



## Legislation Text

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**File #:** 3033-2019, **Version:** 1

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**BACKGROUND:** The need exists to enter into an Enterprise Zone Agreement with AmerisourceBergen Drug 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.

Based out of Chesterbrook, Pennsylvania, AmerisourceBergen Drug Corporation (“AmerisourceBergen”) is one of the largest global pharmaceutical sourcing and distribution services companies, helping both healthcare providers and pharmaceutical and biotech manufacturers improve patient access to products and enhance patient care. The company has operations in the United States, Canada, and the United Kingdom. With services ranging from drug distribution and niche premium logistics to reimbursement and pharmaceutical consulting services, AmerisourceBergen delivers innovative programs and solutions across the pharmaceutical supply channel in human and animal health.

AmerisourceBergen is proposing to invest a total project cost of approximately \$32,500,000, which includes \$12,600,000 in real property improvements and \$19,900,000 in machinery, equipment, furniture and fixtures to construct an approximately 76,000 square-foot addition onto an existing warehouse distribution facility at 3605 LaSalle Drive, Columbus, Ohio 43137, parcel number 495-263641 (“**Project Site**”). Additionally, the company will retain 161 full-time employees with an associated annual payroll of approximately \$5,871,237 and create 28 net new full-time permanent positions with an estimated annual payroll of approximately \$873,600 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 AmerisourceBergen Drug Corporation for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of the company’s proposed capital investment of \$32,500,000.00, the creation of 28 new full-time permanent positions and retention of 161 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**, based out of Chesterbrook, Pennsylvania, AmerisourceBergen Drug Corporation (“AmerisourceBergen”) is one of the largest global pharmaceutical sourcing and distribution services companies, helping both healthcare providers and pharmaceutical and biotech manufacturers improve patient access to products and enhance patient care with

operations in the United States, Canada, and the United Kingdom.; and

**WHEREAS**, AmerisourceBergen is proposing to invest a total project cost of approximately \$32,500,000, which includes \$12,600,000 in real property improvements and \$19,900,000 in machinery, equipment, furniture and fixtures to construct an approximately 76,000 square-foot addition onto an existing warehouse distribution facility at 3605 LaSalle Drive, Columbus, Ohio 43137, parcel number 495-263641; and

**WHEREAS**, AmerisourceBergen will be the tenant and employer of record and retain 161 full-time employees with an associated annual payroll of approximately \$5,871,237 and create 28 net new full-time permanent positions with an estimated annual payroll of approximately \$873,600 at the **Project Site**.

**WHEREAS**, the City is encouraging this project because of plans to invest in an existing industrial warehouse distribution facility on the Southside of the City; and

**WHEREAS**, the City desires to enter in to 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 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 AmerisourceBergen Drug Corporation 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 AmerisourceBergen Drug 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 \$32.5 million, which includes \$12.6 million in real property improvements, \$19.9 million in machinery and equipment, and furniture and fixtures, at 3605 LaSalle Drive, Columbus, Ohio 43137, parcel number 495-263641, the creation of 28 net new full-time permanent positions with an estimated annual payroll of approximately \$873,600, and the retention of 161 full-time jobs with an annual payroll of approximately \$5,871,237.

**SECTION 3.** That the City of Columbus Enterprise Zone Agreement is signed by AmerisourceBergen Drug Corporation 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.