



City of Columbus

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

Legislation Text

File #: 1989-2011, **Version:** 1

BACKGROUND: Columbus City Council (Council), by Ordinance 0639-2008, passed July 7, 2008, authorized the City of Columbus (City) to enter into an Enterprise Zone Agreement (the Agreement) with American Signature, Inc. & JAL Realty Co. (together, Enterprise) for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of a \$2,600,000 investment in real property improvements, a \$7,130,000 investment in personal property, and the retention of 178 permanent full-time jobs with an associated payroll of \$7,400,000 related to the renovation of a distribution center facility on parcel number 530-156597 at 3080 Alum Creek Drive in Columbus, Ohio and within the City of Columbus Enterprise Zone. The Agreement was made and entered into to be effective September 17, 2008 (EZA# 023-08-03). This Agreement was subsequently authorized by Council to be amended for the first time to remove any and all language pertaining to personal property investment and tax abatements related to this personal property investment from the Agreement by Ordinance 0614-2009, passed May 11, 2009.

The 2010 Columbus Tax Incentive Review Council (TIRC) reviewed the American Signature, Inc. and JAL Realty Co. Enterprise Zone project on August 19, 2010, and recommended that the Agreement be continued and that City send Enterprise a job creation warning letter and request a meeting with Enterprise to (1) discuss the job situation, (2) discuss likely job retention goals in light of the nature of employment needs, and (3) amend Agreement if need be to reflect revised job numbers. Both City and Enterprise have been compliant with the requests of the TIRC. The 2011 TIRC reviewed the project on August 18, 2011 and recommended that the Agreement be continued based on the pending status of legislation. This legislation seeks to authorize amendment of the Agreement to amend the job retention requirements as set forth in the Agreement to maintain a retained job level of 126 jobs with a commensurate retained payroll of \$5,400,000. It is anticipated that the Enterprise will be able to maintain good compliance in future years with the revised retained job level requirement. The terms of the tax abatement are not modified by this amendment and it is expected to run through 2021.

This legislation is presented as an emergency measure in order for this amendment to be legislated prior to the end of 2011 so that this amendment to the Agreement can be reported to the necessary local and state agencies prior to the end of calendar year 2011.

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 American Signature, Inc. & JAL Realty Co.; and to declare an emergency.

WHEREAS, the Columbus City Council approved the Enterprise Zone Agreement with American Signature, Inc. & JAL Realty Co. (the "EZA") on July 7, 2008 by Ordinance 0639-2008 and entered into effective September 17, 2008; and

WHEREAS, the EZA grants American Signature, Inc. & JAL Realty Co. a 75%/10-Year abatement on real and personal property investment; and

WHEREAS, the EZA commits American Signature, Inc. & JAL Realty Co. to invest \$2,600,000 in real property improvements, \$7,130,000 in personal property, and retain 178 permanent full-time jobs, related to the renovation of an

existing distribution center facility at 3080 Alum Creek Drive; and

WHEREAS, the EZA was authorized by Council to be amended for the first time to remove any and all language pertaining to personal property investment and tax abatements related to this personal property investment from the EZA by Ordinance 0614-2009, passed May 11, 2009.

WHEREAS, the Tax Incentive Review Council (the "TIRC") met on August 19, 2010 and it was reported then that the project had met the real property investment goals of the EZA but that the goal for job retention had fallen short, with 116 jobs reported as retained as of December 31, 2009, compared to the job retention goal of 178; and

WHEREAS, the TIRC recommended that the EZA be continued and that City of Columbus (City) send American Signature, Inc. & JAL Realty Co. (Enterprise) a job creation warning letter and request a meeting with Enterprise to (1) discuss the job situation, (2) discuss likely job retention goals in light of the nature of employment needs, and (3) amend the EZA if need be to reflect revised job numbers; and

WHEREAS, the 2011 TIRC met on August 18, 2011 and recommended that the EZA be continued based on the pending status of legislation; and

WHEREAS, as the City and Enterprise have been compliant with the recommendations of the TIRC, the City desires to amend the job creation and retention requirements of the EZA; 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 this agreement in order for this amendment to be legislated prior to the end of 2011 so that this amendment to the Agreement can be reported to the necessary local and state agencies prior to the end of calendar year 2011, and to preserve 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 American Signature, Inc. & JAL Realty Co. Enterprise Zone Agreement (EZA) to amend the job retention requirement as set forth in the EZA to the retention of 126 jobs with a commensurate overall payroll of \$5,400,000.

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.