



## Legislation Text

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**File #:** 2934-2017, **Version:** 1

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**BACKGROUND:** The need exists to enter into an Enterprise Zone Agreement with Alshire Properties, LLC and Farber Specialty Vehicles, Inc. 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.

Headquartered in the City of Columbus, Alshire Properties, LLC is a real estate holding company that is owned by brothers Ken and Nick Farber, a partnership recently formed in the summer of 2017. Farber Specialty Vehicles, Inc. is a family owned business engaged in the research, design, development and manufacturer of custom specialty vehicles. The company started in 1920 as a Ford sales and service outlet in Westerville, Ohio, but expanded into recreational vehicles sales and service in the mid-sixties, and began to manufacture specialty vehicles in the early seventies. The company is in the 4th generation of family ownership. Today, Farber Specialty Vehicles, Inc.'s family of vehicles provide a wide range of services including: law enforcement, command centers, communication vehicles, mobile health, dental, mammography, telemedicine, bloodmobiles, mobile outreach, bookmobiles, computer labs and marketing displays. Both companies have common owners: Ken Farber, Nick Farber and John Farber.

Alshire Properties, LLC proposes to invest a total project cost of approximately \$6.7 million, which includes \$2.15 million in acquisition cost, \$3.0 million in real property improvements, \$1.0 million in inventory, \$500,000 in machinery and equipment, and \$50,000 in furniture and fixtures to acquire, renovate, redevelop, expand, own and convert a vacant commercial retail store (formally known as The Andersons General Store) of approximately 137,300 square feet +/- into a manufacturing facility with an additional 50,000 sq. ft. +/- at 5800 Alshire Road Columbus, Ohio, parcel number 010-205284. Farber Specialty Vehicles, Inc. will be the tenant and employer of record, and enter into a lease agreement with Alshire Properties, LLC to relocate and expand its corporate headquarters and manufacturing facility from 7052 Americana Parkway to the proposed project site. Additionally, the company will retain and relocate 110 full-time employees with an associated annual payroll of approximately \$5.32 million and create 20 new full-time permanent positions with an estimated annual payroll of approximately \$796,000.

The Department of Development recommends a 75%/10-year Enterprise Zone tax abatement on real property improvements. This legislation is presented as 30-day legislation.

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 Alshire Properties, LLC and Farber Specialty Vehicles, Inc. for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a total proposed capital investment of approximately \$6.7 million, the creation of 20 new full-time permanent positions and the retention of 110 full-time jobs.

**WHEREAS,** the Columbus City Council has established the Southeast Enterprise Zone pursuant to Section 5709.61 to 5709.632 of the Ohio Revised Code ("O.R.C.") which has been certified by the Director of the Department of Development of the State of Ohio as required by the O.R.C.; and

**WHEREAS,** by City Council Ordinance No. 0428-03 passed March 31, 2003 the City designated the area the Southeast Enterprise Zone as an "MSA principal city non-distressed based jobs and enterprise zone" pursuant to Chapter 5709.61 (A) of the Ohio Revised Code and declared that incentives for business offered by such zones will enhance efforts to promote the viable and diverse economic activity necessary for rejuvenation of the zone; and

**WHEREAS**, effective August 26, 2003 the Director of Development of the State of Ohio determined that the aforementioned area designated in said Ordinance No. 428-03 contains the characteristics set forth in Section 5709.61(A) of the Ohio Revised Code, and certified said area (the "Columbus Southeast Enterprise Zone") as an "MSA principal city non-distressed based jobs and enterprise zone" (limited authority) under Chapter 5709 of the Ohio Revised Code; and

**WHEREAS**, Alshire Properties, LLC is a real estate holding company that is partially owned by brothers Ken and Nick Farber, a partnership recently formed in the summer of 2017; and

**WHEREAS**, Farber Specialty Vehicles, Inc. is a family owned business engaged in the research, design, development and manufacturer of custom specialty vehicles. The company started as a Ford sales and service outlet in Westerville, Ohio, but expanded into recreational vehicles sales and service in the mid-sixties, and began to manufacture specialty vehicles in the early seventies. The company is in the 4th generation of family ownership. Both aforementioned companies have common owners; Ken Farber, Nick Farber and John Farber; and

**EAS**, Alshire Properties, LLC proposes to invest a total project cost of approximately \$6.7 million, which includes \$2.15 million in acquisition cost, \$3.0 million in real property improvements, \$1.0 million in inventory, \$500,000 in machinery and equipment, and \$50,000 in furniture and fixtures to acquire, renovate, redevelop, own, convert and expand a vacant commercial retail store (formally known as The Andersons General Store) into a manufacturing facility and new corporate headquarters for Farber Specialty Vehicles, Inc. at 5800 Alshire Road Columbus, Ohio, 43232, parcel number 010-205284; and

**WHEREAS**, Farber Specialty Vehicles, Inc. will be the tenant and employer of record, and enter into a long-term lease agreement with Alshire Properties, LLC to expand and relocate its corporate headquarters (HQ) and manufacturing facility from 7052 American Parkway to the proposed project site. Additionally, the company will retain 110 full-time employees with an estimated associated annual payroll of approximately \$5.32 million and create 20 new full-time permanent positions with an estimated annual payroll of approximately \$796,000; and

**EAS**, the City is encouraging this project because of plans to redevelop a vacant commercial retail store in the Southeast corridor of the city; and

**EAS**, the City desires to enter into such a binding formal agreement in order to foster economic growth for the preservation of public health, peace, property and safety; and **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 Alshire Properties, LLC and Farber Specialty Vehicles, Inc. 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 Alshire Properties, LLC and Farber Specialty Vehicles, Inc. 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 \$6.7 million, which includes approximately \$2.15 million in acquisition cost, \$3.0 million in real property improvements, \$1.0 million in inventory, \$500,000 in machinery and equipment, and \$50,000 in furniture and fixtures at 5800 Alshire Road Columbus, Ohio 43232, parcel number 010-205284, the creation of 20 new full-time permanent positions with an estimated annual payroll of approximately \$796,000 and the retention of 110 full-time jobs with an annual payroll of approximately \$5.32 million.

Section 3. That the City of Columbus Enterprise Zone Agreement is signed by Alshire Properties, LLC and Farber Specialty Vehicles, Inc. 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.