



Legislation Text

File #: 1144-2018, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Advanced Turf Solutions, Inc. and ATS Columbus Investments II, LLC. 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.

Advanced Turf Solutions is a green industry distributor offering turf and ornamental fertilizer, chemicals, grass seed, sports field products, ice-melt, and accessories to the golf, lawn care, landscape, and athletic field markets. Advanced Turf Solutions, Inc. services Indiana, Michigan, Wisconsin, Illinois, Missouri, Tennessee, Kentucky, Ohio, Pennsylvania, and West Virginia. Headquartered in Fishers, Indiana, the current Columbus location has seen significant growth in the last 5 years, and has become the major distribution center for Advanced Turf Solutions, Inc.'s operations in the eastern part of its service territory. Advanced Turf Solutions, Inc. has purchased approximately 3.8 acres with plans to create a new modern 40,000 square foot bulk Regional Distribution Operations Center with the possibility of a future 20,000 square foot expansion to the facility.

Advanced Turf Solutions, Inc. and ATS Columbus Investments II, LLC jointly propose to invest the total project cost of approximately \$7,836,400, which includes \$3,200,000 in real property improvements, \$401,400 in land, and another \$4,065,000 in furniture, fixtures, computers, and inventory, and \$150,000 in machinery and equipment, to construct a new regional distribution operations center consisting of approximately 40,000 sq. ft. +/- at 4646 Journal Street, Columbus, Ohio 43228, parcel number 560-297845. The proposed regional distribution operations center will contain the administrative, sales and distribution operations for the eastern half of Advanced Turf Solutions, Inc.'s market. Advanced Turf Solutions, Inc. will be the employer of record, and enter into a lease agreement with the affiliated ATS Columbus Investments II, LLC to build and relocate its distribution operations from 4000 Business Park Drive, Columbus, Ohio 43204 to the proposed project site. Additionally, Advanced Turf Solutions, Inc. will retain 18 full-time employees with an annual payroll of approximately \$1,285,000 and create 6 new full-time permanent positions with an estimated annual payroll of approximately \$390,000.

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 40,000 sq. ft. +/- at 4646 Journal Street, Columbus, Ohio 43228.

The Hilliard City School District and Tolles Career and Technical School have 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 Advanced Turf Solutions, Inc. and ATS Columbus Investments II, LLC 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 \$7,836,400.00 of which approximately \$3,200,000.00 will be related to the construction of an approximately 40,000 +/- square feet regional distribution operations center, retention of 18 full-time jobs, and the creation of 6 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, ATS Columbus Investments II, 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, Advanced Turf Solutions, Inc. is a green industry distributor offering turf and ornamental fertilizer, chemicals, grass seed, sports field products, ice-melt, and accessories to the golf, lawn care, landscape, and athletic field markets headquartered in Indiana with locations in Indiana, Michigan, Wisconsin, Illinois, Missouri, Tennessee, Kentucky, Ohio, Pennsylvania, and West Virginia; and

WHEREAS, Advanced Turf Solutions, Inc. and ATS Columbus Investments II, LLC are proposing to invest a total project cost of approximately \$7,836,400, which includes \$3,200,000 in real property improvements, \$401,400 in land, and another \$4,065,000 in furniture, fixtures, computers, and inventory, and \$150,000 in machinery and equipment, to construct a new regional distribution operations center consisting of approximately 40,000 sq. ft. +/- at 4646 Journal Street, Columbus, Ohio 43228, parcel number 560-297845.

WHEREAS, Advanced Turf Solutions, Inc. will be the sole tenant and employer of record, and enter into a lease agreement with ATS Columbus Investments II, LLC to expand and relocate its corporate headquarters from 4000 Business Park Drive, Columbus, Ohio 43204 to the proposed project site. Additionally, Advanced Turf Solutions, Inc. will retain 18 full-time employees with an annual payroll of approximately \$1,285,000 and create 6 new full-time permanent positions with an estimated annual payroll of approximately \$390,000; and

WHEREAS, representatives for Advanced Turf Solutions, Inc. and ATS Columbus Investments II, LLC 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 Advanced Turf Solutions, Inc. and ATS Columbus Investments II, LLC 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 Advanced Turf Solutions, Inc. and ATS Columbus Investments II, 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 \$7,836,400, which includes \$3,200,000 in real property improvements and \$401,400 in land related to construction of a new regional distribution operations center consisting of approximately 40,000 sq. ft. +/-, retention of 18 full-time positions and the creation of 6 net new full-time permanent positions with an associated new annual payroll of approximately \$390,000 at 4646 Journal Street, Columbus, Ohio 43228, parcel number 560-297845.

SECTION 3. That the City of Columbus Enterprise Zone Agreement shall be signed by Advanced Turf Solutions, Inc. and ATS Columbus Investments II, LLC 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.