



City of Columbus

Office of City Clerk
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Legislation Text

File #: 2662-2012, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Boehringer Ingelheim Roxane, Inc./Roxane Laboratories, Inc. The Ohio Enterprise Zone law O.R.C. Section 5709.62 (3) requires the City to enter into a Council-approved agreement between the City and participating companies.

Boehringer Ingelheim Roxane, Inc./Roxane Laboratories, Inc. is a pharmaceutical company founded by Albert Boehringer in 1885, and is involved in the research, development, manufacture and marketing of innovative therapeutic drugs and focuses primarily on the therapeutic areas of respiratory diseases. The Boehringer Ingelheim group is one of the 20 leading pharmaceutical companies in the world, and operates globally as the largest privately held pharmaceutical company with 135 affiliates in 47 countries.

Boehringer Ingelheim Roxane, Inc./Roxane Laboratories, Inc. is proposing to expand its Columbus operations at 1809 Wilson Road. The project will involve construction of a building addition and the acquisition of machinery, equipment, furniture and fixtures. A total capital investment of \$50 million is proposed at the site, with \$18 million toward the building addition and \$32 million for equipping the expanded operation. A total of 240 new full-time positions will be created as a result of the project and 1,008 full-time jobs will be retained.

The Department of Development recommends a one hundred percent (100%), ten (10) year Enterprise Zone tax abatement on real property improvements. This proposal is consistent with the Columbus Tax Incentive Policy under Central City projects.

The Hilliard City Schools 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 Boehringer Ingelheim Roxane, Inc./Roxane Laboratories, Inc. for a tax abatement of one hundred percent (100%), for a period of ten (10) years on real property improvements in consideration of a proposed investment of \$18 million for a building addition, retention of 1,008 jobs and creation of 240 new permanent full-time positions.

WHEREAS, the Columbus City Council authorized the designation of the 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, 2609-92 and 2249-92 in 1992; 1079-94 and 1228-94 in 1994; 2196-95 and 2817-95 in 1995; 533-99 in 1999; 1785-00 in 2000; 1464-02 in 2002; 225-03 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 Code 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, Boehringer Ingelheim Roxane, Inc./Roxane Laboratories, Inc. plans to invest approximately \$18 million in

a building addition on Parcel Number 010-138818; and

WHEREAS, Boehringer Ingelheim Roxane, Inc./Roxane Laboratories, Inc. will invest approximately \$52 million in machinery, equipment, furniture and fixtures and will be the primary tenant for the project; and

WHEREAS, Boehringer Ingelheim Roxane, Inc./Roxane Laboratories, Inc. will retain 1,008 full-time positions with an annual payroll of approximately \$65.6 million; and

WHEREAS, Boehringer Ingelheim Roxane, Inc./Roxane Laboratories, Inc. will create 240 new permanent full-time positions with an annual payroll of approximately \$7.9 million; and

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

WHEREAS, the City desires to enter into such a binding formal agreement in order to foster economic growth 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 City hereby finds and determines that the project will (1) retain jobs in the State and City; (2) 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) receiving the aforementioned tax abatement is a critical factor in the decision by Boehringer Ingelheim Roxane, Inc./Roxane Laboratories, Inc. to go forward with the project expansion.

Section 2. That the City Council hereby finds and determines that the project meets all the requirements of the City Act.

Section 3. That the Director of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with Boehringer Ingelheim Roxane, Inc./Roxane Laboratories, Inc. to provide therewith an exemption of one hundred percent (100%) on real property improvements for a term of ten (10) taxable years in association with the project's proposed investment of approximately \$18 million for a building addition and \$32 million in machinery, equipment, furniture and fixtures; retention of 1,008 full-time employees with an annual payroll of approximately \$65.6 million, and the creation of 240 new permanent full-time positions with an annual payroll of approximately \$7.9 million.

Section 4. That the City of Columbus Enterprise Zone Agreement is signed by Boehringer Ingelheim Roxane, Inc./Roxane Laboratories, Inc. within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credits authorized herein are null and void.

Section 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.