



Legislation Text

File #: 0015-2024, **Version:** 1

BACKGROUND: Columbus City Council (“**COUNCIL**”), by Ordinance No. 2504-2019, passed October 14, 2019, authorized the City of Columbus (“**CITY**”) to enter into an Enterprise Zone Agreement (the “**AGREEMENT**”) with RM Biltrite LLC and Watkins Road LLC (collectively, and hereinafter referred to as the “**ENTERPRISE**”) for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of the company’s total proposed investment of approximately \$11,470,500.00, which included approximately \$4,705,500.00 in acquisition cost, \$1,650,000.00 in real property improvements, \$5,000,000.00 in machinery and equipment, \$100,000.00 in furniture and fixtures, and \$15,000.00 in stand-alone computers to acquire, renovate, and redevelop a vacant industrial warehouse distribution facility consisting of approximately 177,566 square feet at 1635 Watkins Road, Columbus, Ohio 43207, parcel number: 010-001860 (the “**PROJECT SITE**”). The **ENTERPRISE** committed to create forty (40) net new full-time permanent positions with an estimated annual payroll of approximately \$1,677,740.00 and retain one (1) full-time employee with an annual payroll of approximately \$85,000.00 to preserve or create employment opportunities within the Columbus Enterprise Zone, (hereinafter referred to as the “**PROJECT**”). The **AGREEMENT** was made and entered into effective January 30, 2020 (Agreement No. 023-20-02).

Paragraph fourteen within Section 6 (Program Compliance) of the **AGREEMENT** states that the “**AGREEMENT** is not transferable or assignable without the express, written, approval of the **CITY**” and paragraph fifteen of that same section states that “any requested amendment...to any of the terms of the **AGREEMENT**...shall require the payment to the **CITY** by the **ENTERPRISE** of an **AMENDMENT FEE** in the amount of five-hundred dollars (\$500.00).”

In a letter received by the **CITY** from the QRRI, Inc. dated August 30, 2023, and through ensuing correspondence, QRRI, Inc. confirmed they are the employer of record and the entity that employs all the employees at the **PROJECT SITE**, and processes all payroll including the distribution of any required W-2 forms. Because of this change in employer of record, the **ENTERPRISE** is requesting the **AGREEMENT** be amended to add QRRI, Inc. as an additional entity and party to the **AGREEMENT**. As such, the need exists to amend the **AGREEMENT** for the first time to add QRRI, Inc. as an additional entity and party to the **AGREEMENT**, which will allow the company to begin receiving any tax savings benefits, remain compliant and adhere to the requirements of the **AGREEMENT**.

This legislation is to authorize the Director of the Department of Development to amend the **AGREEMENT** for the first time to add QRRI, Inc. as an additional entity and party to the **AGREEMENT**; whereby, all three entities will collectively assume the terms and commitments of the **AGREEMENT**.

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 amend the City of Columbus Enterprise Zone Agreement for the first time with RM Biltrite LLC and Watkins Road LLC, to add QRRI, Inc. as an additional entity and party to the **AGREEMENT**.

WHEREAS, the City of Columbus (“**CITY**”) entered into an Enterprise Zone Agreement (the “**AGREEMENT**”) with RM Biltrite LLC and Watkins Road LLC (collectively, and hereinafter referred to as “**ENTERPRISE**”), approved by Columbus City Council (“**COUNCIL**”) on October 14, 2019 by Ordinance No. 2504-2019 with this **AGREEMENT** made and entered into effective January 30, 2020; and

WHEREAS, the **AGREEMENT** granted a 75%/10-Year tax abatement on real property improvements; and

WHEREAS, the incentive was granted in consideration of a total capital investment of approximately \$11,470,500.00, which included approximately \$4,705,500.00 in acquisition cost, \$1,650,000.00 in real property improvements, \$5,000,000.00 in machinery and equipment, \$100,000.00 in furniture and fixtures, and \$15,000.00 in stand-alone computers to acquire, renovate, and redevelop a vacant industrial warehouse distribution facility consisting of approximately 177,566 square feet at 1635 Watkins Road, Columbus, Ohio 43207, parcel number: 010-001860 (the “**PROJECT SITE**”), located in the Columbus City School District, and within the City of Columbus Enterprise Zone with the abatement to begin no later 2021 nor extend beyond 2030, with all real property improvements expected to be completed by December 2020; and

WHEREAS, the **ENTERPRISE** committed to create forty (40) net new full-time permanent positions with an estimated annual payroll of approximately \$1,677,740.00 and retain one (1) full-time employee with an annual payroll of approximately \$85,000.00 at the **PROJECT SITE**; and

WHEREAS, paragraph fourteen within Section 6 (Program Compliance) of the **AGREEMENT** states that the “**AGREEMENT** is not transferable or assignable without the express, written, approval of the **CITY**” and paragraph fifteen of that same section states that “any requested amendment...to any of the terms of the **AGREEMENT**...shall require the payment to the **CITY** by the **ENTERPRISE** of an **AMENDMENT FEE** in the amount of five-hundred dollars (\$500.00);” and

WHEREAS, in a letter received by the **CITY** from the QRRI, Inc. dated August 30, 2023, and through ensuing correspondence, QRRI, Inc. confirmed that they are the employer of record and the entity that employs all the employees at the **PROJECT SITE**, and processes all payroll including the distribution of any required W-2 forms. Because of this change in employer of record, the **ENTERPRISE** is requesting the **AGREEMENT** be amended to add QRRI, Inc. as an additional entity and party to the **AGREEMENT**. As such, the need exists to amend the **AGREEMENT** for the first time to add QRRI, Inc. as an additional entity and party to the **AGREEMENT**, which will allow the company to begin receiving any tax savings benefits, remain compliant and adhere to the requirements of the **AGREEMENT**; and

WHEREAS, an amendment to the **AGREEMENT** is now needed to add QRRI, Inc. as an additional entity and party to the **AGREEMENT**; and

WHEREAS, a First Amendment to the City of Columbus Enterprise Zone Agreement with RM Biltrite LLC and Watkins Road LLC is now required to add QRRI, Inc. as an additional entity and party to the **AGREEMENT**;

WHEREAS, all three entities, RM Biltrite LLC, Watkins Road LLC, and QRRI, Inc. (collectively, the “**ENTERPRISE**”), will then assume the terms and commitments of the **AGREEMENT**; **NOW THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

SECTION 1. That the Director of the Department of Development is hereby authorized to amend the City of Columbus Enterprise Zone Agreement for the first time with RM Biltrite LLC and Watkins Road LLC, to add QRRI, Inc. as an additional entity and party to the **AGREEMENT**.

SECTION 2. That the remaining terms of the City of Columbus Enterprise Zone Agreement remain in full effect relative to the Ordinance.

SECTION 3. That RM Bilrite LLC, Watkins Road LLC, and QRRI, Inc. shall sign the First Amendment to the City of Columbus Enterprise Zone Agreement within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

SECTION 4. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.