Legislation Details (With Text)

File #:	1647-2020 **Version:** 1		
Type:	Ordinance	**Status:**	Passed
File created:	7/2/2020	**In control:**	Economic Development Committee
On agenda:	7/27/2020	**Final action:**	7/30/2020
Title:	To authorize the Director of the Department of Development to 1) repeal Ordinance 0954-2020 and replace with this Ordinance and; 2) enter into an Enterprise Zone Agreement with Settle-Muter Electric, Ltd. and 711 Claycraft LLC for a tax abatement of sixty-five percent (65%) for a period of ten (10) consecutive years in consideration of the company's proposed capital investment of $1,650,000.00 in real property improvements, the retention of 175 full-time permanent positions, and the creation of 20 new full-time permanent positions.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. ORD1647-2020 SME EZ - Fact Sheet 6.8.20 (1), 2. ORD1647-2020 SME EZ - Site Map 4.7.20		

Date	Ver.	Action By	Action	Result
7/30/2020	1	CITY CLERK	Attest	
7/29/2020	1	MAYOR	Signed	
7/27/2020	1	COUNCIL PRESIDENT	Signed	
7/27/2020	1	Columbus City Council	Approved	Pass
7/20/2020	1	Columbus City Council	Read for the First Time	

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Settle-Muter Electric, Ltd. and 711 Claycraft LLC. 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.

Incorporated in 1995 and headquartered in Columbus, OH, Settle-Muter Electric, Ltd. ("SME") is an electrical contractor specializing in the construction of schools/universities, hospitals/medical facilities, industrial plants, retail stores, data centers, and other facilities in diverse markets. 711 Claycraft LLC is a real estate holding company owned by Mark Muter, owner of SME, respectively.

SME and 711 Claycraft LLC are proposing to invest a total project cost of approximately $2,250,000 which includes $1,650,000 in real property improvements to construct an approximately 12,000 square-foot addition onto their existing headquarters facility and construct a 3,500 square-foot warehouse at 711 Claycraft Road, Columbus, Ohio 43230, parcel number 520-237575 and 675 Claycraft Road Columbus, Ohio 43230, parcel number 520-135888 **("Project Sites")**. Additionally, the company will retain 175 full-time permanent positions with an annual payroll of approximately $9,962,749 million and create 20 net new full-time permanent positions with an estimated annual payroll of approximately $1,094,998 at the proposed **Project Site**.

On May 18, 2020, City Council approved Ordinance 0954-2020, approving a 65%, ten (10) year tax abatement for Settle-Muter Electric Ltd. and 711 Claycraft LLC. Prior to City Council approval of that Ordinance, School Board notification was provided to the Columbus City School District in error and not to the Gahanna-Jefferson City School District (GJCSD). The CITY was subsequently advised of this by the GJCSD and the GJSCD has subsequently received proper notice. This being so, there is a need to rescind Ordinance 0954-2020 and take action on this Ordinance to approve the

Enterprise Zone Agreement.

The Department of Development recommends 65%/10-year Enterprise Zone tax abatement on real property improvements.

The Gahanna Jefferson School District 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 1) repeal Ordinance 0954-2020 and replace with this Ordinance and; 2) enter into an Enterprise Zone Agreement with Settle-Muter Electric, Ltd. and 711 Claycraft LLC for a tax abatement of sixty-five percent (65%) for a period of ten (10) consecutive years in consideration of the company's proposed capital investment of $1,650,000.00 in real property improvements, the retention of 175 full-time permanent positions, and the creation of 20 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, incorporated in 1995 and headquartered in Columbus, OH, Settle-Muter Electric, Ltd. ("SME") is an electrical contractor specializing in the construction of schools/universities, hospitals/medical facilities, industrial plants, retail stores, data centers, and other facilities in diverse markets.

WHEREAS, 711 Claycraft LLC is a real estate holding company owned by Mark Muter, owner of SME, respectively.

WHEREAS, SME and 711 Claycraft LLC are proposing to invest a total project cost of approximately $2,250,000 which includes $1,650,000 in real property improvements to construct an approximately 12,000 square-foot addition onto their existing headquarters facility and construct a 3,500 square-foot warehouse at 711 Claycraft Road, Columbus, Ohio 43230, parcel number 520-237575 and 675 Claycraft Road Columbus, Ohio 43230, parcel number 520-135888 **("Project Sites"**); and

WHEREAS, SME will be the tenant and employer of record, and enter into a long-term lease agreement with 711 Claycraft Road LLC, the owner of the project site. Additionally, the company will retain 175 full-time permanent positions with an annual payroll of approximately $9,962,749 million and create 20 net new full-time permanent positions with an estimated annual payroll of approximately $1,094,998 at the proposed **Project Site**; and

WHEREAS, on May 18, 2020, City Council approved Ordinance 0954-2020, approving a 65%, ten (10) year tax abatement for Settle-Muter Electric Ltd. and 711 Claycraft LLC. Prior to City Council approval of that Ordinance, School Board notification was provided to the Columbus City School District in error and not to the Gahanna-Jefferson City School District (GJCSD). The CITY was subsequently advised of this by the GJCSD and the GJSCD has subsequently received proper notice. This being so, there is a need to rescind Ordinance 0954-2020 and take action on this Ordinance to approve the Enterprise Zone Agreement.

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WHEREAS, the City is encouraging this project because of plans to expand the corporate HQ office facility in the central city; and

WHEREAS, the City desires to enter in to 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 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 Settle-Muter Electric, Ltd. and 711 Claycraft Road LLC to go forward with the project.

Section 2. Ordinance No. 0954-2020 is hereby repealed.

Section 3. That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with Settle-Muter Electric, Ltd. and 711 Claycraft LLC to provide therewith an exemption of sixty-five percent (65%) on real property improvements for a term of ten (10) consecutive taxable years in association with the project's proposed total investment of approximately $2,250,000 million, which includes $1,650,000 million in real property improvements at 711 Claycraft Road, Columbus, Ohio 43230, parcel number 520-237575 and 675 Claycraft Road Columbus, Ohio 43230, parcel number 520-135888, the retention of 175 full-time permanent positions with an annual payroll of approximately $9,962,749, and the creation of 20 net new full-time permanent positions with an estimated annual payroll of approximately $1,094,998.

Section 4. That the City of Columbus Enterprise Zone Agreement is signed by Settle-Muter Electric, Ltd. and 711 Claycraft LLC within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credit authorized herein are null and void.

Section 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

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