



Legislation Text

File #: 0492-2020, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Upgrade Equity, LLC and Texas Taggart, LTD. The Ohio Enterprise Zone law Section 5709.62(C) of the Ohio Revised Code requires the City to enter into Council-approved agreements between the City and participating companies.

Based out of Palo Alto, California Upgrade Equity LLC (“Upgrade”) and Taggart Texas LTD (“Taggart”) are both owned by Jim and Ken Taggart who have been in the industrial development business since 1982. Along with Columbus, they own properties in Texas and California totaling 1.24 million square feet of space valued at \$69 million. The majority of the properties are industrial properties they purchase to rehabilitate and lease out. The two entities also operate and own several manufacturing operations in the metals industry. The groups purchased the former Techneglas manufacturing facility in 2018 which is a legacy industrial property that has been at least partially vacant for decades.

Upgrade Equity, LLC and Texas Taggart, LTD are proposing to invest a total project cost of approximately \$3,217,088 which includes \$2,291,656 in real property improvements to renovate an approximately 389,599 square-foot existing warehouse and office facility at 711 Southwood Ave., Columbus, Ohio 43207, parcel number 010-113409 (“**Project Site**”). The companies anticipate that the redevelopment of the proposed project will lead to the relocation of an unknown number of positions from within the City of Columbus and the creation of 27 net new full-time permanent positions with an estimated annual payroll of approximately \$1,254,341 at the **Project Site**.

The Department of Development recommends 75%/10-year Enterprise Zone tax abatement on real property improvements.

The Columbus City School Board of Education has been advised of this project.

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 Upgrade Equity, LLC and Taggart Texas, LTD for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of the company’s proposed capital investment of \$2,291,656.00 in real property improvements and the creation of 27 new full-time permanent positions.

WHEREAS, the Columbus City Council authorized the designation of the Central 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; 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, based out of Palo Alto, California Upgrade Equity LLC (“Upgrade”) and Taggart Texas LTD (“Taggart”) are both owned by Jim and Ken Taggart who have been in the industrial development business since 1982. Along with

Columbus, they own properties in Texas and California totaling 1.24 million square feet of space valued at \$69 million. The majority of the properties are industrial properties they purchase to rehabilitate and lease out. The two entities also operate and own several manufacturing operations in the metals industry. The groups purchased the former Techneglas manufacturing facility in 2018 which is a legacy industrial property that has been at least partially vacant for decades; and

WHEREAS, Upgrade Equity, LLC and Taggart Texas, LTD are proposing to invest a total project cost of approximately \$3,217,088, which includes \$2,291,656 in real property improvements to renovate an approximately 389,599 square-foot existing warehouse and office facility at 711 Southwood Ave., Columbus, Ohio 43207, parcel number 010-113409; and

WHEREAS, Upgrade Equity, LLC and Taggart Texas, LTD anticipates the development of the aforementioned project will lead to the relocation of an unknown number of positions from within the City of Columbus and the creation of 27 net new full-time permanent positions with an estimated new annual payroll of approximately \$1,254,341 at the **Project Site**; and

WHEREAS, the City is encouraging this project because of plans to invest in an existing industrial warehouse and office facility on the Southside of the City; and

WHEREAS, the City desires to enter into 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 City hereby finds and determines that the project will (1) create 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 representatives for Upgrade Equity, LLC and Taggart Texas, LTD to pursue a new warehouse and office facility in the City of Columbus.

SECTION 2. That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with Upgrade Equity, LLC and Taggart Texas, LTD to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) consecutive taxable years in association with the project's proposed total investment of approximately \$3,217,088 million, which includes \$2,291,656 million in real property improvements at 711 Southwood Ave., Columbus, Ohio 43207, parcel number 010-113409, and the creation of 27 net new full-time permanent positions with an estimated annual payroll of approximately \$1,254,341.

SECTION 3. That the City of Columbus Enterprise Zone Agreement is signed by Upgrade Equity, LLC and Taggart Texas, LTD 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.