



Legislation Text

File #: 0489-2015, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with CSE Leasing and Contract Sweepers & Equipment Company, Inc. 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.

Established in 1960, Contract Sweepers & Equipment Company, Inc. is one of the largest contract sweeping companies in Ohio. The company offers new and used industrial sweeping equipment, parking lot sweeping and street cleaning equipment options. Some of the different types of services offered by the company include floor sweeping/scrubbing, graffiti removal/power washing, winter services and rentals. In addition, Contract Sweepers & Equipment Company, Inc. sells the entire line of Tymco street sweepers. The company is a North American Power Sweeping Association (NAPSA) Certified Sweeping Company (CSC). Contract Sweepers & Equipment Company, Inc. is an employee-owned company (ESOP), meaning all of the associates are owners of the company. CSE Leasing is the real estate holding company for Contract Sweepers & Equipment Company, Inc.

CSE Leasing is proposing to acquire, renovate and redevelop an old vacant commercial site into a new corporate headquarters for Contract Sweepers & Equipment Company, Inc. The new corporate headquarters will consist of approximately 16,456 square feet +/- of office space with a proposal of expanding the existing building another 6,544 square feet, totaling 23,000 square feet, approximately. In addition, CSE Leasing will construct a new separate wash bay facility on the project site consisting of approximately 2,500 square feet. Contract Sweepers & Equipment Company, Inc. will be the employer of record and will create 3 new full-time permanent positions with an estimated annual payroll of approximately \$85,280 and retain 54 full-time jobs with an estimated annual payroll of approximately \$2.179 million, from its current location of 561 Short Street to 2137 Parkwood Avenue, in the North Linden community.

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: No funding is required for this legislation.

To authorize the Director of Development to enter into an Enterprise Zone Agreement with CSE Leasing and Contract Sweepers & Equipment Company, Inc. for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of a proposed total investment of \$1.5 million, creation of 3 new full-time permanent positions and the retention of 54 full-time jobs.

WHEREAS, City Council 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, CSE Leasing is proposing to acquire, renovate and redevelop an old vacant commercial site into a new corporate headquarters for Contract Sweepers & Equipment Company, Inc. located in the North Linden community. The corporate headquarters will consist of approximately 16,456 square feet of office space with the proposal of expanding it another 6,544 square feet, for a total of approximately 23,000 square feet. In addition, CSE Leasing will construct a new separate building on the project site consisting of approximately 2,500 square feet; and

WHEREAS, CSE Leasing will invest approximately \$1.5 million, which includes \$765,000 in new construction and leasehold improvements, acquisition costs, machinery, equipment, furniture and fixtures, while Contract Sweepers & Equipment Company, Inc. will create 3 new full-time permanent positions within the City of Columbus over a three-year period following construction completion with an estimated annual payroll of approximately \$85,280 on Parcel Numbers 010-0226069 and 010-099105, further known as 2137 Parkwood Avenue; and

WHEREAS, CSE Leasing will acquire, invest, renovate, redevelop and own property, while Contract Sweepers & Equipment Company, Inc. will be the tenant and employer of record, and enter into a long-term lease agreement with CSE Leasing; and

WHEREAS, the City is encouraging this project because of plans to redevelop an urban commercial property in the central city; and

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

BE IT ORDAINED BY THE COUNCIL OF THE CITY 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 CSE Leasing and Contract Sweepers & Equipment Company, Inc. to go forward with the project expansion.

SECTION 2. That the Director of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with CSE Leasing and Contract Sweepers & Equipment Company, Inc. to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) taxable years in association with the project’s proposed total investment of approximately \$1.5 million, which includes \$765,000 in new construction and leasehold improvements.

SECTION 3. That the City of Columbus Enterprise Zone Agreement is signed by CSE Leasing and the Contract Sweepers & Equipment Company, Inc. within ninety (90) 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.