



Legislation Text

File #: 0563-2019, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Cloverleaf Cold Storage Co., LLC and CCS Realty Property Owner 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.

CCS Realty Property Owner LLC, the property owner, and Cloverleaf Cold Storage Co., LLC, the employer of record (jointly, "Cloverleaf"), is one of the county's leading cold storage firms based in Sioux City, IA. Family-operated since 1952, Cloverleaf purchased the project site in 2008 and proceeded to build substantial additions to the existing freezer and loading docks. The facility is currently 219,079 square feet, serving as a piece of critical infrastructure for agriculture and agricultural processing. The Columbus location is export-capable, and serves clients in the Heartland Corridor.

Cloverleaf Cold Storage Co., LLC and CCS Realty Property Owner LLC jointly propose to invest the total project cost of approximately \$4,200,000 in construction and real property improvements, an expansion of their cold storage facility consisting of approximately 46,458 sq. ft. +/- at 2350 New World Drive, Columbus Ohio 43207 (Project Site). Cloverleaf Cold Storage Co., LLC will be the employer of record, and enter into a lease agreement with the affiliated CCS Realty Property Owner LLC to expand operations at the project site. Additionally, Cloverleaf Cold Storage Co., LLC will retain 31 full-time employees with an annual payroll of approximately \$1,210,143 and create 5 new full-time permanent positions with an estimated annual payroll of approximately \$189,798.

The Department of Development recommends an Enterprise Zone tax abatement of sixty-five percent (65%) for a period of ten (10) consecutive years on real property improvements for the purpose of building a new corporate headquarters of approximately 46,458 sq. ft. +/- at 2350 New World Drive, Columbus Ohio 43207.

The Groveport-Madison Local School District and Eastland-Fairfield Career and Technical Schools 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 Cloverleaf Cold Storage Co., LLC and CCS Realty Property Owner LLC for a property tax abatement of sixty-five percent (65%) for a period of ten (10) consecutive years in consideration of a proposed total investment of approximately \$4,200,000.00 in construction and real property improvements, an expansion of their cold storage facility consisting of approximately 46,458 sq. ft. +/-, retention of 31 full-time jobs and the creation of 5 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, CCS Realty Property Owner LLC is a real estate holding company that was formed for the purpose of purchasing, expanding, and managing the cold storage facility; and

WHEREAS, Cloverleaf Cold Storage Co., LLC is one of the county's leading cold storage firms based in Sioux City, IA. Family-operated since 1952, Cloverleaf purchased the project site in 2008 and proceeded to build substantial additions to the existing freezer and loading docks. The facility is currently 219,079 square feet, serving as a piece of critical infrastructure for agriculture and agricultural processing; and

WHEREAS, Cloverleaf Cold Storage Co., LLC and CCS Realty Property Owner LLC jointly propose to invest the total project cost of approximately \$4,200,000 in construction and real property improvements, an expansion of their cold storage facility consisting of approximately 46,458 sq. ft. +/- at 2350 New World Drive, Columbus Ohio 43207, parcel number 530-234154.

WHEREAS, Cloverleaf Cold Storage Co., LLC will be the sole tenant and employer of record, and enter into a lease agreement with CCS Realty Property Owner LLC to expand operations, and will retain 31 full-time employees with an annual payroll of approximately \$1,210,143 and create 5 new full-time permanent positions with an estimated annual payroll of approximately \$189,798; and

WHEREAS, representatives for Cloverleaf Cold Storage Co., LLC and CCS Realty Property Owner 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 CCS Realty Property Owner LLC and Cloverleaf Cold Storage Co., 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 Cloverleaf Cold Storage Co., LLC and CCS Realty Property Owner LLC to provide therewith an exemption of sixty-five percent (65%) on real property improvements for a term of ten (10) consecutive taxable years in association with the project's proposed total investment of approximately \$4,200,000 in real property improvements and construction related to the expansion of cold storage operations 46,458 sq. ft. +/-, retention of 31 full-time positions and the creation of 5 net new full-time permanent positions with an associated new annual payroll of approximately \$189,798 at 2350 New World Drive, Columbus Ohio 43207, parcel number 530-234154.

SECTION 3. That the City of Columbus Enterprise Zone Agreement shall be signed by Cloverleaf Cold Storage Co., LLC and CCS Realty Property Owner 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.