



Legislation Text

File #: 1551-2008, **Version:** 1

BACKGROUND: The 2008 Columbus Tax Incentive Review Council (TIRC) reviewed the Columbus Wood Products Enterprise Zone project on August 19, 2008, and recommended that the City should consider amending the Enterprise Zone Agreement (EZA) between the City and Columbus Wood Products LLC, Continental Millworks Company, LLC, 1800 Fifth Ave. Holdings, LLC, and Nacht Holdings, LLC (EZA# 023-05-06) - collectively known as "Enterprise" - to allow the full time jobs that are generated by tenants at the project site to be counted towards the full time job creation commitment set forth in the EZA.

Columbus City Council approved the EZA by Ordinance No. 1082-2005, adopted June 23, 2005. The project entailed the renovation of an 117,000 square foot facility located at 1800 East Fifth Avenue to accommodate the relocation and expansion of Columbus Wood Products, LLC and Continental Millworks, LLC. Nacht Holdings, LLC, is the employer of record for all of the retained and newly created jobs covered under the current EZA. The EZA granted a 65%/7-Year abatement on real property improvements and personal property investment with a commitment of \$2.4M in for real property improvements, \$70K for personal property investment, the retention of 98 full-time jobs, and the creation of 21 new permanent full-time jobs.

Enterprise has satisfied the real and personal property investment goals but due to soft market conditions is facing job retention and creation difficulties. Their job creation timeframe runs to the end of 2008 with a job creation goal at that time of 21 new permanent full-time jobs. As of December 2007, Enterprise had created 5 jobs, 6 jobs short of the interim end-of-2007 goal of 11 (45% attainment), and had retained 81 jobs, 17 jobs short of the retention goal of 98 (83% attainment), for an overall level of 86 jobs, 23 jobs short of the overall (interim) goal of 109 (79% attainment). However, as of August 2008, Enterprise reported 103 jobs at the project site with 17 of these being full-time employees of tenants located at the project site. It was suggested at the 2007 TIRC that tenant jobs could be included in the total job count and recommended by the 2008 TIRC to amend the EZA to allow these tenant jobs to be counted towards the full time job creation commitment set forth in the EZA. The present legislation will amend the EZA with realistic terms that will afford the project a good chance to be viewed as compliant in future reviews.

This legislation is presented as an emergency measure in order to meet the deadline under state law for City Council to vote on TIRC recommendations.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the Enterprise Zone Agreement with Columbus Wood Products LLC, Continental Millworks Company, LLC, 1800 Fifth Ave. Holdings, LLC, and Nacht Holdings, LLC; and to declare an emergency.

WHEREAS, the Columbus City Council approved the Enterprise Zone Agreement with Columbus Wood Products LLC, Continental Millworks Company, LLC, 1800 Fifth Ave. Holdings, LLC, and Nacht Holdings, LLC (the "EZA") on June 23, 2005 by Ordinance No. 1082-2005; and

WHEREAS, the EZA requires an investment of \$2.4M in real property improvements, \$70K in personal property investment, the retention of 98 full-time jobs, and the creation of 21 new permanent full-time permanent jobs; and

WHEREAS, the project has met the real and property investment goals but has not met the retained and new job levels required by the EZA; and

WHEREAS, the Tax Incentive Review Council (TIRC) met on August 19, 2008 and recommended that the City should consider allowing the full time jobs that are generated by tenants at the project site to be counted towards the full time job creation

commitment set forth in the EZA; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to take action on the TIRC's recommendations to comply with the sixty (60) day deadline for City Council action imposed by imposed by R.C. Section 5709.85, all for the preservation of the public health, property, safety and welfare; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That the Director of the Department of Development is hereby authorized to amend the Enterprise Zone Agreement with Columbus Wood Products LLC, Continental Millworks Company, LLC, 1800 Fifth Ave. Holdings, LLC, and Nacht Holdings, LLC to allow the full time jobs that are generated by tenants at the project site to be counted towards the full time job creation commitment.

Section 2. For the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.