



Legislation Text

File #: 1907-2023, **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 CCBCC Operations, LLC (the “Enterprise”), a Delaware Corporation. The Ohio Enterprise Zone law Section 5709.62(C) of the Ohio Revised Code authorizes the City to enter into a Council-approved tax abatement agreements between the City and qualifying companies.

CCBCC Operations, LLC was established in 2003 and is a manufacturer and distributor of non-alcoholic beverages. The company is a single member limited liability company 100% owned by Coca-Cola Consolidated, Inc., which is the largest Coca-Cola bottler in the United States. For 120 years, Coca-Cola Consolidated, Inc. has made, sold, and distributed beverages of The Coca-Cola Company and other partner companies of more than 300 brands and flavors across 14 states and the District of Columbia to approximately 60 million consumers. The company operates in the Southeast, Midwest, and Mid-Atlantic portion of the United States, with corporate offices located in Charlotte, North Carolina.

CCBCC Operations, LLC is proposing to invest a total project cost of roughly \$82 million, which includes \$59,712,000.00 in real property improvements, \$21,432,000.00 in machinery and equipment, and \$856,000.00 in furniture and fixtures to construct new operations on approximately 62 +/- acres of undeveloped land. The proposed construction will consist of an approximately 400,000 square-foot distribution warehouse facility, a 15,000 square-foot Fleet Shop and 15,000 square-foot Equipment Services building (collectively, and hereinafter referred to as the “Facility”) at 1489 Rohr Road, Columbus, Ohio 43137 (the “**Project Site**”), parcel number 495-303784. Additionally, CCBCC Operations, LLC proposes to create twelve (12) net new full-time permanent positions with an estimated annual payroll of approximately \$800,800.00 and retain 329 full-time jobs with an associated annual payroll of approximately \$16.1 million at the proposed **Project Site** (“New Employees”).

The Director of the Department of Development is recommending that Council approve a 75%/10-year Enterprise Zone tax abatement on real property improvements made by the Enterprise at the **Project Site**, in consideration of it creating the New Employees.

The Columbus 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 CCBCC Operations, LLC (the “Enterprise”) for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of the Enterprise investing approximately \$59,700,000.00 real property improvements, the creation of twelve (12) net new full-time permanent positions with an estimated annual payroll of approximately \$800,800.00 and the retention of 329 full-time positions with an annual payroll of approximately \$16,100,000.00 at the proposed 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, CCBCC Operations, LLC was established in 2003 and is a manufacturer and distributor of non-alcoholic beverages. The company is a single member limited liability company 100% owned by Coca-Cola Consolidated, Inc., which is the largest Coca-Cola bottler in the United States. For 120 years, Coca-Cola Consolidated, Inc. has made, sold, and distributed beverages of The Coca-Cola Company and other partner companies of more than 300 brands and flavors across 14 states and the District of Columbia to approximately 60 million consumers. The company operates in the Southeast, Midwest, and Mid-Atlantic portion of the United States, with corporate offices located in Charlotte, North Carolina; and

WHEREAS, the Enterprise has submitted a proposal (“Proposal”) to invest approximately \$59,712,000.00 in real property improvements (the “Project”) to construct an approximately 400,000 square-foot warehouse distribution facility, a 15,000 square-foot Fleet Shop and 15,000 square-foot Equipment Services building (collectively, and hereinafter referred to as the “Facility”) at 1489 Rohr Road, Columbus, Ohio 43137, on parcel number 495-303784 (the “Project Site”); and

WHEREAS, the Enterprise anticipates that the Project will retain and relocate 329 full-time positions with an annual payroll of approximately \$16.1 million and create twelve (12) net, new full-time permanent positions at the Facility with an estimated annual payroll of approximately \$800,800.00 (“New Employees”); 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, 75% abatement on the assessed valuation of the Project Site due to construction of the \$59,712,000 Facilities, to incentivize the Enterprise to construct a new Class A distribution warehouse facility, a Fleet Shop and Equipment Services building in the City’s Southeastern corridor; and

WHEREAS, the Development Director has notified the Columbus City School District of the 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 CCBCC Operations, LLC, the Enterprise hereunder, to go forward with constructing the Project.

SECTION 3. Based on this determination, City Council approves and authorizes a 10-year, 75% abatement on the increase in assessed valuation of real property on the **Project Site**, contingent upon the Enterprise investing approximately \$59,712,000.00 in real property improvements by constructing a new 400,000 square-foot warehouse distribution facility, along with a 15,000 square-foot fleet shop and 15,000 square-foot equipment services facility at 1489 Rohr Road, Columbus, Ohio 43137, parcel number 495-303784, the retention of 329 full-time position with an annual payroll of approximately \$16.1 million, and the creation twelve (12) net, new full-time permanent positions at the **Project Site** with an estimated annual payroll of approximately \$800,800.00.

SECTION 4. Contingent on the sale and the recorded transfer of ownership of the Project Site to the Enterprise, 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 one-hundred eighty (180) 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.