



## Legislation Details (With Text)

**File #:** 0614-2009      **Version:** 1

**Type:** Ordinance      **Status:** Passed

**File created:** 4/16/2009      **In control:** Development Committee

**On agenda:** 5/11/2009      **Final action:** 5/14/2009

**Title:** To authorize the Director of the Department of Development to amend forty-one (41) currently active Enterprise Zone Agreements and five (5) currently active Community Reinvestment Area Agreements held between the City of Columbus and various Enterprises for the purpose of eliminating language pertaining to personal property investment, and to dissolve six (6) other currently active Enterprise Zone Agreements that abate personal property tax only.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
5/14/2009	1	CITY CLERK	Attest	
5/12/2009	1	MAYOR	Signed	
5/11/2009	1	Columbus City Council	Approved	Pass
5/11/2009	1	COUNCIL PRESIDENT	Signed	
5/4/2009	1	Columbus City Council	Read for the First Time	
4/17/2009	1	Dev Drafter	Sent to Clerk's Office for Council	
4/16/2009	1	Dev Drafter	Sent for Approval	
4/16/2009	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
4/16/2009	1	Dev Drafter	Sent for Approval	
4/16/2009	1	CITY ATTORNEY	Reviewed and Approved	

**BACKGROUND:** House Bill 66 (Amended Substitute House Bill Number 66, FY 2006-2007 Budget Bill, passed by the 126<sup>th</sup> Ohio General Assembly) phases out the tax on the tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business will have been eliminated by 2009. The tax was phased out by reducing the assessment rate on the property each year of the phase out period.

Forty-seven (47) currently active Enterprise Zone Agreements held between the City of Columbus and various Enterprises contain language indicating that said Enterprise would receive a property tax abatement on personal property investments or that Enterprise was to invest in personal property as part of the project. In addition, five (5) currently active Community Reinvestment Area Agreements held between the City of Columbus and various Enterprises contain language indicating said Enterprise was to invest in personal property as part of the project.

Each of the Enterprises associated with these forty-seven (47) currently active Enterprise Zone Agreements and five currently active Community Reinvestment Area Agreements have satisfied their real and personal property investment goals, and with the reduction of the assessment rate for the tangible personal property tax being reduced to zero percent (0%) the various Enterprises listed above will no longer receive any benefit from an agreed-to abatement. Additionally, as long as language indicating that tangible personal property investment will be made in association with a given project remains in the above agreements, each Enterprise will continue to be required to report such investment as part of the annual reporting process both to the Ohio Department of Development and to

the annual Columbus Tax Incentive Review Council. It is the opinion of the Department of Development that such language is no longer needed.

Additionally, six (6) of the forty-seven (47) currently active Enterprise Zone Agreements provide tax abatements on personal property only, and to remove any and all language pertaining to personal property investment and tax abatements related to this personal property investment would render the agreements without benefit to the abatement holders.

It is recommended by the Department of Development that any and all language pertaining to personal property investment and tax abatements related to this personal property investment be removed from the Enterprise Zone and Community Reinvestment Area agreements in question and that the six (6) Enterprise Zone Agreements that provide tax abatements on personal property only be dissolved.

**FISCAL IMPACT:** No funding is required for this legislation.

To authorize the Director of the Department of Development to amend forty-one (41) currently active Enterprise Zone Agreements and five (5) currently active Community Reinvestment Area Agreements held between the City of Columbus and various Enterprises for the purpose of eliminating language pertaining to personal property investment, and to dissolve six (6) other currently active Enterprise Zone Agreements that abate personal property tax only.

**WHEREAS**, House Bill 66 (Amended Substitute House Bill Number 66, FY 2006-2007 Budget Bill, passed by the 126<sup>th</sup> Ohio General Assembly) phases out the tax on the tangible personal property of general businesses, telephone and telecommunications companies, and railroads; and

**WHEREAS**, the tax on general business will have been eliminated by 2009; and

**WHEREAS**, the tax was phased out by reducing the assessment rate on the property each year of the phase out period; and

**WHEREAS**, forty-seven (47) currently active Enterprise Zone Agreements held between the City of Columbus and various Enterprises contain language indicating that said Enterprise would receive a property tax abatement on personal property investments or that Enterprise was to invest in personal property as part of the project; and

**WHEREAS**, five (5) currently active Community Reinvestment Area Agreements held between the City of Columbus and various Enterprises contain language indicating said Enterprise was to invest in personal property as part of the project; and

**WHEREAS**, each Enterprise associated with the agreements listed above have satisfied their real and personal property investment goals, and with the reduction of the assessment rate for the tangible personal property tax being reduced to zero percent (0%), the various Enterprises listed above will no longer receive any benefit from an agreed-to abatement; and

**WHEREAS**, six (6) of the forty-seven (47) currently active Enterprise Zone Agreements provide tax abatements on personal property only, and so to remove any and all language pertaining to personal property investment and tax abatements related to this personal property investment would render the agreements without benefit to the abatement holders; and

**WHEREAS**, as long as language indicating that tangible personal property investment will be made in association with a given project remains in the above agreements, each Enterprise will continue to be required to report such investment as part of the annual reporting process both to the Ohio Department of Development and to the annual Columbus Tax Incentive Review Council; and

**WHEREAS**, it is recommended by the Department of Development that any and all language pertaining to personal property investment and tax abatements related to this personal property investment, be removed from each of the above agreements and that the agreements that provide tax abatements to personal property only be dissolved, **NOW, THEREFORE**,

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

**Section 1.** That the Director of the Department of Development is hereby authorized to amend the Enterprise Zone Agreements

with 1179 E. Main Redevelopment, LLC & Columbus Compact Corporation; 515 Partners, LLC; ADS Alliance Data Systems, Inc./ADS Phase I, LLC; American Signature, Inc., & JAL Realty Co.; America's Floor Source, LLC; AmerisourceBergen Drug Corporation; Beverage Management, Inc.; Boehringer Ingelheim Roxane, Inc.; Brewers Yard LLC; Broad & High CRI LP; Buckeye Distributing, Inc.; Carr Supply, Inc.; Columbus Paperbox; Columbus Wood Products, LLC/Continental Millworks Company, LLC/Nacht Holdings, LLC; Comtex; Core Molding Technologies, Inc.; Crafts Americana Group, Inc.; DSW, Inc. & 4300 Venture 34910 LLC; Evans, Mechwart, Hambleton & Tilton Inc./Wishbone Partners, LLC; Gideon Development Partners, LLC & King Lincoln Gateway, LLC; Gowdy Partners LLC & Time Warner Entertainment Company L.P.; Grange Mutual Casualty Company; Greater Linden Development Corporation & NLR Group Ltd.; Hirschvogel Incorporated; The Huntington National Bank; Liberty Place, LLC; Millennium Court LLC and DuPont Flooring Systems, Inc.; MND LLC/Moody Nolan LTD., Inc./Wiles, Boyle, Burkholder & Bringardner LP/Saltz Shamis & Goldfarb CPAs; Morrison Medical LTD & MJ Paragon LLC; NetJets, Inc.; NTK Hotel Group LLC; Schottenstein Stores Corporation and 4300 Venture 34910 LLC; Simpson Strong-Tie Co.; Superior Production Partnership; Terminal Warehouse, Inc./KB Columbus II/Bayer Material Science, LLC; Town Square Limited Partnership; The Trane Company and Millennium Court II LLC; and Unico Alloys and Metals/Cronimet Holdings; and to amend the Community Reinvestment Area Agreements with Brewers Yard Apartments; Cassidy Gateway Partners LLC; McGraw-Hill Companies, Inc.; Mettler Toledo Scale; and Nationwide Arena LLC; so as to remove any and all language from each of the above agreements pertaining to personal property investment and tax abatements related to this personal property investment, and to dissolve the Enterprise Zone Agreements with American Eagle Airlines, Hopkins Printing, Océ Imagistics, PetsMart/USIndustrial REIT, Stone Barn LLC, and United Parcel Service.

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