



Legislation Text

File #: 2256-2014, **Version:** 1

BACKGROUND: Columbus City Council, by Ordinance 1399-2013, passed June 24, 2013, authorized the City of Columbus (City) to enter into an Enterprise Zone Agreement (Agreement) with Cloverleaf Cold Storage Co. & CCS Realty Co. (together Enterprise) for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of an approximate \$3 million investment in real property improvements and the creation of two (2) full-time permanent positions with an annual payroll of approximately \$49,920 related to the expansion of its Columbus facility by adding approximately 60,000 square feet of additional freezer space and a refrigerated loading dock onto its 142,000 square foot operation located at 2350 New World Drive, Columbus, OH 43207, at parcel number 530-234154, within the Groveport-Madison Local School District and within the City of Columbus Enterprise Zone. The Agreement was made and entered into effective September 18, 2013 (EZA #023-13-06). The Agreement stated that construction on the improvements (the Project) was expected to begin no later than the end of June, 2014 and that all real property improvements were expected to be completed by the end of 2014 and that no real property exemption was to commence after 2015 nor extend beyond 2024.

In a letter to the City from Cloverleaf Cold Storage Co. dated September 2, 2014 and received September 11, 2014, it was indicated that due to several factors, the planned investment in real property improvements had been delayed. The letter requested that the Agreement be modified to state that the Project is expected to begin no later than the end of June 2016 and that all improvements are expected to be completed by the end of 2016. Additionally, the letter requested that the term of real property exemption be amended to commence no later than 2017 nor extend beyond 2026 instead of 2015 through 2024.

This legislation is to authorize the Director of Development to amend the Agreement for the first time to (1) state that the Project is expected to begin no later than the end of June 2016 and that all improvements are expected to be completed by the end of 2016, and (2) that no real property exemption would commence after 2017 nor extend beyond 2026.

This legislation is being presented as an emergency measure in order for this amendment to be legislated in as expedient manner as possible so that this amendment to the Agreement can be executed prior to the start of the Report Year 2014 annual reporting cycle and to ensure that Enterprise remains in compliance with the terms of the Agreement.

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 Cloverleaf Cold Storage Co. & CCS Realty Co. to modify the dates for the construction of real property improvements and modify the term of the exemption; and to declare an emergency.

WHEREAS, the City of Columbus entered into an Enterprise Zone Agreement (Agreement) with Cloverleaf Cold Storage Co. & CCS Realty Co. (Enterprise), approved by Columbus City Council on June 24, 2013 by Ordinance 1399-2013 with this Agreement made and entered into effective September 18, 2013; and

WHEREAS, the Agreement granted a 75%/10-Year abatement on real property improvements; and

WHEREAS, the incentive was granted in consideration of an approximate \$3 million investment in real property improvements and the creation of 2 full-time permanent positions with an annual payroll of approximately \$49,920 related to the expansion of its Columbus facility by adding approximately 60,000 square feet of additional freezer space and a refrigerated loading dock onto its 142,000 square foot operation located at 2350 New World Drive, Columbus, OH 43207, at parcel number 530-234154, within the Groveport-Madison Local School District and within the City of Columbus Enterprise Zone; and

WHEREAS, the Agreement stated that construction on the improvements (the Project) was expected to begin no later than the end of June, 2014 and that all real property improvements were expected to be completed by the end of 2014 and that no real property exemption was to commence after 2015 nor extend beyond 2024; and

WHEREAS, in a letter to the City from Cloverleaf Cold Storage Co. dated September 2, 2014 and received September 11, 2014, it was indicated that due to several factors, the planned investment in real property improvements had been delayed; and

WHEREAS, the letter requested that the Agreement be modified to state that the Project is expected to begin no later than the end of June 2016 and that all improvements are expected to be completed by the end of 2016; and

WHEREAS, the letter also requested that the term of real property exemption be amended to commence no later than 2017 nor extend beyond 2026 instead of 2015 through 2024; and

WHEREAS, an amendment is needed to revise the Project commencement and completion dates as well to revise the dates for which the abatement would begin and end; and

WHEREAS, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to seek an amendment to the Agreement with Cloverleaf Cold Storage Co. & CCS Realty Co. so that this amendment to the Agreement can be executed prior to the start of the Report Year 2014 annual reporting cycle and to ensure that Enterprise remains in compliance with the terms of the Agreement, thereby preserving the 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 amend the Enterprise Zone Agreement with Cloverleaf Cold Storage Co. & CCS Realty Co., to (1) modify the dates of the construction of real property improvements from being expected to begin no later than the end of June, 2014 with these improvements expected to be completed by the end of 2014 to being expected to begin no later than the end of June 2016 with these improvements expected to be completed by the end of 2016; and (2) to modify the term of the exemption from not to commence after 2015 nor extend beyond 2024 to not commence after 2017 nor extend beyond 2026.

SECTION 2. That this First Amendment to the City of Columbus Enterprise Zone Agreement be signed by Cloverleaf Cold Storage Co. & CCS Realty Co. within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

SECTION 3. 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 by the Mayor or ten days after the passage if the Mayor neither approves nor vetoes the same.