



Legislation Text

File #: 0219-2021, Version: 1

BACKGROUND: Columbus City Council (“**COUNCIL**”), by Ordinance No. 2934-2017, passed December 4, 2017, authorized the City of Columbus (“**CITY**”) to enter into an Enterprise Zone Agreement (the “**AGREEMENT**”) with Alshire Properties, LLC and Farber Specialty Vehicles, Inc. (collectively, and hereinafter referred to as “**ENTERPRISE**”) for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of the company’s proposed total capital investment of approximately \$6.7 million, which included \$2.15 million in acquisition cost, \$3.0 million in real property improvements, \$1.0 million in inventory, \$500,000 in machinery and equipment, and \$50,000 in furniture and fixtures to acquire, renovate, redevelop, expand and convert a vacant commercial retail store (formally known as The Anderson General Store) consisting of approximately 137,300 square feet +/- into a manufacturing facility with an additional 50,000 square feet +/- (the “**PROJECT**”) located at 5800 Alshire Road, Columbus, Ohio 43232, parcel number 010-205284 (the “**PROJECT SITE**”), within the City of Columbus Enterprise Zone (Zone #023) and within the Columbus City School District. Additionally, the **ENTERPRISE** committed to expand and relocate its corporate headquarters and manufacturing facility, retain 110 full-time permanent positions with an estimated annual payroll of \$5.32 million and create 20 net new full-time permanent positions with an estimated annual payroll of \$796,000 at the **PROJECT SITE**. The **AGREEMENT** was made and entered into to be effective January 19, 2018 (EZA #023-18-02); the **PROJECT** was expected to begin February 2018, all real property improvements were expected to be completed by July 2019 with the term of the abatement not to commence after 2020 nor extend beyond 2029.

In an electronic communication to the **CITY** received September 1, 2020, **ENTERPRISE**, indicated that the **PROJECT** as described in the **AGREEMENT** will no longer occur due to a change in the **ENTERPRISE**’s strategic development plans. With this strategic change, **ENTERPRISE** decided not to move forward with adding the additional 50,000 square feet onto the existing structure as described in the above **PROJECT** and so requested that the **AGREEMENT** be **DISSOLVED**. With the **PROJECT** no longer moving forward as originally planned, the **CITY** concurs that there is a need to **DISSOLVE** this **AGREEMENT** between the **CITY** and **ENTERPRISE**. It should be noted that no DTE-24 has been filed and **ENTERPRISE** has received no forgone tax benefit under the terms of the **AGREEMENT**.

This legislation is presented as an emergency measure in order for this dissolution to be legislated in the most expedient manner as possible so that this dissolution of this **AGREEMENT** can be reported to the necessary local and state agencies prior to the end of calendar year 2020.

FISCAL IMPACT: No funding is required for this legislation.

To dissolve the Enterprise Zone Agreement with Alshire Properties, LLC and Farber Specialty Vehicles, Inc. (collectively, and hereinafter referred to as “**ENTERPRISE**”), and to direct the Director of the Department of Development to notify as necessary the local and state tax authorities; and to declare an emergency.

WHEREAS, the Columbus City Council (“**COUNCIL**”) approved the Enterprise Zone Agreement with Alshire Properties, LLC and Farber Specialty Vehicles, Inc. (the “**AGREEMENT**”) on December 4, 2017 by Ordinance No. 2934-2017, made and entered into effective January 19, 2018 (EZA #023-18-02); and

WHEREAS, the **AGREEMENT** granted **ENTERPRISE** a 75%/10-Year abatement on real property improvements wherein **ENTERPRISE** committed to invest a total capital investment of approximately \$6.7 million, which included \$2.15 million in acquisition cost, \$3.0 million in real property improvements, \$1.0 million in inventory, \$500,000 in machinery and equipment, and \$50,000 in furniture and fixtures \$1.5 million in real property improvements (the

“**PROJECT**”), and acquired, renovated, redeveloped and converted a vacant commercial retail store (formally known as The Anderson General Store) consisting of approximately 137,300 square feet +/- into a manufacturing facility with the intent to add an additional 50,000 square feet +/- (the “**PROJECT**”) at 5800 Alshire Road, Columbus, Ohio 43232, parcel number 010-205284 (the “**PROJECT SITE**”). Additionally, **ENTERPRISE** committed to expand and relocate its corporate headquarters and manufacturing facility, retain 110 full-time permanent positions with an estimated annual payroll of \$5.32 million and create 20 net new full-time permanent positions with an estimated annual payroll of \$796,000 at the **PROJECT SITE**, within the City of Columbus Enterprise Zone (Zone #023) and within the Columbus City School District; and

WHEREAS, the **PROJECT** was expected to begin February 2018, all real property improvements were expected to be completed by July 2019 with the term of the abatement not to commence after 2020 nor extend beyond 2029; and

WHEREAS, in an electronic communication to the **CITY** received September 1, 2020, **ENTERPRISE**, indicated that the **PROJECT** as described in the **AGREEMENT** will no longer occur due to a change in the **ENTERPRISE**'s strategic development plans. With this strategic change, **ENTERPRISE** decided not to move forward with adding the additional 50,000 square feet onto the existing structure as described in the above **PROJECT** and so requested that the **AGREEMENT** be **DISSOLVED**; and

WHEREAS, with the **PROJECT** no longer moving forward as originally planned, the **CITY** concurs that there is a need to **DISSOLVE** this **AGREEMENT** between the **CITY** and **ENTERPRISE**; and

WHEREAS, it should be noted that no DTE-24 has been filed and **ENTERPRISE** has received no forgone tax benefit under the terms of the **AGREEMENT**; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to dissolve this EZ agreement in order for this dissolution to be reported to the necessary local and state agencies prior to the end of calendar year 2020, and to preserve the public health, property, safety and welfare; **NOW, THEREFORE:**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS

SECTION 1. That Columbus City Council hereby dissolves the Alshire Properties, LLC and Farber Specialty Vehicles, Inc. Enterprise Zone Agreement (Agreement #023-18-02; authorized by Ordinance Number 2934-2017, adopted December 4, 2017, made and entered into January 19, 2018) to be effective January 1, 2020 thereby making 2019 having been the final reporting year for the Agreement and effectively eliminating any opportunity for a tax incentive under the terms of the Agreement.

SECTION 2. That the Director of the Department of Development is hereby directed to notify the necessary local and state agencies of any changes to the Alshire Properties, LLC and Farber Specialty Vehicles, Inc. Enterprise Zone Agreement (Agreement #023-18-02).

SECTION 3. For the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.