



## Legislation Text

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**File #:** 2908-2015, **Version:** 1

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**BACKGROUND:** The need exists to enter into an Enterprise Zone Agreement with Heartland Bank. The Ohio Enterprise Zone law (Section 5709.62(C) of the Ohio Revised Code) requires the City to enter into a Council-approved agreement between the City and participating companies.

Tiney M. McComb formed Heartland BancCorp in 1988 with purchased shares of Croton Bank. Heartland Bank is a subsidiary of Heartland BancCorp, a registered Ohio bank holding company. The financial institution is a state-chartered bank, a member of the Federal Reserve and Federal Deposit Insurance Corporation. Heartland Bank offers a complete line of loan and deposit products that include: package checking accounts, savings accounts, business express, investments, retirement products, home equity loans, construction, lot and mortgage loans, Intranet banking, money market accounts, individual retirement accounts and certificates of deposit. Other personal banking services include wire transfers, money orders, safe deposit boxes and travelers checks.

Heartland Bank is proposing to invest approximately \$7.871 million, which includes \$7.016 million in new construction and real property improvements, and \$855,000 in machinery, equipment, stand-alone computers, furniture and fixtures to renovate and redevelop the old vacant Port Columbus Terminal and Hangar (which opened in 1929, and is listed on the National Register of Historic Places). Heartland Bank plans to relocate its corporate headquarters and operations from the City of Gahanna to the Columbus community. The old terminal, consisting of approximately 11,222 square feet, will be renovated, redeveloped, and reused as Heartland Bank's corporate headquarters while the hangar will be used as the company's operations center, expanding the hangar from 41,637 square feet to approximately 50,905 square feet. In addition, Heartland Bank will create 16 new full-time permanent positions with an estimated annual payroll of approximately \$831,000, and retain and relocate 72 full-time jobs with an estimated annual payroll of approximately \$4.14 million, consolidating five locations to 4920 E. Fifth Avenue and 575 N. Hamilton Road, Columbus, Ohio 43219.

The Department of Development recommends an Enterprise Zone Tax Abatement of seventy-five percent (75%) for a period of ten (10) consecutive years on real property improvements.

The Columbus City School Board of Education has been advised of this project. This legislation is presented as 30 day legislation.

**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 Heartland Bank for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years on real property improvements in consideration of a proposed capital investment of approximately \$7.016 million for new construction and real property improvements.

**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 Code 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**, Heartland Bank is proposing to renovate, redevelop and reuse the old vacant Port Columbus Terminal and hangar at 4920 E. Fifth Avenue and 575 N. Hamilton Road to relocate its corporate headquarters and operations center (on parcel number: 010-096157); and

**WHEREAS**, Heartland Bank will make a proposed capital investment of \$7.016 million in new construction and real property improvements at the project sites; and

**WHEREAS**, Heartland Bank will create 16 new full-time permanent positions with an estimated new annual payroll of approximately \$831,000; and

**WHEREAS**, Heartland Bank will relocate and retain 72 full-time jobs with an estimated annual payroll of approximately \$4.14 million (which will be new the City of Columbus); and

**WHEREAS**, the City is encouraging this project because of plans to renovate, redevelop and reuse the old vacant Port Columbus Terminal and hangar to a viable taxable land use; and

**WHEREAS**, the City desires to enter into such a binding formal agreement in order to foster economic growth for the preservation of the public health, property, safety and welfare, **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 Heartland Bank to go forward with the project expansion.

**SECTION 2.** That the Director of the Department of Development is hereby authorized to enter into and execute an Enterprise Zone Agreement with Heartland Bank 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 investment of approximately \$7.016 million toward new building construction and real property improvements, the creation of 16 new full-time permanent positions with an estimated new annual payroll of approximately \$831,000, the retention and relocation of 72 full-time jobs with an estimated annual payroll of approximately \$4.14 million.

**SECTION 3.** That the City of Columbus Enterprise Zone Agreement is signed by Heartland Bank within one hundred twenty (120) days of passage of this ordinance, or this ordinance and the abatements and credits 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.