



Legislation Text

File #: 1277-2016, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Lightning Propco I, LLC and Micro Electronics, Inc. The Ohio Enterprise Zone law (Section 5709.62(C) of the Ohio Revised Code) requires the City to enter into Council-approved agreements between the City and participating companies.

Lightning Propco I, LLC is a real estate holding entity related to Evergreen Industrial Properties, LLC. Evergreen Industrial Properties, LLC owns and manages a portfolio of real estate assets, was incorporated in 2014, and is based in California.

Micro Center is an American computer department store founded in Columbus, Ohio in 1979 by two former Radio Shack employees. Micro Center is a subsidiary of Micro Electronics, Inc., a privately held corporation headquartered in Hilliard, Ohio. In addition to selling the name brand products of a multitude of manufacturers, Micro Center also sells products under a variety of its own brand names.

Lightning Propco I, LLC, together with its tenant Micro Electronics, Inc., is proposing to expand its existing 262,636-square-foot facility located at 2701 Charter Street Columbus, Ohio 43228 (parcel number: 560-241826-00) by adding approximately 43,380 square feet of warehouse distribution space. Micro Electronics, Inc. will occupy the entirety of the expanded space as part of an amended long-term lease arrangement.

Micro Electronics, Inc. will retain 104 full-time permanent positions at the project site with an associated annual payroll of approximately \$3,005,612 and create 5 new full-time permanent positions with an associated new annual payroll of approximately \$130,000. The project involves a total investment of approximately \$2,970,000, which includes \$2,670,000 in real property improvement and the balance related to the acquisition of machinery, equipment, furniture and fixtures.

The Department of Development recommends an Enterprise Zone property tax abatement of fifty percent (50%) for a period of eight (8) years on real property improvements for the purpose of constructing an additional 43,380 square feet of warehouse distribution space at 2701 Charter Street Columbus, Ohio 43228.

The Hilliard City School District and the Tolles Career & Technical Center School District have been advised of this project. This legislation is presented as 30 day legislation.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into an Enterprise Zone Agreement with Lightning Propco I, LLC and Micro Electronics, Inc. for a property tax abatement of fifty percent (50%) for a period of eight (8) years in consideration of a proposed total investment of approximately \$2.97 million, the retention of 104 full-time permanent positions, and the creation of 5 new full-time permanent positions.

WHEREAS, the Columbus City Council authorized the designation of the Central Enterprise Zone by legislation, Ordinance 779-85, dated April 22, 1985; and subsequently amended the Zone by Ordinances 2722-85 in 1986; 2080-89 in

1989; 1949-92, 2690-92 and 2249-92 in 1992; 1079-94 and 1228-94 in 1994; 2196-95 and 2817-95 in 1995; 0533-99 in 1999; 1785-00 in 2000; 1464-02 in 2002; 0225-03 in 2003; and 0032-2012 in 2012; 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, August 19, 2003 and most recently on April 3, 2012 as an "urban jobs and enterprise zone" under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Lightning Propco I, LLC proposes to expand their existing 262,636-square-foot facility located at 2701 Charter Street Columbus, Ohio 43228 (parcel numbers: 560-241826-00) by approximately 43,380 square feet, which Micro Electronics, Inc. will occupy as part of an amended long-term lease arrangement; and

WHEREAS, Lightning Propco I, LLC and Micro Electronics, Inc. will invest a total of approximately \$2,670,000 in real property improvements related to new building construction; and

WHEREAS, contingent on the City granting an Enterprise Zone property tax abatement, Micro Electronics, Inc. will retain 104 full-time permanent positions at the project site with an associated annual payroll of approximately \$3,005,612 and will create 5 new full-time permanent positions with an associated new annual payroll of approximately \$130,000; thereby increasing job opportunities and strengthening the economy of the City; and

WHEREAS, Lightning Propco I, LLC and Micro Electronics, Inc. have each indicated that receiving this tax incentive from the City is crucial to their decision to advance the aforementioned expansion in Columbus; and

WHEREAS, the City desires to increase employment opportunities and encourage the creation of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and

WHEREAS, the City desires to enter into such a binding formal agreement in order to foster economic growth 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 City hereby finds and determines that the project will (1) create jobs in the State and City (2) the project is economically sound and will benefit the people of the State and City by increasing opportunities for employment and strengthening the economy of the State and City; and (3) receiving the aforementioned tax abatement is a critical factor in the decision by Lightning Propco I, LLC and Micro Electronics, Inc. to expand the Charter Street facility.

SECTION 2. That the Director of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with Lightning Propco I, LLC and Micro Electronics, Inc. to provide therewith an exemption of fifty percent (50%) on real property improvements for a term of eight (8) taxable years in association with the project's proposed total investment of approximately \$2,970,000, which includes \$2,670,000 in real property improvement and the balance related to the acquisition of machinery, equipment, furniture and fixtures, the retention of 104 full-time permanent positions with an associated annual payroll of approximately \$3,005,612, and the creation of 5 new full-time permanent positions with an associated new annual payroll of approximately \$130,000 at 2701 Charter Street Columbus, Ohio 43228.

SECTION 3. That the City of Columbus Enterprise Zone Agreement shall be signed by Lightning Propco I, LLC and Micro Electronics, Inc. within ninety (90) days of passage of this ordinance or this ordinance and the abatement

authorized herein shall be null and void.

SECTION 4. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.