



## Legislation Text

**File #:** 2531-2020, **Version:** 1

**BACKGROUND:** The need exists to enter into an Enterprise Zone Agreement with BND Properties IV, LLC ("BND Properties") and BND Rentals, Inc. dba Vandalia Rental ("Vandalia Rental"). 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 2018, BND Properties is a real estate holding company. Vandalia Rental is an equipment rental company focused on construction and industrial equipment. Vandalia Rental was established in 1961, and their main lines of equipment are earth equipment (loaders, excavators), material lifts, boom lifts, and other equipment such as (i.e. trailers, heaters, generators, etc.) all of varying types and sizes. Vandalia Rental is a third generation, family-owned and operated construction equipment rental company that was named after the city in which it was built, in Vandalia, Ohio. The company has evolved from a small family business into the premier equipment rental company in Southwest Ohio. Both entities have a common owner, Kurt Barney.

BND Properties and Vandalia Rental are proposing to invest a total project cost of approximately \$8,125,000, which includes \$3,000,000 in real property improvements, \$5,000,000 in machinery and equipment, \$50,000 in furniture and fixtures, \$25,000 in computers and \$50,000 in inventory to construct a new operation facility consisting of approximately 15,000 square feet at 2265 N. Wilson Road, Columbus, Ohio 43228, parcel number 560-129701 (the "**Project Site**"). With this new facility, the company will be able to establish a local physical presence in Columbus to better enhance the customer service experience. Vandalia Rental will be the tenant and employer of record and enter into a long-term lease agreement with BND Properties, the property owner. Additionally, the company will create 10 net new full-time permanent positions with an estimated new annual payroll of approximately \$680,000 at the **Project Site**.

BND Properties and Vandalia Rental is requesting an Enterprise Zone property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years on real property improvements to assist in the development of this project.

The Department of Development recommends an Enterprise Zone property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years on real property improvements for the purpose of constructing a new facility consisting of approximately 15,000 square-feet on parcel number 560-129701, the **Project Site**.

The Hilliard City School District and Tolles Career & Technical Center Schools have both 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 BND Properties IV, LLC and BND Rentals, Inc. dba Vandalia Rental for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed capital investment of approximately \$3,000,000.00 in real property improvements and the creation of 10 net new full-time permanent positions with an estimated annual payroll of approximately \$680,000.00. (AMENDED BY ORD. 1065-2021; PASSED 5/10/2021) (AMENDED BY ORD. 2771-2020; PASSED 5/10/2021)

**WHEREAS**, the Columbus City Council ("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; 0032-2012 in 2012 and 1442-2020 in 2020; 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 April 3, 2012 and most recently on September 18, 2020 as an “urban jobs and enterprise zone” under Chapter 5709 of the Ohio Revised Code; and

**WHEREAS**, established in 2018, BND Properties IV, LLC (“BND Properties”) is a real estate holding company; and

**WHEREAS**, BND Rentals, Inc. dba Vandalia Rental (“Vandalia Rental”) is an equipment rental company focused on construction and industrial equipment. Vandalia Rental was established in 1961, and their main lines of equipment are earth equipment (loaders, excavators), material lifts, boom lifts, and other equipment such as (trailers, heaters, generators, etc.) all of varying types and sizes. Vandalia Rental is a third generation, family-owned and operated construction equipment rental company that was named after the city in which it was built, in Vandalia, Ohio; and

**WHEREAS**, BND Properties and Vandalia Rental are proposing to invest a total project cost of approximately \$8,125,000, which includes \$3,000,000 in real property improvements, \$5,000,000 in machinery and equipment, \$50,000 in furniture and fixtures, \$25,000 in computers and \$50,000 in inventory to construct a new facility consisting of approximately 15,000 square feet at 2265 N. Wilson Road, Columbus, Ohio 43228, parcel number 560-129701 (the “Project Site”); and

**WHEREAS**, Vandalia Rental will be the tenant and employer of record and enter into a long-term lease agreement with BND Properties, the property owner. Additionally, the company will create 10 net new full-time permanent positions with an estimated new annual payroll of approximately \$680,000 at the Project Site; and

**WHEREAS**, the City is encouraging this project because of plans to construct a new facility on an undeveloped land parcel; and

**WHEREAS**, the City desires to increase employment opportunities and encourage the creation of new jobs in the City 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 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 BND Properties IV, LLC and BND Rentals, Inc. dba Vandalia Rental 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 BND Properties IV, LLC and BND Rentals, Inc. dba Vandalia Rental 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 investment of approximately \$3,000,000 in real property improvements and the creation of 10 net new full-time permanent positions with an estimated annual payroll of

approximately \$680,000.

**SECTION 3.** That the City of Columbus Enterprise Zone Agreement is signed by BND Properties IV, LLC and BND Rentals, Inc. dba Vandalia Rental 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.