



## Legislation Text

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**File #:** 1641-2009, **Version:** 1

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**BACKGROUND:** The 2009 Columbus Tax Incentive Review Council (TIRC) reviewed the Weiler-Bowen Ltd. Enterprise Zone project on August 18, 2009, and recommended that the City should consider dissolving the Enterprise Zone Agreement (EZA #023-98-05, hereinafter "AGREEMENT") between the City and Weiler-Bowen, Limited (hereinafter "ENTERPRISE"). The City concurs with the recommendation of the TIRC.

Columbus City Council (hereinafter "COUNCIL") approved the AGREEMENT between the City of Columbus and Weiler-Bowen, Limited and Calltech Communications, Incorporated by Ordinance No. 2329-97, adopted September 30, 1997. The AGREEMENT was entered into effective September 30, 1997 and granted a ten (10) year real property tax abatement with the abatement amount being 100% for years 1 through 5 and 50% for years 6 through 10 on real property improvements with a commitment of \$3.5 million in real property improvements, \$3.8 million in personal property investment, the creation of between 150 to 200 new permanent full-time jobs related to the redevelopment of approximately 95,000 square feet of office/warehouse space on 1108 City Park Avenue within the City of Columbus Enterprise Zone (Zone #023). The project was expected to begin June 1, 1998 and all acquisition, construction, and installation were expected to be completed by June 1, 1999. No real property tax exemption was to neither commence before 1998 nor extend beyond 2009.

The AGREEMENT was subsequently authorized to be amended for the first time by Ordinance No. 2507-2003, passed by COUNCIL December 8, 2003, effective March 4, 2004, to remove Calltech Communications, Incorporated from the AGREEMENT and to acknowledge multiple tenants at the facility.

The AGREEMENT was subsequently authorized to be amended for the second time by Ordinance No. 1916-2004, passed by COUNCIL November 1, 2004 to modify the abatement schedule to be 100% for years 1 through 4 (2000 to 2003) and 50% for years 5 through 10 (2004 to 2009).

The AGREEMENT was subsequently authorized to be amended for the third time by Ordinance No. 1744-2006, passed by COUNCIL October 16, 2006, effective November 15, 2006, to modify the job, payroll, and personal property investment requirements.

As of the TIRC review on August 18, 2009, it was reported to the TIRC that ENTERPRISE was in a state of non-compliance, that as of the March 31, 2009 annual reporting deadline, ENTERPRISE had not submitted their annual reporting materials. ENTERPRISE was sent the reporting materials in January, a reminder notice was sent prior to the deadline, and that non-compliance letters were sent in May and July (the July letter via Certified Mail).

The TIRC recommended that a letter be sent to ENTERPRISE via Certified Mail requesting full reporting compliance within 30 days of receipt of the letter, and that if ENTERPRISE did not comply then the AGREEMENT would be dissolved. The 30-day window for response by ENTERPRISE was October 1, 2009. ENTERPRISE did not respond.

Should the EZA be dissolved, 2007 will have been the final tax year for the incentives and the City will not seek repayment of the exempted or credited taxes from prior years.

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 dissolve the Enterprise Zone Agreement between the City of Columbus and Weiler-Bowen, Limited; to direct the Director of the Department of Development to notify as necessary the local and state tax authorities; and to declare an emergency.

**WHEREAS,** Columbus City Council ("COUNCIL") approved an Enterprise Zone Agreement ("EZA") with Weiler-Bowen, Limited ("ENTERPRISE") and Calltech Communications, Incorporated by Ordinance No. 2329-97 on September 30, 1997; and

**WHEREAS,** the EZA granted a 10-year abatement on real property improvement, with the abatement amount being 100% for years 1 through 5 and 50% for years 6 through 10; and

**WHEREAS,** the EZA required \$3,500,000 in real property improvements, \$3,800,000 in personal property investment, and the creation of between 150 to 200 new full-time jobs, related to the redevelopment of approximately 95,000 square feet of office/warehouse space on 1108 City Park Avenue; and

**WHEREAS,** the EZA was subsequently authorized to be amended for the first time by Ordinance No. 2507-2003, passed by COUNCIL December 8, 2003, effective March 4, 2004, to remove Calltech Communications, Incorporated from the EZA and to acknowledge multiple tenants at the facility; and

**WHEREAS,** the EZA was subsequently authorized to be amended for the second time by Ordinance No. 1916-2004, passed by COUNCIL November 1, 2004 to modify the abatement schedule to be 100% for years 1 through 4 (2000 to 2003) and 50% for years 5 through 10 (2004 to 2009); and

**WHEREAS,** the EZA was subsequently authorized to be amended for the third time by Ordinance No. 1744-2006, passed by COUNCIL October 16, 2006, effective November 15, 2006, to modify the job, payroll, and personal property investment requirements; and

**WHEREAS,** as per the review by the 2009 Columbus Tax Incentive Review Council (TIRC) on August 18, 2009, ENTERPRISE had not yet submitted their annual reporting materials, having missed the reporting deadline of March 31, 2009 and having been unresponsive to repeated communications requesting submission of reporting materials; and

**WHEREAS,** the TIRC found ENTERPRISE to be in a state of non-compliance in that ENTERPRISE had missed the annual reporting window; and

**WHEREAS,** the TIRC recommended that a certified letter be sent to ENTERPRISE requesting full reporting compliance within 30 days of receipt of the letter, and that if ENTERPRISE did not comply then the AGREEMENT would be dissolved; and

**WHEREAS,** the 30-day window for response by ENTERPRISE was October 1, 2009; and

**WHEREAS,** as ENTERPRISE did not respond, the City concurs with the TIRC recommendation and desires to dissolve the EZA and end the tax abatement as of December 31, 2007; and

**WHEREAS,** an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to dissolve the Enterprise Zone Agreement with Weiler-Bowen, Limited in order to meet the deadline under state law for City Council to vote on TIRC recommendations, all for the immediate preservation of the public health, peace, property, safety and welfare; **NOW THEREFORE,**

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

**Section 1.** That Columbus City Council hereby dissolves the Weiler-Bowen, Limited Enterprise Zone Agreement as of December 31, 2007, with 2007 as the final tax year for the exemptions.

**Section 2.** That the Director of Development is hereby directed to notify the necessary local and state agencies of any changes to the Weiler-Bowen, Limited Enterprise Zone Agreement.

**Section 3.** 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.