



Legislation Details (With Text)

File #: 1274-2009 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 9/23/2009 **In control:** Development Committee

On agenda: 10/19/2009 **Final action:** 10/20/2009

Title: To amend Ordinance 1550-2008, passed on October 20, 2008, authorizing the Director of Development to amend the Enterprise Zone Agreement with AmerisourceBergen Drug Corporation.

Sponsors:

Indexes:

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|------------|------|-----------------------|------------------------------------|--------|
| 10/20/2009 | 1 | MAYOR | Signed | |
| 10/20/2009 | 1 | CITY CLERK | Attest | |
| 10/19/2009 | 1 | Columbus City Council | Approved | |
| 10/19/2009 | 1 | COUNCIL PRESIDENT | Signed | |
| 10/5/2009 | 1 | Columbus City Council | Read for the First Time | |
| 9/24/2009 | 1 | Dev Drafter | Sent for Approval | |
| 9/24/2009 | 1 | CITY ATTORNEY | Reviewed and Approved | |
| 9/24/2009 | 1 | Dev Drafter | Sent to Clerk's Office for Council | |
| 9/23/2009 | 1 | Dev Drafter | Sent for Approval | |
| 9/23/2009 | 1 | DEVELOPMENT DIRECTOR | Reviewed and Approved | |

BACKGROUND: The need exists to amend the legislation authorizing the third amendment to the Enterprise Zone Agreement with AmerisourceBergen Drug Corporation. The AmerisourceBergen Drug Corporation Enterprise Zone Agreement (EZA) was authorized by City Council on September 16, 2002, and was entered into effective July 14, 2003. City Council approved the first amendment to the AmerisourceBergen EZA on December 6, 2004, which added Fifth Third Leasing Company to the EZA and allowed the personal property exemptions granted to the AmerisourceBergen Drug Corporation under the EZA to extend to personal property leased from the Fifth Third Leasing Company and/or any assignee or successor lessor subsequently identified in writing to the City's Director of Development. City Council approved the second amendment to the AmerisourceBergen EZA on October 31, 2007, which reduced the job creation requirement from 64 jobs to 19 jobs, to make a commensurate reduction in the payroll requirement for the new jobs, and to eliminate the personal property tax abatement for 2008. City Council approved the third amendment to the AmerisourceBergen EZA on October 20, 2008, which was to reduce the job creation requirement from 19 to 8 jobs, to make a commensurate reduction in the payroll requirement for the new jobs, to reduce the job retention requirement from 200 to 196 jobs, for an overall job level of 204 jobs, and that should these new job levels not be achieved by the end of 2008 that the abatement be reduced to 50% from the current 75%. This legislation seeks to amend the job creation and job retention requirements as set forth in the third amendment, removing specific requirements for the creation and retention of jobs and replacing that with maintaining an overall job level of 160 jobs, and to reduce the abatement to 50% from the current 75%.

FISCAL IMPACT: No funding is required for this legislation.

To amend Ordinance 1550-2008, passed on October 20, 2008, authorizing the Director of Development to amend the Enterprise Zone Agreement with AmerisourceBergen Drug Corporation.

WHEREAS, the Columbus City Council approved the Enterprise Zone Agreement with AmerisourceBergen Drug Corporation on September 16, 2002 by Ordinance 1350-02 and entered into effective July 14, 2003; and

WHEREAS, the Enterprise Zone Agreement with AmerisourceBergen Drug Corporation was subsequently amended to include the Fifth Third Leasing Company by Ordinance 2046-04, approved by City Council on December 6, 2004; and

WHEREAS, the Enterprise Zone Agreement with AmerisourceBergen Drug Corporation was again subsequently amended to reduce the job creation requirement to 19 jobs, with a commensurate reduction in the payroll requirement, and to eliminate the personal property tax abatement for 2008 by Ordinance 1646-2007, approved by City Council on November 12, 2007; and

WHEREAS, the Enterprise Zone Agreement with AmerisourceBergen Drug Corporation (the "EZA") provides for a 75%/10-Year tax abatement on real property improvements and new personal property, requires a project investment of \$43,275,000, including approximately \$19.5 million in new personal property and requires the retention of 200 jobs and the creation of 19 new jobs; and

WHEREAS, the project has met the real and personal property investment goals of the EZA but job creation and retention have fallen short, with only 1 jobs created and 169 jobs retained, as of December 31, 2008, compared to the job creation goal of 19 and job retention goal of 200; and

WHEREAS, the Tax Incentive Review Council (the "TIRC") met on August 18, 2009 and recommended that the City amend the EZA to reduce the total job commitment from 219 jobs to 160 jobs, to make a commensurate reduction in the payroll requirement for the jobs, and that the abatement be reduced to 50% from the current 75%; and

WHEREAS, the City desires to amend the EZA to reflect the recommendations of the TIRC; and **NOW THEREFORE,**

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

Section 1. That the existing legislation (Ordinance 1550-2008), passed by City Council on October 20, 2008 that authorized the Director of Development to amend for the third time the Enterprise Zone Agreement with AmerisourceBergen Drug Corporation be amended, with this amendment to the legislation removing the separate job creation and retention commitments and replacing these with an overall job commitment of 160 total jobs, changing new job payroll to total job payroll with this level of payroll being commensurate with the new total job level, and a reduction in the amount of abatement from 75% to 50%.

Section 2. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.