



Legislation Text

File #: 2963-2021, **Version:** 1

..Explanation

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Buckeye XO LLC. 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.

Buckeye XO LLC is an industrial real estate development and investment group, based in Los Angeles, California and Dallas, Texas. The company provides real estate investment opportunities in industrial assets to institutional and private wealth investors through the acquisition, development, redevelopment and management of institutional-quality bulk logistics, infill/last-mile and light industrial properties located in top-tier markets in the U.S. Since inception, Buckeye XO LLC has acquired and developed, redeveloped or repositioned industrial real estate projects totaling nearly 9 million square feet, including 15 million square feet currently in various stages of development. From infill industrial development in Los Angeles in the 1980s to land development and vertical construction as part of the global supply chain, Buckeye XO LLC continues to build upon its legacy of value creation.

Buckeye XO LLC (Building 1A) is proposing to invest a total project cost of approximately \$14,800,000 in real property improvements to construct a speculative industrial facility consisting of approximately 234,900 sq. ft. at 4882 Trabue Road, Columbus, Ohio 43228, parcel number 560-154558 (the "Project Site"). The company anticipates that the development of the proposed project will lead to the relocation of an unknown number of positions from within the City of Columbus or surrounding communities, and the creation of 29 net new full-time permanent positions with an estimated annual payroll of approximately \$904,800 at the proposed 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 and Technical Center have 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 Buckeye XO LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a total proposed capital investment of approximately \$14,800,000 in real property improvements and the creation of one twenty-nine (29) net new full-time permanent positions with an estimated new annual payroll of approximately \$904,800.

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; 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 on May 20, 2021 as an “urban jobs and enterprise zone” under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Buckeye XO LLC is an industrial real estate development and investment group, based in Los Angeles, California and Dallas, Texas; and

WHEREAS, the company provides real estate investment opportunities in industrial assets to institutional and private wealth investors through the acquisition, development, redevelopment and management of institutional-quality bulk logistics, infill/last-mile and light industrial properties located in top-tier markets in the U.S.; and

WHEREAS, Buckeye XO LLC is proposing to invest a total project cost of approximately \$14,800,000 in real property improvements to construct a new 234,900 square-foot speculative industrial facility at 4882 Trabue Road, Columbus, Ohio, 43228 parcel number 560-154558 (“Project Site”); and

WHEREAS, Buckeye XO LLC anticipates that the development of the proposed project will lead to the creation of twenty-nine (29) net new full-time permanent positions with an estimated new annual payroll of approximately \$904,800 at the proposed Project Site; and

WHEREAS, the City is encouraging this project because of plans to redevelop the defunct Buckeye Railyard into an income producing property; 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 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 this tax incentive is a critical factor in the decision by Buckeye XO LLC 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 Buckeye XO LLC 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 \$14,800,000 in real property improvements at 4882 Trabue Road, Columbus, Ohio 43228, parcel number 560-154558 and the creation of twenty-nine (29) net new full-time permanent positions with an estimated new annual payroll of approximately \$904,800.

Section 3. That the City of Columbus Enterprise Zone Agreement is signed by Buckeye XO LLC 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.