



Legislation Text

File #: 3117-2016, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with The Huntington National Bank, a banking association, Huntington Bancshares, Inc. Huntington Insurance, Inc., Huntington Investment Company, and Huntington Technology Finance, Inc. (collectively known as and hereinafter referred to as “Huntington National Bank”). The Ohio Enterprise Zone law O.R.C. Section 5709.62(C) requires the City to enter into a Council-approved agreement between the City and participating companies.

P. W. Huntington formed and opened the first Huntington National Bank in downtown Columbus in 1866. Today, Huntington National Bank is an affiliate of Huntington Bancshares Inc. with \$101 billion of assets, a network of 1,103 branches and 1,979 ATMs across eight Midwestern states: Indiana, Kentucky, Michigan, Ohio, Pennsylvania, and West Virginia; its 2016 acquisition of FirstMerit Corporation expands its presence into Illinois and Wisconsin. Huntington National Bank provides full-service commercial and consumer banking services, mortgage banking services, equipment leasing, investment management, trust services, brokerage services, customized insurance service program, and other financial products and services.

Huntington National Bank proposes to invest approximately \$19.5 million, which includes \$1.5 million in acquisition cost, to consolidate, expand and relocate its operations center from Morse Road into a larger vacant commercial facility (the old Meijer grocery store) at 5555 Cleveland Avenue, Columbus, Ohio 43231, parcel number 010-143750. In addition, Huntington National Bank will also consolidate its Crosswoods facility into the proposed project site; whereas, both facilities are currently leased with both lease terms set to expire simultaneously. Huntington National Bank will create 1,000 new full-time permanent positions with an estimated new annual payroll of approximately \$60 million (an average annual salary of \$60,000), exclusive of benefits and retain employees, the total of which will be determined as of calendar year ending December 31, 2016. The proposed new job creation, along with the retained jobs, include sites located at 5555 Cleveland Avenue, the corporate headquarters at 41 S. High Street, 37 W. Broad Street and all other non-retail locations situated in the City of Columbus.

The Department of Development recommends 75%/10-year Enterprise Zone tax abatement on real property improvements.

The Columbus City School District has been advised of this project.

FISCAL IMPACT: 0

To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with The Huntington National Bank, a banking association, Huntington Bancshares, Inc., Huntington Insurance, Inc., Huntington Investment Company, and Huntington Technology Finance, Inc. for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed total investment of \$19.5 million and the creation of 1,000 new full-time permanent positions.

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 Columbus Enterprise Zone by Ordinance Numbers 2722-85 in 1986; 2080-89 in 1989; 1949-92, 2249-92 and 2690-92 in 1992; 1079-94 and 1228-94 in 1994; 1274-95, 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 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, W. Huntington formed and opened the first Huntington National Bank in downtown Columbus in 1866. Today, Huntington National Bank is an affiliate of Huntington Bancshares Inc. with \$101 billion of assets, a network of 1,103 branches and 1,979 ATMs across eight Midwestern states: Indiana, Kentucky, Michigan, Ohio, Pennsylvania, and West Virginia; its 2016 acquisition of FirstMerit Corporation expands its presence into Illinois and Wisconsin; and

WHEREAS, Huntington National Bank provides full-service commercial and consumer banking services, mortgage banking services, equipment leasing, investment management, trust services, brokerage services, customized insurance service program, and other financial products and services; and

EAS, Huntington National Bank proposes to invest approximately \$19.5 million, which includes \$1.5 million is acquisition cost and \$18.0 million in real property improvements, to consolidate, expand and relocate its operations center from Morse Road into a larger vacant commercial facility that consists of approximately 212,000 sq. ft. (the old Meijer grocery store) at 5555 Cleveland Avenue, Columbus, Ohio 43231, parcel number 010-143750. In addition, the company will consolidate its Crosswoods facility into the proposed project site; and

WHEREAS, Huntington National Bank will create 1,000 new full-time permanent positions with an estimated new annual payroll of approximately \$60 million (an average annual salary of \$60,000), exclusive of benefits and retain employees, the total of which will be determined as of calendar year ending December 31, 2016. The proposed new job creation, along with the retained jobs, include sites located at 5555 Cleveland Avenue, the corporate headquarters at 41 S. High Street, 37 W. Broad Street and all other non-retail locations situated in the City of Columbus; and

WHEREAS, per City of Columbus policy as set forth by Columbus City Council, only new full-time permanent positions compensated at an hourly wage rate of at least \$12.00 will be eligible for City incentive support; the incentive will be applied for any new full-time employee hired as a result of the project so long as they meet the minimum hourly wage requirement during the incentive term; and

EAS, the City is encouraging this project because of plans to develop a vacant commercial facility parcel in the central city; and

EAS, the City desires to enter in such a binding formal agreement in order to foster economic growth for the reservation of public health, peace, property and safety; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

SECTION 1. That this Council hereby finds and determines that the enterprise submitting the proposal is qualified by financial responsibility and business experience to create and preserve employment opportunities in the zone and improve the economic climate of the municipal corporation and receiving this tax incentive is a critical factor in the decision by The Huntington National Bank, a banking association, Huntington Bancshares, Inc. Huntington Insurance, Inc., Huntington Investment Company, and Huntington Technology Finance, Inc. to go forward with the project expansion.

SECTION 2. That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with The Huntington National Bank, a banking association, Huntington Bancshares, Inc., Huntington Insurance, Inc., Huntington Investment Company, and Huntington Technology Finance, Inc. to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) consecutive taxable years in association with the project’s proposed total investment of approximately \$19.5 million, which includes \$18.0 million in real property

improvements at 5555 Cleveland Avenue, Columbus, Ohio 43231, parcel number 010-143750, the creation of 1,000 full-time permanent positions with an estimated annual payroll of approximately \$60 million and retain employees, the total of which will be determined as of report year ending December 2016.

SECTION 3. That the City of Columbus Enterprise Zone Agreement is signed by The Huntington National Bank, a banking association, Huntington Bancshares, Inc. Huntington Insurance, Inc., Huntington Investment Company, and Huntington Technology Finance, Inc. within one hundred eighty (180) days of passage of this ordinance, or this ordinance and the abatements and credit authorized herein are null and void.

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