



Legislation Text

File #: 0436-2020, **Version:** 2

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Andelyn Biosciences, Inc. 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.

Andelyn Biosciences, Inc. ("Andelyn Biosciences") a new for-profit subsidiary of Nationwide Children's Hospital, Inc. and a sister organization to non-profit The Abigail Wexner Research Institute, will manufacture gene therapy products for the biotechnology and pharmaceutical industries. Andelyn Biosciences will become a Phase 3 compliant Good Manufacturing Practices (cGMP) clinical manufacturing facility producing materials for Phase 1, 2, and 3 gene therapy clinical studies for biotechnology and pharmaceutical industries around the world. These products will have application to life-threatening diseases such as Spinal Muscular Atrophy, Duchenne Muscular Dystrophy, Batten Disease, Cystic Fibrosis, Parkinson's disease and ALS.

Andelyn Biosciences is proposing to invest a total project cost of approximately \$74,000,000, which includes \$64,000,000 in real property improvements, \$7,000,000 in machinery and equipment, and \$3,000,000 in furniture and fixtures to construct a new manufacturing facility consisting of approximately 85,000 square feet on roughly 7.8 +/- acres of undeveloped land located near the SW Corner of Lane Avenue and Carmack Road, Columbus, Ohio 43221 ("**Project Site**"). Additionally, the company anticipates creating 170 net new full-time permanent positions with an estimated annual payroll of approximately \$15,437,800 at the aforementioned **Project Site**.

The Department of Development recommends a 100%/15-year Enterprise Zone tax abatement on real property improvements.

The Board of Education of the Columbus City School District has been advised of this project and, pursuant to Ohio Revised Code has passed a resolution approving the one hundred percent (100%)/15-year Enterprise Zone abatement for Andelyn Biosciences. A copy of this Resolution authorizing the one-hundred percent (100%)/15-year Enterprise Zone abatement is attached and is contingent upon the execution of Enterprise Zone Compensation Agreement between Andelyn Biosciences, Columbus City School District and the City of Columbus, which was also approved by the school board.

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 (1) enter into an Enterprise Zone Agreement with Andelyn Biosciences, Inc. for a tax abatement of one-hundred percent (100%) for a period of fifteen (15) consecutive years in consideration of a total proposed capital investment of approximately \$74,000,000.00 and the creation of 170 net new full-time permanent positions with an estimated annual payroll of approximately \$15,437,000.00; and (2) to authorize the Director of the Department of Development to enter into an Enterprise Zone Compensation Agreement with Andelyn Biosciences, Inc. and Columbus City School District.

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, Andelyn Biosciences, Inc. (“Andelyn Biosciences”) a new for-profit subsidiary of Nationwide Children’s Hospital, Inc. and a sister organization to non-profit The Abigail Wexner Research Institute; and

WHEREAS, Andelyn Biosciences will become a Phase 3 compliant Good Manufacturing Practices (cGMP) clinical manufacturing facility producing materials for Phase 1, 2, and 3 gene therapy clinical studies for biotechnology and pharmaceutical industries around the world. These products will have application to life-threatening diseases such as Spinal Muscular Atrophy, Duchenne Muscular Dystrophy, Batten Disease, Cystic Fibrosis, Parkinson’s disease and ALS; and

WHEREAS, Andelyn Biosciences is proposing to invest a total project cost of approximately \$74,000,000, which includes \$64,000,000 in real property improvements, \$7,000,000 in machinery and equipment, and \$3,000,000 in furniture and fixtures to construct a new manufacturing facility consisting of approximately 85,000 square feet on roughly 7.8 +/- acres of undeveloped land located near the SW Corner of Lane Avenue and Carmack Road, Columbus, Ohio 43221 (“**Project Site**”); and

WHEREAS, Andelyn Biosciences anticipates that the development of the aforementioned project will lead to the creation of 170 net new full-time permanent positions with an estimated new annual payroll of approximately \$15,437,800 at the proposed **Project Site**; and

WHEREAS, the Ohio Revised Code states that any Enterprise Zone property tax abatement rate higher than seventy-five percent (75%) and a term period greater than ten (10) years requires School Board participation and approval; and

WHEREAS, the Columbus City School District has been advised of this project and, pursuant to Ohio Revised Code, has approved the one hundred percent (100%)/15-year tax abatement for Andelyn Biosciences on February 4, 2020. A copy of the Columbus City School District Resolution approving the abatement is attached and is contingent upon the execution of a Compensation Agreement between Andelyn Biosciences, Columbus City School District and the City of Columbus; and

WHEREAS, the City is encouraging this project because of plans to construct a new manufacturing facility on an undeveloped land parcel in the central city; 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, having the appropriate authority to offer a tax incentive on this project, is desirous of providing Andelyn Biosciences a property tax abatement of one hundred percent (100%) for a period of fifteen (15) consecutive years on real property improvements in order to encourage the development of the **Project Site**, and 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 City hereby finds and determines that the project will (1) create jobs in the State and City (2) the project is economically sound and will benefit the people of the State and City by increasing opportunities for employment and strengthening the economy of the State and City; and (3) receiving the aforementioned tax abatement is a critical factor in the decision by representatives for Andelyn Biosciences, Inc. to go forward with the project.

Section 2. That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with Andelyn Biosciences, Inc. to provide therewith an exemption of one-hundred percent (100%) on real property improvements for a term of fifteen (15) consecutive taxable years in association with the project's proposed investment of approximately \$64,000,000 in real property improvements and the creation of 170 net new full-time permanent positions with an estimated annual payroll of approximately \$15,437,800.

Section 3. That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Compensation Agreement with Andelyn Biosciences, Inc. and Columbus City School District which details the commitments made by Andelyn Biosciences, Inc. to the Columbus City Schools.

Section 4. That the City of Columbus Enterprise Zone Agreement is signed by Andelyn Biosciences, Inc. within ~~ninety one~~ **hundred eighty (90180)** days of passage of this ordinance, or this ordinance and the abatements and credit authorized herein are null and void.

Section 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.