incentive in the State and City; and

WHEREAS, the City desires to enter into such agreement with DCT Industrial to foster economic growth; and

WHEREAS, an emergency exists in the usual daily operations of the Department of Development in that it is immediately necessary to enter into contract with DCT Industrial to provide for DCT Industrial the ability to move forward with their project to allow for the project's real property improvements to begin in July 2007, all for the preservation of public health, peace, property and safety, **NOW, THEREFORE**,

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

Section 1. That the Director of Development is hereby authorized to enter into an Enterprise Zone Agreement with DCT Industrial, and to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) tax years in consideration of their investment of \$19,240,000 and job creation.

Section 2. Any employer benefiting under the terms of this agreement shall offer benefits such as paid holidays, vacation and personal days, retirement plans, training and education and health insurance plans to employees. The jobs to be created must pay a minimum of \$12.00 per hour.

Section 2. 3. That the City of Columbus Enterprise Zone Agreement be signed by DCT Industrial within ninety (90) days of passage of this ordinance, or this ordinance and the abatements authorized herein are null and void.

Section 3. 4. That for reasons stated in the preamble hereto, which is hereby made a part hereof the ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after the passage if the Mayor neither approves nor vetoes the same.