



## Legislation Text

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**File #:** 3013-2019, **Version:** 2

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**BACKGROUND:** The need exists to enter into an Enterprise Zone Agreement with Donley Concrete Cutting Company and 2455 Brice 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.

Established in 1997, Donley Concrete Cutting Company is a privately held company headquartered in Pickerington, Ohio that specializes in concrete sawing and drilling. The company services includes: concrete drilling, concrete cutting, flat sawing, core drilling, wall sawing, curb sawing, ground penetrating, radar, mini excavator rental, diamond grinding. The entity 2455 Brice Road LLC is a real estate holding company owned by David Donley, the President of Donley Concrete Cutting Company.

Donley Concrete Cutting Company and 2455 Brice Road LLC are proposing to invest a total capital expenditure of approximately \$2,650,000, which includes \$2,000,000 in real property improvements, \$500,000 in acquisition cost, \$100,000 in furniture and fixtures, and \$50,000 in machinery and equipment to construct a new corporate headquarters (HQ). The proposed corporate HQ will consist of approximately 33,000 sq. ft. and be constructed on a vacant and dilapidated property located at 2455 and 2475 Brice Road, Columbus, Ohio, 43068, parcel numbers 010-017977, 010-019424 and 010-182944 (the "**Project Site**"), next to I-70 on the old Bob Evans and Chi-Chi's restaurant retail site. The company intends to relocate its entire operation from Pickerington to Columbus. Donley Concrete Cutting Company will be the tenant and employer of record, and will enter into a long-term lease agreement with 2455 Brice Road LLC, the owner of the property. Additionally, the company will retain and relocate 52 full-time jobs with an annual payroll of approximately \$2.7 million, which will be new to the City, and create 5 net new full-time permanent positions with an estimated annual payroll of approximately \$260,000 at the proposed **Project Site**.

The Department of Development recommends a 75%/10-year Enterprise Zone tax abatement on real property improvements contingent upon receiving a relocation approved letter from the Ohio Development Services Agency. This legislation is presented as 30-day legislation.

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 Donley Concrete Cutting Company and 2455 Brice 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 \$2.65 million, the creation of 5 new full-time permanent positions and the retention of 52 full-time jobs.

**WHEREAS**, the Columbus City Council has established the Southeast Enterprise Zone pursuant to Section 5709.61 to 5709.632 of the Ohio Revised Code ("O.R.C.") which has been certified by the Director of the Department of Development of the State of Ohio as required by the O.R.C.; and

**WHEREAS**, by City Council Ordinance No. 0428-03 passed March 31, 2003 the City designated the area the Southeast Enterprise Zone as an "MSA principal city non-distressed based jobs and enterprise zone" pursuant to Chapter 5709.61 (A) of the Ohio Revised Code and declared that incentives for business offered by such zones will enhance efforts to promote the viable and diverse economic activity necessary for rejuvenation of the zone; and

**WHEREAS**, effective August 26, 2003 the Director of Development of the State of Ohio determined that the

aforementioned area designated in said Ordinance No. 0428-03 contains the characteristics set forth in Section 5709.61 (A) of the Ohio Revised Code, and certified said area (the "Columbus Southeast Enterprise Zone") as an "MSA principal city non-distressed based jobs and enterprise zone" (limited authority) under Chapter 5709 of the Ohio Revised Code; and

**WHEREAS**, established in 1997, Donley Concrete Cutting Company is a privately held company headquartered in Pickerington, Ohio that specializes in concrete sawing and drilling. The company services include: concrete drilling, concrete cutting, flat sawing, core drilling, wall sawing, curb sawing, ground penetrating, radar, mini excavator rental, diamond grinding; and

**WHEREAS**, 2455 Brice Road LLC is a real estate holding company that is owned by David Donley, the President of Donley Concrete Cutting Company; and

**WHEREAS**, Donley Concrete Cutting Company and 2455 Brice Road LLC are proposing to invest a total capital expenditure of approximately \$2,650,000, which includes \$2,000,000 in real property improvements, \$500,000 in acquisition cost, \$100,000 in furniture and fixtures, and \$50,000 in machinery and equipment to construct new corporate headquarters (HQ); and

**WHEREAS**, the proposed new corporate HQ will consist of approximately 33,000 sq. ft. and be constructed on a vacant and dilapidated property located at 2455 and 2475 Brice Road, Columbus, Ohio, 43068, parcel numbers 010-017977, 010-019424 and 010-182944 (the "**Project Site**"), next to I-70 on the old Bob Evans and Chi-Chi's restaurant retail site; and

**WHEREAS**, Donley Concrete Cutting Company will be the tenant and employer of record, and enter into a long-term lease agreement with 2455 Brice Road LLC to construct and relocate its corporate HQ from 154 W. Borland Street to the proposed **Project Site**. Additionally, the company will retain and relocate 52 full-time employees with an estimated associated annual payroll of approximately \$2.7 million and create 5 net new full-time permanent positions with an estimated annual payroll of approximately \$260,000; and

**WHEREAS**, pursuant to O.R.C. Section 5709.632, and as the Southeast Enterprise Zone authority is not based on distress criteria, and as Donley Concrete Cutting Company is seeking to relocate from one Ohio location into another Ohio location with this new other Ohio location being within the City of Columbus, no agreement can be approved within said Zone without a waiver from the Ohio Development Services Agency; and

**WHEREAS**, the City is encouraging this project because of plans to redevelop a vacant and dilapidated commercial retail site in the Southeast corridor of the city; and

**WHEREAS**, contingent upon receiving the approved relocation wavier letter from the Ohio Development Services Agency, the City desires to enter into 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 Donley Concrete Cutting Company and 2455 Brice Road LLC to go forward with the project expansion.

**SECTION 2.** Contingent upon receiving the approved relocation wavier letter from the Ohio Development Services Agency that the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with Concrete Cutting Company and 2455 Brice 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 \$2.65 million, which includes approximately \$500,000 in acquisition cost, \$2.0 million in real property improvements, \$50,000 in machinery and equipment, and \$100,000 in furniture and fixtures at 2455 and 2475 Brice Road, Columbus, Ohio 43068, parcel numbers 010-017977, 010-019424 and 010-182944, the creation of 5 net new full-time permanent positions with an estimated annual payroll of approximately \$260,000 and the retention of 52 full-time jobs with an annual payroll of approximately \$2.7 million.

**SECTION 3.** That the City of Columbus Enterprise Zone Agreement is signed by Donley Concrete Cutting Company and 2455 Brice 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.