



Legislation Text

File #: 2627-2016, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with JBG Enterprises, LLC and America's Floor Source, LLC. The Ohio Enterprise Zone law O.R.C. Section 5709.62(C) requires the City to enter into a Council-approved agreement between the City and participating companies.

JBG Enterprises, LLC is a real estate holding company owned by Jason Goldberg, the founder and owner of America's Floor Source, LLC, a flooring company serving the builder property management, wholesale, retail and commercial market industries. America's Floor Source, LLC was established in 2000 and has helped select and install a wide variety of flooring types that include carpet, hardwood, vinyl, LVT, tile, bamboo and cork for thousands of customers; homebuilders, homeowners, building superintendents, property managers, landlords, business owners, remodelers, etc. The company's Mobile Floor Source has revolutionized the way customers are able to select their new flooring solutions by bringing the showroom to their living room.

JBG Enterprises, LLC proposes to invest approximately \$3.5 million, which includes \$2.92 million in new construction and approximately \$577,000 in acquisition cost for machinery, equipment, furniture and fixtures to construct a 40,000 square-foot office, warehouse and training facility on a vacant land parcel at Millennium Court, parcel number 010-261507. America's Floor Source, LLC will lease the office, warehouse and training facility from JBG Enterprises, LLC to expand its corporate headquarters, create 16 new full-time permanent positions with an estimated annual payroll of approximately \$639,280 and retain 119 full-time jobs with an annual estimated payroll of approximately \$7.13 million. In addition, JBG Enterprises, LLC has acquired a 9,839 square-foot office facility at 2360 Citygate Drive Columbus, Ohio 43219, next to the vacant land parcel, which will be used for additional office space for America's Floor Source, LLC's retained jobs creating a business park campus in three separate facilities (Millennium Court, parcel no. 010-261507, 2360 Citygate Drive and 3442 Millennium Court) to house the 119 retained positions.

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: 0

To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with JBG Enterprises, LLC and America's Floor Source, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed total investment of \$3.5 million, creation of 16 new full-time permanent positions and the retention of 119 full-time jobs.

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, JBG Enterprises, LLC is a real estate holding company owned by Jason Goldberg, the founder and owner of America’s Floor Source, LLC, which is a flooring company serving the builder property management, wholesale, retail and commercial market industries; and

EAS, JBG Enterprises, LLC proposes to invest approximately \$3.5 million, which includes \$2.92 million in new construction and approximately \$577,000 in acquisition cost for machinery, equipment, furniture and fixtures to construct a 40,000 square-foot office, warehouse and training facility for the purposes of expanding America’s Floor Source LLC’s corporate headquarters. America’s Floor Source, LLC will enter into a long-term lease agreement with JBG Enterprises, LLC, retain 119 full-time jobs and create 16 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 \$639,280 on Parcel No. 010-261507 further known as Millennium Court, Columbus, Ohio 43219; and

EAS, in addition to aforementioned expansion, JBG Enterprises, LLC has acquired a 9,839 square-foot office facility at 2360 Citygate Drive Columbus, Ohio 43219, next to the vacant land parcel, which will be used for additional office space for America’s Floor Source, LLC’s retained jobs creating a business park campus in three separate facilities (Millennium Court, parcel no. 010-261507, 2360 Citygate Drive and 3442 Millennium Court) to house the 119 retained jobs; and

EAS, JBG Enterprises, LLC will acquire, invest, renovate, construct and own properties, while America’s Floor Source, LLC will be the tenant and employer of record, and enter into a long-term lease agreement with JBG Enterprises, LLC; and

EAS, the City is encouraging this project because of plans to develop a vacant commercial lot parcel in the central city; and

EAS, 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; **NOW, THEREFORE:**

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

SECTION 1. That this Council hereby finds and determines that the enterprise submitting the proposal is qualified by financial responsibility and business experience to create and preserve employment opportunities in the zone and improve the economic climate of the municipal corporation and receiving this tax incentive is a critical factor in the decision by JBG Enterprises, LLC and America’s Floor Source, LLC to go forward with the project expansion.

SECTION 2. That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with JBG Enterprises, LLC and America’s Floor Source, LLC 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 total investment of approximately \$3.5 million, which includes \$2.92 million in new construction at Millennium Court further described as parcel number 010-261507, the creation of 16 full-time permanent positions with an estimated annual payroll of approximately \$639,280 and the retention of 119 full-time jobs with an annual payroll of approximately \$7.13 million.

SECTION 3. That the City of Columbus Enterprise Zone Agreement is signed by JBG Enterprises, LLC and America’s Floor Source, 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 4. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

