



Legislation Text

File #: 1624-2017, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Meritex Enterprises, Inc. dba Meritex Columbus, LLC. 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.

Meritex Enterprises, Inc., parent company of Meritex Columbus, LLC is a privately held company founded in 1916 by Harry McNeely, Sr. Meritex Enterprises, Inc. is a real estate investment and management company that acquires, develops, owns and operates commercial real estate, primarily institutional grade, and multi-tenant industrial properties. The company owns, leases and manages over 11 million square feet of commercial real estate in eight (8) markets in the United States. The company began in a single warehouse in Saint Paul, Minnesota, and over the years has earned its reputation for integrity, creativity and outstanding customer service. The company has been a significant owner of industrial space in Columbus, Ohio since 2000. At present, within the Columbus metro area, Meritex owns 13 properties totaling over 1,600,000 square feet. These multi-tenant office/warehouse facilities service over 65 tenants with businesses ranging from conventional warehousing to high tech assembly. Meritex's tenants employ over 960 employees who live and work in the Columbus metropolitan area.

Meritex Enterprises, Inc. is proposing to expand its portfolio by constructing a 250,000 square foot speculative office/warehouse facility that will either house one (1) single user or it could house as many as four (4) 62,000 square feet users on a 16-acre site located at the Southeast corner of Spiegel Drive and Adelaide Court, Columbus, Ohio, parcel number 495-232645 in the Alum Creek/Rickenbacker corridor. The proposed project will involve a total investment of approximately \$10.34 million in new construction. The company anticipates that the construction of this facility will lead to the relocation of an unknown number of positions from within the City of Columbus and the creation of 22 new full-time permanent positions with an estimated annual payroll of approximately \$1.12 million.

The Department of Development recommends a 75%/10-year Enterprise Zone tax abatement on real property improvements.

The Columbus City School Board of Education 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 Meritex Enterprises, Inc. dba Meritex Columbus, LLC 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 \$10,346,000 in new construction and the creation of 22 new full-time permanent positions. **AMENDED BY ORD. 2217-2017; PASSED 9/18/2017.**

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, Meritex Enterprises, Inc., parent company of Meritex Columbus, LLC is a privately held company founded in 1916 by Harry McNeely, Sr. Meritex is a real estate investment and management company that acquires, develops, owns and operates commercial real estate, primarily institutional grade, and multi-tenant industrial properties; and

WHEREAS, Meritex Enterprises, Inc. dba Meritex Columbus, LLC proposes to construct a 250,000-square-foot speculative office/warehouse facility located on the corner of Spiegel Drive and Adelaide Court Columbus, Ohio, parcel number 495-232645 in the Alum Creek/Rickenbacker corridor; and

WHEREAS, Meritex Enterprises, Inc. dba Meritex Columbus, LLC will make a proposed capital investment of \$10.34 million for new building construction at the project site; and

WHEREAS, Meritex Enterprises, Inc. dba Meritex Columbus, LLC will create 22 new full-time permanent positions with an estimated new annual payroll of approximately \$1.12 million; and

WHEREAS, the City is encouraging this project because of plans to construct a new office/warehouse facility near a regional asset, Rickenbacker; 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 Meritex Enterprises, Inc. dba Meritex Columbus, 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 and execute an Enterprise Zone Agreement with Meritex Enterprises, Inc. dba Meritex Columbus, 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 investment of approximately \$10,346,000 toward new building construction and the creation of 22 new full-time permanent positions with an estimated new annual payroll of approximately \$1.12 million.

Section 3. That the City of Columbus Enterprise Zone Agreement is signed by Meritex Enterprises, Inc. dba Meritex Columbus, 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.