



Legislation Text

File #: 3015-2019, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Revolucion Holding, Inc. dba Condado Tacos and Westerville Taco Real Estate 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.

Revolucion Holding, Inc. dba Condado Tacos is a chain of casual taco restaurants whose headquarters, central production and distribution facility are in Columbus, Ohio. This will be a production/distribution center for all present restaurants in multiple states. Westerville Taco Real Estate LLC is owned by common ownership to Revolucion Holding Inc. and Condado Tacos.

Revolucion Holding, Inc. dba Condado Tacos and Westerville Taco Real Estate LLC ("Condado Tacos") are proposing to invest a total project cost of approximately \$2,895,000, including \$1,600,000 in real property improvements to renovate a vacant industrial building consisting of approximately 23,455 sq. ft. located at 720 Harmon Avenue, Columbus, Ohio, 43223 parcel number 010-016208 into a production and distribution facility ("Project Site"). The company anticipates that the development of the proposed project will lead to the creation of 20 net new full-time permanent positions with an estimated new annual payroll of approximately \$800,000 and the retention of 36 jobs with an approximate annual payroll of \$1,450,000 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 District 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 Revolucion Holding, Inc. dba Condado Tacos and Westerville Taco Real Estate 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 \$2,895,000.00 including \$1,600,000.00 in real property improvements, \$1,260,000.00 in building acquisition, \$25,000.00 in machinery and equipment and \$10,000.00 in furniture and fixtures and the creation of 20 net new full-time permanent positions with an estimated new annual payroll of approximately \$800,000.00 and the retention of 36 jobs with an approximate annual payroll of \$1,450,000.00 at the Project Site.

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, Revolucion Holding, Inc. dba Condado Tacos is the owner of a chain of casual taco restaurants and

Westerville Taco Real Estate LLC is a landholding entity, both based in Columbus, Ohio; and

WHEREAS, Revolucion Holding, Inc. dba Condado Tacos and Westerville Taco Real Estate LLC (“Condado Tacos”) are proposing to invest a total project cost of approximately \$2,895,000, including \$1,600,000 in real property improvements to renovate a vacant industrial building consisting of approximately 23,455 sq. ft. located at 720 Harmon Avenue, Columbus, Ohio, 43223 parcel number 010-016208 into a production and distribution facility (“Project Site”).

WHEREAS, Revolucion Holding, Inc. dba Condado Tacos and Westerville Taco Real Estate LLC anticipates that the development of the proposed project will lead to the creation of 20 net new full-time permanent positions with an estimated new annual payroll of approximately \$800,000 and the retention of 36 jobs with an approximate annual payroll of \$1,450,000 at the proposed Project Site; and

WHEREAS, the City is encouraging this project because of plans to invest in a vacant industrial building; 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 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 Revolucion Holding, Inc. dba Condado Tacos and Westerville Taco Real Estate LLC to move forward with the proposed project.

SECTION 2. That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with Revolucion Holding, Inc. dba Condado Tacos and Westerville Taco Real Estate 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 \$2,895,000 including \$1,600,000 in real property improvements, \$1,260,000 in building acquisition, \$25,000 in machinery and equipment and \$10,000 in furniture and fixtures and the creation of 20 net new full-time permanent positions with an estimated new annual payroll of approximately \$800,000 and the retention of 36 jobs with an approximate annual payroll of \$1,450,000 at the Project Site.

SECTION 3. That the City of Columbus Enterprise Zone Agreement is signed by Revolucion Holding, Inc. dba Condado Tacos and Westerville Taco Real Estate 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.