



Legislation Text

File #: 1550-2008, **Version:** 1

BACKGROUND: 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 the 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 November 12, 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.

The 2008 Columbus Tax Incentive Review Council (TIRC) reviewed the AmerisourceBergen Enterprise Zone project on August 19, 2008, and recommended that the City (1) amend the overall job level to 204 from the current level of 219 with 8 of those being new and 196 being retained with commensurate modification of new job payroll; and (2) should the new level of total jobs (204) not be achieved by the end of 2008 (as per their 2008 Annual Report) then the abatement will be reduced to 50% from the current 75%. This legislation will authorize amendment of the EZA to reflect the TIRC recommendation. It is anticipated that the company will be able to maintain good compliance in future years with the reduced overall job level requirement. The term of the real property tax abatement is not modified by this amendment and is expected to run through 2013.

This legislation is presented as an emergency measure in order to meet the deadline under state law for City Council to vote on TIRC recommendations.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the Enterprise Zone Agreement with AmerisourceBergen Drug Corporation; and to declare an emergency. **(AMENDED BY ORD. 1247-2009 PASSED 10/19/2009)**

WHEREAS, the Columbus City Council approved the Enterprise Zone Agreement with AmerisourceBergen Drug Corporation on September 16, 2002 by Ordinance No. 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 Ord. No. 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 Ord. No. 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 8 jobs created and 189 jobs retained, as of December 31, 2007, 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 19, 2008 and recommended that the City amend the

EZA to reduce the job creation requirement from 19 jobs to 8 jobs, to make a commensurate reduction in the payroll requirement for the new jobs, to reduce the job retention requirement from 200 jobs to 196 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%; and

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

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to take action on the TIRC's recommendations to comply with the sixty (60) day deadline for City Council action imposed by imposed by R.C. Section 5709.85, all for the preservation of the public health, property, safety and welfare; **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 AmerisourceBergen Drug Corporation Enterprise Zone Agreement (EZA) to reduce the job creation requirement from 19 jobs to 8 jobs, to make a commensurate reduction in the payroll requirement for the new jobs, to reduce the job retention requirement from 200 jobs 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 that the Director of Development is then authorized to again amend the Enterprise Zone Agreement with AmerisourceBergen Drug Corporation to reduce the abatement to 50% from the current 75%.

Section 2. For the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is 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 (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.