



## Legislation Text

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**File #:** 2877-2019, **Version:** 1

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**BACKGROUND:** The need exists to enter into an Enterprise Zone Agreement with McDaniel's Construction Corp., Inc. and DE Development, Ltd. 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.

Incorporated in 1985, McDaniel's Construction Corp., Inc. ("McDaniel's Construction") is an equipment-intensive heavy infrastructure contractor that undertakes construction projects of various sizes and types. The main lines of business of McDaniel's Construction include: General Contractors, M.W.B.E.-General Contractors, M.W.B.E.-Paving & Road Construction, Pavement Treatments, Coatings & Sealants, and Paving Contractors. The company's customers are comprised of governmental agencies, corporations, municipalities, general contractors and the private sector. DE Development, Ltd. is a real estate holding company owned by Dan Moncrief and Eric Girard, the Chairman/CEO and President of McDaniel's Construction, respectively.

McDaniel's Construction and DE Development, Ltd. are proposing to invest a total project cost of approximately \$1,000,000, which includes \$800,000 in real property improvements and \$200,000 in furniture and fixtures to construct a new corporate headquarters (HQ) consisting of approximately 6,000 square feet located at 1069 Woodland Avenue, Columbus, Ohio, 43219, parcel number 010-019804 (the "**Project Site**"). McDaniel's Construction will be the tenant and employer of record, and enter into a long-term lease agreement with DE Development, Ltd., the owner of the property. Additionally, the company will retain 11 full-time jobs with an annual payroll of approximately \$1.42 million and create 2 net new full-time permanent positions with an estimated annual payroll of approximately \$100,000 at the proposed **Project Site**.

The Department of Development recommends a 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 McDaniel's Construction Corp., Inc. and DE Development, Ltd. for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a total proposed capital expenditure of approximately \$1,000,000.00 and the creation of two (2) 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 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**, incorporated in 1985, McDaniel's Construction Corp., Inc. (“McDaniel’s Construction”) is an equipment-intensive heavy infrastructure contractor that undertakes construction projects of various sizes and types. The main lines of business of McDaniel’s Construction include: General Contractors, M.W.B.E.-General Contractors, M.W.B.E.-Paving & Road Construction, Pavement Treatments, Coatings & Sealants, and Paving Contractors. The company's customers are comprised of governmental agencies, corporations, municipalities, general contractors and the private sector; and

**WHEREAS**, DE Development, Ltd. is a real estate holding company owned by Dan Moncrief and Eric Girard, the Chairman/CEO and President of McDaniel’s Construction, respectively; and

**WHEREAS**, McDaniel’s Construction and DE Development, Ltd. are proposing to invest a total project cost of approximately \$1,000,000, which includes \$800,000 in real property improvements and \$200,000 in furniture and fixtures to construct a new corporate headquarters (HQ) consisting of approximately 6,000 square feet at 1065 Woodland Avenue, Columbus, Ohio, 43219, parcel number 010-019804 (the “**Project Site**”); and

**WHEREAS**, McDaniel’s Construction will be the tenant and employer of record, and enter into a long-term lease agreement with DE Development, Ltd., the owner of the **Project Site**. Additionally, the company will retain eleven (11) full-time jobs with an estimated annual payroll of approximately \$1.42 million and create two (2) net new full-time permanent positions with an estimated annual payroll of approximately \$100,000 at the proposed **Project Site**; and

**WHEREAS**, the City is encouraging this project because of plans to construct a new corporate HQ office facility in the central 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; **NOW, THEREFORE**,

**BE IT ORDAINED BY THE COUNCIL OF THE CITY 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 McDaniel’s Construction Corp., Inc. and DE Development, Ltd. to go forward with the project expansion.

**SECTION 2.** That the Director of the Department of Development is hereby authorized to enter into an Enterprise Zone Agreement with McDaniel’s Construction Corp., Inc. and DE Development, Ltd. 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 capital expenditure of approximately \$1,000,000, which includes approximately \$800,000 in real property improvements and \$200,000 in furniture and fixtures at 1069 Woodland Avenue, Columbus, Ohio 43219, parcel number 010-019804, and the creation of two (2) net new full-time permanent positions with an estimated annual payroll of approximately \$100,000.

**SECTION 3.** That the City of Columbus Enterprise Zone Agreement is signed by McDaniel’s Construction Corp., Inc. and DE Development, Ltd. 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.