



Legislation Text

File #: 2035-2022, **Version:** 1

BACKGROUND: The Director of the Department of Development is requesting authorization to enter into an Enterprise Zone Agreement on behalf of the City with Patton Ohio Investments LLC (“POI”) and Patton Warehousing LLC (“Patton Warehousing”), (collectively, the “Enterprise”). The Ohio Enterprise Zone law Section 5709.62(C) of the Ohio Revised Code authorizes the City to enter into Council-approved tax abatement agreements between the City and qualifying companies.

POI was established in 2017 as a real estate holding company. Patton Warehousing was established in 2015 in Milton, Pennsylvania and is a family-owned and operated business. The company provides third-party logistics services for more than 100 customers such as Kellogg’s, Pepsico, Ardagh Group, Anheuser Busch and others. These services include distribution, fulfillment, railcar unloading/trans-loading, cross docking, co-packing and transportation. Patton Warehousing is part of [The Patton Logistics Group <https://thepattonlogisticsgroup.com/>](https://thepattonlogisticsgroup.com/) family of companies.

The Enterprise is proposing to invest a total project cost of approximately \$10 million in real property improvements to construct an additional distribution and warehouse facility (the “**Facility**”) consisting of approximately 124,295 square-feet at 650 Manor Park Drive, Columbus, Ohio 43228, parcel number 570-297142 (the “**Project Site**”). Patton Warehousing will be the tenant and employer of record, and enter into a lease agreement with POI, the property owner. Additionally, Patton Warehousing will retain 17 full-time jobs with annual payroll of approximately \$635,760 and create eight (8) net new full-time permanent positions with an estimated annual payroll of approximately \$282,880 at the proposed **Project Site** (“New Employees”).

The Director of the Department of Development is recommending that Council approve a 65%/10-year Enterprise Zone tax abatement on real property improvements made by the Enterprise at the **Project Site**, in consideration of it creating, or causing to be created, the New Employees.

The South-Western City School District has 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 the Department of Development to enter into an Enterprise Zone Agreement with Patton Ohio Investment LLC and Patton Warehousing LLC (collectively, known as the “Enterprise”) for a tax abatement of sixty-five percent (65%) for a period of ten (10) consecutive years in consideration of the Enterprise investing approximately \$10 million in real property improvements, the retention of seventeen (17) full-time jobs with an estimated annual payroll of approximately \$635,760.00 and the creation of eight (8) net new full-time permanent positions with an estimated annual payroll of approximately \$282,880.00 at the Project Site.

WHEREAS, the Columbus City Council authorized the designation of the City of Columbus Enterprise Zone by legislation, Ordinance Number 779-85, dated April 22, 1985; and subsequently amended the Zone by Ordinance Nos. 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; 0032-2012 in 2012; 1442-2020 in 2020, 0279-2021 in 2021; and 0736-2022 in 2022; and

WHEREAS, the Director of the Development Department of the State of Ohio (“ODOD”) has determined that the Columbus Enterprise Zone (the “Zone”), as amended by the aforementioned Ordinances, continues to contain the characteristics set forth in Section 5709.61(A) of the Ohio Revised Code. The Director of ODOD has recertified this 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, April 3, 2012, September 18, 2020, May 20, 2021, and most recently on May 17, 2022 as an “urban jobs and enterprise zone” under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Patton Ohio Investment LLC is a real estate holding company and Patton Warehousing LLC is a third-party logistics servicer that is part of [The Patton Logistics Group <https://thepattonlogisticsgroup.com/>](https://thepattonlogisticsgroup.com/); and

WHEREAS, Patton Warehousing LLC provides services such as distribution, fulfillment, railcar unloading/trans-loading, cross docking, co-packing, transportation and desires to expand on these services in Columbus. Patton Warehousing LLC conducts business with several major companies such as Kellogg's, Pepsico, Ardagh Group, Anheuser Busch, Tosca, CHEP, ConAgra, Volvo Trucks NA, and Operation Warm, etc.; and

WHEREAS, Patton Ohio Investment LLC and Patton Warehouse LLC (collectively, known as the “Enterprise”) has submitted a proposal (“Proposal”) to invest approximately \$10 million in real property improvements (the “Project”) to construct an approximately 124,295 square-foot Class A distribution and warehouse facility (the “Facility”) on 26 +/- acres of land located at 650 Manor Park Drive, Columbus, Ohio 43228, identified as parcel number 570-297142 (the “Project Site”). The Enterprise anticipates that the Project will retain 17 full-time positions with an annual payroll of approximately \$635,760 and will create eight (8) net new full-time permanent positions at the Facility with an estimated annual payroll of approximately \$282,880 (“New Employees”); and

WHEREAS, Patton Ohio Investment LLC will acquire, construct and own property, while Patton Warehousing, LLC will be the tenant and employer of record, and will enter into a long lease agreement with Patton Ohio Investment LLC to lease the Facility at the **Project Site**; and

WHEREAS, after reviewing and investigating the Proposal submitted by the Enterprise, the Director of the Department of Development believes that the Enterprise has demonstrated that it is qualified by financial responsibility and business experience to create and preserve employment opportunities in the Columbus Enterprise Zone and improve the City’s economic climate; and

WHEREAS, the Director of the Department of Development is recommending that City Council approve a 10-year, 65% abatement on the assessed valuation of the Project Site due to construction of the \$10 million Facility, to incentivize the Enterprise to construct the Class A distribution and warehouse facility in the City’s Southwestern corridor; and

WHEREAS, the South-Western City School District has been advised of this project; and

EAS, the City desires to enter into an agreement with the Enterprise in order to incentivize economic growth and create employment opportunities for its citizens, and for the preservation of public health, peace, property and safety, **NOW, THEREFORE**,

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

SECTION 1. That Columbus City Council, having reviewed the proposal, finds that the Enterprise is qualified by financial responsibility and business experience to create and preserve employment opportunities in the City of Columbus Enterprise Zone and improve the City’s economic climate pursuant to Revised Code Section 5709.62(C).

SECTION 2. That City Council finds and determines (1) that the Enterprise will create, or cause to be created, the New Employee positions in the State and City; (2) that 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) that receiving the aforementioned tax abatement is a critical factor in the decision by representatives for Patton Ohio Investment LLC and Patton Warehousing LLC, collectively, the Enterprise hereunder, to go forward with constructing the Project.

SECTION 3. Based on this determination, City Council approves and authorizes a 10-year, 65% abatement on the increase in assessed valuation of real property on the **Project Site**, contingent upon the Enterprise investing approximately \$10 million in real property improvements by constructing an approximately 124,295 square-foot Class A distribution and warehouse facility at 650 Manor Park Drive, Columbus, Ohio 43228, identified as parcel number 570-297142, the retention of seventeen (17) full-time jobs with an estimated annual payroll of approximately \$632,760 and the creation eight (8) net new full-time permanent positions with an estimated annual payroll of approximately \$282,880 at the **Project Site**.

SECTION 4. The Director of the Department of Development, for and in the name of the City, is authorized to enter into an Enterprise Zone Agreement with the Enterprise in a form substantially similar to the one attached hereto as Exhibit "A" with such changes, amendments or edits thereto, that are not inconsistent with the terms of this Ordinance, or adverse to the City. Such authorized amendment includes assignment of the Agreement from the Enterprise to a Related Member as defined in R.C. Section 5709.61(W), or to a Successor Enterprise as defined by R.C. Section 5709.61(Y). The Director of the Department of Development also is authorized to execute any other agreements or sign any documents necessary to effectuate the Agreement and the Exemption provided therein, and approved as to Form by the City Attorney, if required.

SECTION 5. That the City and the Enterprise must execute the attached Enterprise Zone Agreement within ninety (90) days of this Ordinance's passage, or this Ordinance, and the authorization to enter into the tax abatement agreement, is null and void.

SECTION 6. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.