



Legislation Text

File #: 2188-2014, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with McDaniel's Construction Corp., Inc. (McDaniel's Construction) The Ohio Enterprise Zone law O.R.C. Section 5709.62 (3) requires the City to enter into a Council-approved agreement between the City and participating companies.

Incorporated in 1987, McDaniel's Construction is a contractor that undertakes construction projects of all types and sizes. McDaniel's Construction main lines of business include; General Contractors, M.W.B.E.-General Contractors, M.W.B.E.-Paving & Road Construction, Pavement Treatments, Coatings & Sealants, and Paving Contractors. The company's customers are comprised of governmental agencies, corporations, municipalities, general contractors and the private sector. Some of McDaniel's Construction projects include African Road, Antrim Park, Rediness Center in Chillicothe, Hoover Mud Flats, Rickenbacker Fire Station, Scioto Greenway, State House Sidewalk and South Campus Gateway. Some of McDaniel's Construction clients include: OSU, Children's Hospital, Ohio Air National Guard, Ohio Dept. of Corrections and Ohio Dept. of Natural Resources as well as other public and private entities.

McDaniel's Construction is proposing to invest approximately \$1.1 million in new construction, which includes furniture and fixtures, to build a new corporate headquarters consisting of roughly 10,000 square feet. The company will create 2 new full-time permanent positions with an estimated annual payroll of approximately \$90,000 and retain 15 full-time employees with an estimated annual payroll of approximately \$1.48 million at the project site located at 1069 Woodland Avenue, within the City of Columbus Central Enterprise Zone.

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 legislation.

To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with McDaniel's Construction Corp., Inc. for a tax abatement of seventy-five percent (75%) for a period of ten (10) years on new construction of a corporate headquarters in consideration of a proposed total investment of approximately \$1.1 million.

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, the project to be developed by McDaniel's Construction Corp., Inc. at the project site will entail investing

approximately \$1.0 million for the construction of a new corporate headquarters consisting of approximately 10,000 square feet and approximately \$100,000 in furniture and fixtures, on parcel number 010-019804 further known as 1069 Woodland Avenue, Columbus, Ohio 43219; and

WHEREAS, McDaniel's Construction Corp., Inc. will create 2 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 \$90,000; and

WHEREAS, McDaniel's Construction Corp., Inc. will retain 15 full-time employees with an annual payroll of approximately \$1.48 million; and

WHEREAS, the City is encouraging this project because of plans to redevelop an 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 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 and tax credit is a critical factor in the decision McDaniel's Construction Corp., Inc. to go forward with the project expansion.

SECTION 2. That the City Council hereby finds and determines that the project meets all the requirements of the City Act.

SECTION 3. That the Director of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with McDaniel's Construction Corp., Inc. 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 investment of approximately \$1.0 million in new construction and an estimated \$100,000 in furniture and fixtures.

SECTION 4. That the City of Columbus Enterprise Zone Agreement is signed by McDaniel's Construction Corp., Inc. within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credits 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.