



Legislation Details (With Text)

File #: 0126-2005 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 1/14/2005 **In control:** Jobs and Economic Development Committee

On agenda: 1/31/2005 **Final action:** 2/2/2005

Title: To authorize the Director of Development to enter into an agreement with Simpson Strong-Tie Co. for an Enterprise Zone Tax Abatement of seventy-five percent (75%) for a period of ten (10) years on real property improvements, machinery & equipment, furniture & fixtures and new inventory; in consideration of a proposed investment of \$11,150,000 in real and personal property, the retention of 166 full-time permanent jobs and the creation of 6 (six) full-time permanent jobs; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------------|------------------------------------|--------|
| 2/2/2005 | 1 | CITY CLERK | Attest | |
| 2/1/2005 | 1 | MAYOR | Signed | |
| 1/31/2005 | 1 | Columbus City Council | Approved | Pass |
| 1/31/2005 | 1 | COUNCIL PRESIDENT | Signed | |
| 1/18/2005 | 1 | Dev Drafter | Sent for Approval | |
| 1/18/2005 | 1 | CITY ATTORNEY | Reviewed and Approved | |
| 1/18/2005 | 1 | Dev Drafter | Sent to Clerk's Office for Council | |
| 1/14/2005 | 1 | Dev Drafter | Sent for Approval | |
| 1/14/2005 | 1 | DEVELOPMENT DIRECTOR | Reviewed and Approved | |

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Simpson Strong-Tie Co. The Ohio Enterprise Zone Law O.R.C. Section 5709.62 (3) requires the City to enter into a Council-approved agreement between the City and participating companies.

Simpson Strong-Tie Co. plans to build a 135,000 square foot addition to accommodate expansion at the current location. The project will include an investment of \$11,150,000 in real property improvements, machinery & equipment, furniture & fixtures and new inventory, the retention of 166 full-time permanent jobs and the creation of 6 (six) full-time permanent jobs.

The Department of Development recommends a 75%/10 year tax abatement on real property improvements, machinery & equipment, furniture & fixtures and new inventory. This proposal is consistent with the Columbus Tax Incentive Policy under Edge City projects.

The Hilliard School District has been advised of this project.

Emergency action is requested of City Council to facilitate a purchase agreement.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into an agreement with Simpson Strong-Tie Co. for an Enterprise Zone Tax Abatement of seventy-five percent (75%) for a period of ten (10) years on real property improvements, machinery & equipment, furniture & fixtures and new inventory; in consideration of a proposed investment of \$11,150,000 in real and personal property, the retention of 166 full-time permanent jobs and the creation of 6 (six) 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 Code 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, Simpson Strong-Tie Co. plans to build a 135,000 square foot addition to accommodate expansion; and

WHEREAS, Simpson Strong-Tie Co. agrees to invest approximately \$11,150,000 in real property improvements, machinery & equipment, furniture & fixtures and new inventory within the City; and

WHEREAS, Simpson Strong-Tie Co. agrees to retain 166 full-time permanent jobs and create 6 (six) new full time permanent jobs; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to enter into contract with Simpson Strong-Tie Co. to facilitate a purchase agreement, 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 Simpson Strong-Tie Co. and to provide therewith an exemption of seventy-five percent (75%) on real property improvements, machinery & equipment, furniture & fixtures and new inventory for a term of ten (10) taxable years in association with the project's proposed \$11,150,000 investment and job retention and creation.

Section 2. 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.