



Legislation Details (With Text)

File #: 0970-2005 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 5/20/2005 **In control:** Jobs and Economic Development Committee

On agenda: 6/6/2005 **Final action:** 6/9/2005

Title: To authorize the Director of Development to enter into an Enterprise Zone Agreement with Republic Airways Holdings and its lessor, 4300 LLC, for a tax abatement of seventy five percent (75%) on real property improvements for ten (10) taxable years as well as a tax abatement of seventy five percent (75%) for ten (10) years on new personal property; to authorize the Director of Development to enter into an Agreement with Republic Airways Holding for a Jobs Creation Tax Credit of sixty-five percent (65%) for a period of ten (10) years in consideration of the proposed project investment of \$17,075,000, the creation of ninety eight (98) new jobs and the retention of two hundred and seventy seven (277) jobs; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
6/9/2005	1	CITY CLERK	Attest	
6/8/2005	1	MAYOR	Signed	
6/6/2005	1	Columbus City Council	Approved	Pass
6/6/2005	1	COUNCIL PRESIDENT	Signed	
5/24/2005	1	Dev Drafter	Sent for Approval	
5/24/2005	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
5/24/2005	1	Dev Drafter	Sent for Approval	
5/24/2005	1	CITY ATTORNEY	Reviewed and Approved	
5/24/2005	1	Dev Drafter	Sent to Clerk's Office for Council	

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement on real property improvements with Republic Airway Holdings and its lessor, 4300 East Fifth Avenue LLC. The need also exists to enter into an Enterprise Zone Agreement for a personal property incentive and a Jobs Creation Tax Credit Agreement with Republic Airway Holdings. The Ohio Enterprise Zone law O.R.C. Section 5709.62 (3) and the Ohio Tax Credit Legislation O.R.C. Section 718.08 requires the City to enter into a Council-approved agreement between the City and participating companies.

Republic Airways Holdings plans to renovate an 180,000 square foot facility on parcel #010-268722-00 to accommodate future expansion. This facility is part of the redeveloped McDonnell Douglas facility. The project will include an investment of \$17,075,000 in real property improvements, machinery & equipment, furniture & fixtures and new inventory. The company will also retain 277 (two hundred seventy-seven) full-time permanent jobs and the create 98 (ninety-eight) full-time permanent jobs.

The Department of Development recommends a 75%/10 year tax abatement on real property improvements, machinery & equipment, furniture & fixtures, new inventory and a 65%/10 year Jobs Creation Tax Credit. The proposal is consistent with the Columbus Tax Incentive Policy under Central City projects.

The Columbus Public School District has been advised of this project.

Emergency action is requested by City Council to facilitate hiring and construction time schedules.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into an Enterprise Zone Agreement with Republic Airways Holdings and its lessor, 4300 LLC, for a tax abatement of seventy five percent (75%) on real property improvements for ten (10) taxable years as well as a tax abatement of seventy five percent (75%) for ten (10) years on new personal property; to authorize the Director of Development to enter into an Agreement with Republic Airways Holding for a Jobs Creation Tax Credit of sixty-five percent (65%) for a period of ten (10) years in consideration of the proposed project investment of \$17,075,000, the creation of ninety eight (98) new jobs and the retention of two hundred and seventy seven (277) jobs; and to declare an emergency.

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; and 225-03 in 2003; 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 and most recently on August 19, 2003 as an "urban jobs and enterprise zone" under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, 4300 East Fifth Avenue LLC is the real property owner and plans to renovate a 180,000 square foot facility to accommodate Republic Airways Holdings expansion; and

WHEREAS, Republic Airways Holdings agrees to invest approximately \$17,075,000 in real property improvements, machinery & equipment, furniture & fixtures and new inventory within the City; and

WHEREAS, legislative approval is contingent upon approval of a Jobs Tax Credit from the State of Ohio; and

WHEREAS, Republic Airways Holdings agrees to retain 277 (two hundred seventy-seven) full-time permanent jobs and create 98 (ninety-eight) new full time permanent jobs; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to enter into contract with Republic Airways and 4300 East Fifth Avenue LLC 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 the Director of Development is hereby authorized to enter into an Enterprise Zone Agreement and to provide therewith an exemption of seventy-five percent (75%) on real property improvements, machinery & equipment, furniture & fixtures and new inventory for a term of ten (10) taxable years with Republic Airways and its lessor, 4300 East Fifth Avenue LLC and a Jobs Creation Tax Credit of sixty-five percent (65%) for a term of ten (10) taxable years with Republic Airways Holdings in association with the project's proposed \$17,075,000 investment and job retention and creation.

Section 2. That for reasons stated in the preamble hereto, which is hereby made a part hereof, the ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval of the Mayor or ten days after the passage if the Mayor neither approves nor vetoes the same.

