



## Legislation Text

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**File #:** 1352-2015, **Version:** 1

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**BACKGROUND:** The need exists to enter into an Enterprise Zone Agreement with Coulter Properties LLC and Coulter Ventures, LLC dba Rogue Fitness (“Rogue”). 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.

Rogue is a national leader in the manufacture and distribution of high quality strength and conditioning equipment, including weightlifting bars, plates, racks and other related equipment. The company was originally started in 2007 in a garage in Toledo, Ohio by the current owner Bill Henniger. Rogue quickly grew into a 5,000 square foot facility adjacent to an existing business that Mr. Henniger operated at the time in Columbus. The rapid growth has continued each year, as Rogue expanded its product offerings and brought more manufacturing processes in-house. Rogue has quickly grown from one employee to over 300 plus employees. A lot of Rogue’s growth was originally and continues to be from the popularity of Crossfit, to which it is the leading provider of equipment, but also comes from personal gyms to professional sports teams. Coulter Properties LLC is the real estate holding company for Coulter Ventures, LLC dba Rogue Fitness.

Coulter Properties LLC is proposing to acquire a vacant land parcel (the former Timken site located on the corner of 5<sup>th</sup> and Cleveland Avenues) to construct a new corporate headquarters for all of Rogue’s North American operation. The new facility will include office space for administration as well as house the manufacturing and distribution of the company’s operation. The company will consolidate its current operation from three separate buildings into one facility consisting of approximately 600,000 +/- square feet on 30 +/- acres of vacant land. Rogue will be the employer of record and will create 90 new full-time permanent positions with an estimated annual payroll of approximately \$3.9 million, and retain and relocate 337 full-time jobs with an estimated annual payroll of approximately \$15.63 million, from its current locations of 1080 Steelwood Road, 3950 Venture Court and 2775-2777 Westbelt Drive, into the newly proposed site at 1047 Cleveland Avenue.

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 ordinance.

To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with Coulter Properties LLC and Coulter Ventures, LLC dba Rogue Fitness for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of a proposed total investment of \$36.45 million, creation of 90 new full-time permanent positions and the retention of 337 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**, Coulter Properties LLC is proposing to acquire and redevelop a vacant commercial site into a new corporate headquarters for Coulter Ventures, LLC dba Rogue Fitness located on the corner of 5<sup>th</sup> and Cleveland Avenues (the former Timken Site). The proposed corporate headquarters will consist of approximately 600,000 sq. ft. +/- of administrative offices, and will house the company’s manufacturing and distribution operations; and

**WHEREAS**, Coulter Properties LLC will invest approximately \$36.45 million, which includes \$32 million in new construction with the balance in acquisition costs, machinery, equipment, furniture and fixtures, while Coulter Ventures, LLC dba Rogue Fitness will create 90 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 \$3.9 million on Parcel Number 010-019405, further known as 1047 Cleveland Avenue; and

**WHEREAS**, Coulter Ventures, LLC dba Rogue Fitness is proposing to retain and relocate 337 jobs from three separate buildings into the proposed project site at 1047 Cleveland Avenue, consolidating its entire operation into one facility; and

**WHEREAS**, Coulter Properties LLC will acquire, invest, redevelop and own property, while Coulter Ventures, LLC dba Rogue Fitness will be the tenant and employer of record, and enter into a long-term lease agreement with Coulter Properties LLC; and

**WHEREAS**, the City is encouraging this project because of plans to redevelop a vacant 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 Coulter Properties LLC and Coulter Ventures, LLC dba Rogue Fitness to go forward with the project expansion.

**SECTION 2.** That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with Coulter Properties LLC and Coulter Ventures, LLC dba Rogue Fitness 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 \$36.45 million, which includes approximately \$32 million in new construction, with the balance in acquisition costs, machinery, equipment, furniture and fixtures.

**SECTION 3.** That the City of Columbus Enterprise Zone Agreement is signed by Coulter Properties LLC and Coulter Ventures, LLC dba Rogue Fitness 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.

