



## Legislation Text

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**File #:** 2133-2020, **Version:** 1

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**BACKGROUND:** The need exists to enter into an Enterprise Zone Agreement with Minerva Ridge II LLC and TKS Industrial Company. 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.

Minerva Ridge II LLC (“Minerva Ridge”) is a real estate holding company owned by Joe D. Recker and Joe W. Recker, a father and son managed team. The company was formed in 2019 and focuses on real estate solutions for heavy industry companies in Ohio and the Midwest. The Reckers have been active in this space as a family business for generations.

TKS Industrial Company (“TKS”) was established in 1981 as the North American subsidiary of Taikisha Ltd., a publicly traded company in Japan. Currently headquartered in Troy, Michigan. TKS is part of the global Taikisha group, a world leader in HVAC and paint finishing systems. Taikisha specializes in large-scale industrial heating, ventilation, humidifying, and air conditioning (HVAC) systems for large buildings and industrial plants. TKS is a general contractor that provides turnkey paint finishing systems including building, conveyors, process equipment, automation and more.

Minerva Ridge and TKS are proposing to invest a total project cost of approximately \$1,405,560, which includes \$1,233,860 in real property improvements and \$171,700 in furniture and fixtures to expand its current manufacturing facility by approximately 15,800 square feet at 1939 Refugee Road, Columbus, Ohio, 43207, parcel number 010-087995 (the “**Project Site**”). With this expansion, the company will be able to accommodate larger scale projects that are currently being sent elsewhere, to other states. TKS will be the tenant and employer of record and enter into a long-term lease agreement with Minerva Ridge, the owner of the property. Additionally, the company will retain 60 full-time jobs with an annual payroll of approximately \$3.91 million and create 12 net new full-time permanent positions with an estimated annual payroll of approximately \$686,820 at the **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 Minerva Ridge II LLC and TKS Industrial Company 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 \$1,405,560.00 and the creation of twelve (12) 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**, Minerva Ridge II LLC (“Minerva Ridge”) is a real estate holding company owned by Joe D. Recker and Joe W. Recker, a father and son managed team. The company was formed in 2019 and focuses on real estate solutions for heavy industry companies in Ohio and the Midwest; and

**WHEREAS**, TKS Industrial Company (“TKS”) was established in 1981 as the North American subsidiary of Taikisha Ltd., a publicly traded company in Japan. Currently headquartered in Troy, Michigan. TKS is part of the global Taikisha group, a world leader in HVAC and paint finishing systems. Taikisha specializes in large-scale industrial heating, ventilation, humidifying, and air conditioning (HVAC) systems for large buildings and industrial plants. TKS is a general contractor that provides turnkey paint finishing systems including building, conveyors, process equipment, automation and more; and

**WHEREAS**, Minerva Ridge and TKS are proposing to invest a total project cost of approximately \$1,405,560, which includes \$1,233,860 in real property improvements and \$171,700 in machinery and equipment to expand its current manufacturing facility by approximately 15,800 square feet at 1939 Refugee Road, Columbus, Ohio, 43207, parcel number 010-087995 (the “**Project Site**”); and

**WHEREAS**, TKS will be the tenant and employer of record, and enter into a long-term lease agreement with Minerva Ridge, the owner of the property. Additionally, the company will retain sixty (60) full-time jobs with an estimated annual payroll of approximately \$3.91 million and create twelve (12) net new full-time permanent positions with an estimated annual payroll of approximately \$686,820 at the **Project Site**; and

**WHEREAS**, the City is encouraging this project because of plans to expand an existing manufacturing 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; 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 of Minerva Ridge II LLC and TKS Industrial Company 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 Minerva Ridge II LLC and TKS Industrial Company 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 \$1,405,560, which includes approximately \$1,233,860 in real property improvements and \$171,700 in machinery and equipment at 1939 Refugee Road, Columbus, Ohio 43207, parcel number 010-087995, the retention of sixty (60) full-time positions with an annual payroll of approximately \$3.91 million and the creation of twelve (12) net new full-time permanent positions with an estimated annual payroll of approximately \$686,820.

**SECTION 3.** That the City of Columbus Enterprise Zone Agreement is signed by Minerva Ridge II LLC and TKS Industrial Company 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.