



Legislation Text

File #: 0520-2018, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Bertec, LLC and Bertec Corporation. The Ohio Enterprise Zone law (Section 5709.62(C) of the Ohio Revised Code) requires the City to enter into Council-approved agreements between the City and participating companies.

Bertec Corporation is a locally owned business that leads the industry in force measurement technology for biomechanics since 1987. Having first introduced multicomponent load transducers in 1987, Bertec Corporation has grown to specialize in gait analysis equipment, balance assessment and training, ergonomics, athletic performance and enhancement, and industrial applications for specialized load cells/transducers. For 30 years, researchers and clinicians at gait labs all over the world have trusted Bertec to provide accurate force measuring equipment and software, with many force plates still in active use after two decades. Bertec Corporation has expanded to meet market opportunities as well as clinical demands and is dedicated to continued engineering expertise for which it has been known for almost three decades. Bertec Corporation formed the affiliated company Bertec, LLC to jointly undertake their new headquarters project.

Bertec, LLC and Bertec Corporation jointly propose to invest the total project cost of approximately \$5,148,000, which includes \$4,758,000 in real property improvements and another \$295,000 in furniture, fixtures, computers, and inventory, and \$95,000 in machinery and equipment, to construct a new headquarters building consisting of approximately 25,600 sq. ft. +/- at 2500 Citygate Drive, Columbus, Ohio 43219, parcel number 010-246956. The proposed headquarters will contain the design and assembly of the force measuring systems produced by Bertec, as well as administrative, marketing and sales offices, and a customer training area. Bertec Corporation will be the employer of record, and enter into a lease agreement with the affiliated Bertec, LLC to build and relocate its corporate headquarters from 6171 Huntley Road, Worthington, Ohio 43229 to the proposed project site. Additionally, Bertec Corporation will retain 35 full-time employees with an annual payroll of approximately \$2,155,759 and create 15 new full-time permanent positions with an estimated annual payroll of approximately \$804,360.

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 for the purpose of building a new corporate headquarters of approximately 25,600 square feet +/- at 2500 Citygate Drive, Columbus, Ohio 43219.

The Columbus City School District 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 Bertec, LLC and Bertec Corporation for a property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed total investment of approximately \$5,148,000.00, of which approximately \$4,758,000.00 will be related to the renovation of approximately 25,600 +/- square feet, retention of 35 full-time jobs and the creation of 15 net new full-time permanent positions.

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, Bertec, LLC is a real estate holding company that was recently formed for the purpose of purchasing land and constructing a new corporate headquarters; and

WHEREAS, Bertec Corporation is a locally owned business that leads the industry in force measurement technology for biomechanics since 1987; and

WHEREAS, Bertec, LLC and Bertec Corporation are proposing to invest a total project cost of approximately \$5,148,000, which includes \$4,758,000 in real property improvements and another \$295,000 in furniture, fixtures, computers, and inventory, and \$95,000 in machinery and equipment, to construct a new headquarters building consisting of approximately 25,600 sq. ft. +/- at 2500 Citygate Drive, Columbus, Ohio 43219, parcel number 010-246956.

WHEREAS, Bertec Corporation will be the sole tenant and employer of record, and enter into a lease agreement with Bertec, LLC to expand and relocate its corporate headquarters from 6171 Huntley Road, Worthington, Ohio 43229 to the proposed project site. Additionally, Bertec Corporation will retain 35 full-time employees with an annual payroll of approximately \$2,155,759 and create 15 new full-time permanent positions with an estimated annual payroll of approximately \$804,360; and

WHEREAS, representatives for Bertec, LLC and Bertec Corporation have indicated that receiving this tax incentive from the City is crucial to their decision to advance the aforementioned construction 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; **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 representatives for Bertec, LLC and Bertec Corporation to pursue a new corporate headquarters in the City of Columbus.

SECTION 2. That the Director of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with Bertec, LLC and Bertec Corporation 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 \$5,148,000, which includes \$4,758,000 in real property improvements related to construction of a new 25,600 square foot corporate headquarters, retention of 35 full-time positions and the creation of 15 net new full-time permanent positions with an associated new annual payroll of approximately \$804,360 at 2500 Citygate Drive, Columbus, Ohio 43219, parcel number 010-246956.

SECTION 3. That the City of Columbus Enterprise Zone Agreement shall be signed by Bertec, LLC and Bertec Corporation within ninety (90) days of passage of this ordinance or this ordinance and the abatement authorized herein shall be null and void.

SECTION 4. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.