



City of Columbus

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

Legislation Text

File #: 1040-2022, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Simpson Manufacturing Co., Inc. dba Simpson Strong-Tie Company Inc. The Ohio Enterprise Zone law Section 5709.62(C) of the Ohio Revised Code requires the City to enter into Council-approved agreements between the City and participating companies.

Simpson Manufacturing Co., Inc. dba Simpson Strong-Tie Company Inc. ("Simpson Strong-Tie") was established in 1956 and has its headquarters in Pleasanton, California. The company is a leader in designing, engineering and manufacturing wood construction projects, including connectors, truss plates, fastening systems, fasteners and shear walls, and concrete construction products, including adhesives, specifically chemicals, mechanical anchors, powder actuated tools and reinforcing fiber materials.

Simpson Strong-Tie is proposes to invest a total project cost of approximately \$25,000,000, which includes \$14,000,000 in real property improvements, \$6,000,000 in acquisition of buildings, and \$5,000,000 in machinery and equipment to construct an approximately 305,413 square-foot Class A flex industrial facility addition adjacent to the company's existing site at 2600 International Street Columbus, Ohio 43228, parcel numbers 560-212875, 560-216014, and 560-302754 (the "**Project Site**"). In addition, the company anticipates that the development of the proposed project will lead to the creation of 125 net new full-time permanent positions with an estimated new annual payroll of approximately \$5,203,983 and the retention of 374 full-time permanent positions with an estimated annual payroll of approximately \$20,840,277 at the **Project Site**.

The Department of Development recommends a 75%/10-year Enterprise Zone tax abatement on real property improvements.

The Hilliard City School District and Tolles Career & Technical Center has 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 Simpson Manufacturing Co., Inc. dba Simpson Strong-Tie Company Inc. for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of the company's proposed capital investment of \$14,000,000.00 in real property improvements and the creation of 125 net new full-time permanent positions with an estimated annual payroll of approximately \$5,203,983.00, and retention of 374 full-time permanent positions with an estimated annual payroll of \$20,840,277.00.

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; 0032-2012 in 2012; 1442-2020 in 2020 and 0279-2021 in 2021; 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, September 18, 2020 and most recently May 20, 2021 as an “urban jobs and enterprise zone” under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Simpson Manufacturing Co., Inc. dba Simpson Strong-Tie Company Inc. (“Simpson Strong-Tie”) was established in 1956 and has its headquarters in Pleasanton, California. The company is a leader in designing, engineering and manufacturing wood construction projects, including connectors, truss plates, fastening systems, fasteners and shear walls, and concrete construction products, including adhesives, specifically chemicals, mechanical anchors, powder actuated tools and reinforcing fiber materials; and

WHEREAS, Simpson Strong-Tie is proposes to invest a total project cost of approximately \$25,000,000, which includes \$14,000,000 in real property improvements, \$6,000,000 in acquisition of buildings, and \$5,000,000 in machinery and equipment to construct an approximately 305,413 square-foot Class A flex industrial facility addition adjacent to the company’s existing site at 2600 International Street Columbus, Ohio 43228, parcel numbers 560-212875, 560-216014, and 560-302754 (the “**Project Site**”); and

WHEREAS Simpson Strong-Tie anticipates that the development of the aforementioned project will lead to the creation of 125 net new full-time permanent positions with an estimated new annual payroll of approximately \$5,203,983 and the retention of 374 full-time permanent positions with an estimated annual payroll of approximately \$20,840,277 at the **Project Site**; and

WHEREAS, the City is encouraging this project because of plans to construct a Class A flex industrial facility west of 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 desires to enter in to 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 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 Simpson Manufacturing Co., Inc. dba Simpson Strong-Tie Company 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 Simpson Manufacturing Co., Inc. dba Simpson Strong-Tie Company Inc. 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 \$25,000,000, which includes \$14,000,000 million in real property improvements at 2600 International Street Columbus, Ohio 43228, parcel numbers 560-212875, 560-216014, and 560-302754, the creation of 125 net new full-time permanent positions with an estimated annual payroll of approximately \$2,680,000 and the retention of 374 full-time permanent positions with an estimated annual payroll of approximately \$20,840,277.

SECTION 3. That the City of Columbus Enterprise Zone Agreement is signed by Simpson Manufacturing Co., Inc. dba Simpson Strong-Tie Company Inc. 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.