



## Legislation Text

**File #:** 2504-2019, **Version:** 1

**BACKGROUND:** The need exists to enter into an Enterprise Zone Agreement with RM Biltrite LLC ("RM Biltrite") and Watkins Road LLC. 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.

Based out of Sandy Springs, Georgia, RM Biltrite is a company that specializes in the manufacturing and distribution of rubber sheeting, matting, flooring, thermoplastics, and a wide variety of industrial rubber products. The company offices are located in the USA, Netherlands, China, India, and Thailand, while their thermoplastics manufacturing facility is located in Chelsea, Massachusetts. RM Biltrite has over 185 years of combined experience with the design, development, and contract manufacturing of a large assortment of rubber and plastic products. Watkins Road LLC is a real estate holding company that was recently formed for the purposes of acquiring, owning, developing and selling real estate.

RM Biltrite and Watkins Road LLC are proposing to invest a total project cost of approximately \$11,470,500, which includes \$4,705,500 in acquisition cost, \$1,650,000 in real property improvements, \$5,000,000 in machinery and equipment, \$100,000 in furniture and fixtures, and \$15,000 in stand-alone computers to acquire, renovate and redevelop a vacant industrial warehouse distribution facility consisting of approximately 177,566 square feet at 1635 Watkins Road, Columbus, Ohio 43207, parcel number 010-001860 ("**Project Site**"). RM Biltrite will be the tenant and employer of record, and enter into a lease agreement with Watkins Road LLC to expand and relocate its operations facility to the proposed **Project Site**. Additionally, the company will retain 1 full-time employee with an associated annual payroll of approximately \$85,000 and create 40 net new full-time permanent positions with an estimated annual payroll of approximately \$1,677,740 at the **Project Site**.

The Department of Development recommends 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 RM Biltrite LLC and Watkins Road LLC 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 \$11.47 million, the creation of 40 net new full-time permanent positions and the retention of 1 full-time job.

**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 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**, based out of Sandy Springs, Georgia, RM Biltrite LLC (“RM Biltrite”) is a company that specializes in the manufacturing and distribution of rubber sheeting, matting, flooring, thermoplastics, and a wide variety of industrial rubber products. The company offices are located in the USA, Netherlands, China, India, and Thailand, while their thermoplastics manufacturing facility is located in Chelsea, Massachusetts; and

**WHEREAS**, RM Biltrite has over 185 years of combined experience with the design, development, and contract manufacturing of a large assortment of rubber and plastic products; and

**WHEREAS**, Watkins Road LLC is a real estate holding company that was recently created for the purposes of acquiring, owning, developing and selling real estate; and

**WHEREAS**, RM Biltrite and Watkins Road LLC are proposing to invest a total project cost of approximately \$11,470,500, which includes \$4,705,500 in acquisition cost, \$1,650,000 in real property improvements, \$5,000,000 in machinery and equipment, \$100,000 in furniture and fixtures, and \$15,000 in stand-alone computers to acquire, renovate and redevelop a vacant industrial warehouse distribution facility consisting of approximately 177,566 square feet at 1635 Watkins Road, Columbus, Ohio 43207, parcel number 010-001860; and

**WHEREAS**, RM Biltrite will be the tenant and employer of record, and enter into a lease agreement with Watkins Road LLC to expand and relocate its operations facility to the proposed **Project Site**. Additionally, the company will retain 1 full-time employee with an associated annual payroll of approximately \$85,000 and create 40 net new full-time permanent positions with an estimated annual payroll of approximately \$1,677,740 at the **Project Site**.

**WHEREAS**, Watkins Road LLC will acquire, invest, renovate and own property, while RM Biltrite LLC will be the tenant and employer of record, and enter into a long-term lease agreement with Watkins Road LLC; and

**WHEREAS**, the City is encouraging this project because of plans to redevelop a vacant industrial warehouse distribution facility in the Southside of the City; and

**WHEREAS**, the City desires to enter in 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 RM Biltrite LLC and Watkins Road 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 an Enterprise Zone Agreement with RM Biltrite LLC and Watkins Road 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 \$11.47 million, which includes \$4.7 million in acquisition cost, \$1.65 million in real property improvements, \$5.0 million in machinery and equipment, \$100,000 in furniture and fixtures, and \$15,000 in stand-alone computers at 1635 Watkins Road, Columbus, Ohio 43207, parcel number 010-001860, the creation of 40 net new full-time permanent positions with an estimated annual payroll of approximately \$1,677,740, and the retention of 1 full-time job with an annual payroll of approximately \$85,000.

**SECTION 3.** That the City of Columbus Enterprise Zone Agreement is signed by RM Biltrite LLC and Watkins Road 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.