



## Legislation Text

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**File #:** 0449-2017, **Version:** 1

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**BACKGROUND:** Columbus City Council (COUNCIL), by Ordinance No. 1308-2016, passed June 6, 2016, authorized the City of Columbus (CITY) to enter into an Enterprise Zone Agreement (the AGREEMENT) with Cleve Corp. and United Parcel Service, Inc. (together ENTERPRISE) for a tax abatement of seventy-five percent (75%) for a period of ten (10) years

in consideration of an approximate investment of \$176,943,365, which includes approximately \$43,155,760 in real property improvement costs, the retention of 748 full-time permanent positions at the project site, and the creation of 75 new full-time permanent positions with an associated new annual payroll of approximately \$3,185,000 related to the expansion of its Columbus facility by adding approximately 348,196 square feet of additional warehouse distribution space onto its existing 408,343-square-foot facility located at 5101 Trabue Road Columbus, Ohio 43228 (parcel number: 560-205289), within the Hilliard City School District and within the City of Columbus Enterprise Zone.

The AGREEMENT was provided shortly after passage of Ordinance No. 1308-2016, however, the ENTERPRISE failed to execute the AGREEMENT before the signature deadline identified in the Ordinance. In subsequent conversations, the ENTERPRISE affirmed its intention to fulfil the commitments outlined in the ordinance, as memorialized in the non-executed AGREEMENT, contingent upon the availability of the previously authorized tax abatement.

Additionally, it was found that Cleve Corp., a former real estate holding entity related to the site operator, United Parcel Service, Inc., was inaccurately recorded as the current property owner of 5101 Trabue Road Columbus, Ohio 43228 by the Franklin County Auditor's office. Cleve Corp. was merged with and into BT-OH, LLC, a Delaware limited liability company related to United Parcel Service, Inc., in 1999. Franklin County Auditor records have since been updated to record BT-OH, LLC, the surviving entity, as the property owner.

Therefore, this legislation seeks to extend the signature deadline of the AGREEMENT from 90 days after passage of Ordinance Number 1308-2016 to 90 days after passage of this ordinance and replace Cleve Corp. with BT-OH, LLC as an authorized party to the AGREEMENT. This legislation is being presented as an emergency measure so that the AGREEMENT can be executed promptly to conform to the project construction schedule.

**FISCAL IMPACT:** No funding is required for this legislation.

To amend Ordinance 1308-2016, passed on June 6, 2016, to extend the signature deadline of the approved Enterprise Zone Agreement from 90 days after passage of Ordinance 1308-2016 to 90 days after passage of this ordinance and to replace Cleve Corp. with BT-OH, LLC as the property owner; and to declare an emergency.

**WHEREAS**, City Council, by Ordinance No. 1308-2016, passed June 6, 2016, authorized the City of Columbus to enter into an Enterprise Zone Agreement with Cleve Corp. and United Parcel Service, Inc. (together ENTERPRISE) for a tax abatement of seventy-five percent (75%) for a period of ten (10) years; and

**WHEREAS**, it was found that Cleve Corp., a former real estate holding entity related to the site operator, United Parcel Service, Inc., was inaccurately recorded as the current property owner of 5101 Trabue Road Columbus, Ohio 43228 by the Franklin County Auditor's office; and

**WHEREAS**, Cleve Corp. was merged with and into BT-OH, LLC, a Delaware limited liability company related to United Parcel Service, Inc., in 1999 and Franklin County Auditor records have since been updated to record BT-OH, LLC, the surviving entity, as the property owner; and

**WHEREAS**, BT-OH, LLC and United Parcel Service, Inc. failed to execute the Enterprise Zone Agreement before the

signature deadline identified in Ordinance No. 1308-2016; and

**WHEREAS**, BT-OH, LLC and United Parcel Service, Inc. have affirmed their intention to fulfil the commitments outlined in the Enterprise Zone Agreement, contingent upon the availability of the previously authorized tax abatement which is crucial to their decision to advance the aforementioned expansion in Columbus; and

**WHEREAS**, the City desires to increase employment opportunities and encourage the creation of new jobs in the City in order to improve the overall economic climate of the City and its citizens; 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;

**WHEREAS**, an emergency exists in the usual daily operations of the Department of Development in that it is necessary for this ordinance to be effective immediately so that the agreement can be executed promptly to conform to the project construction schedule; **NOW, THEREFORE**,

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

- Section 1.** That Ordinance 1308-2016 is hereby amended to extend the signature deadline of the approved Enterprise Zone Agreement from 90 days after passage of Ordinance 1308-2016 to 90 days after passage of this ordinance and Cleve Corp. is hereby replaced with BT-OH, LLC as the property owner.
- Section 2.** That the City of Columbus Enterprise Zone Agreement shall be signed by BT-OH, LLC and United Parcel Service, Inc. within ninety (90) days of passage of this ordinance or this ordinance and the abatement authorized herein shall be null and void.
- Section 3.** That for the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is 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 (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.