



Legislation Text

File #: 2766-2021, Version: 1

BACKGROUND: Columbus City Council (“COUNCIL”), by Ordinance No. 1647-2019, passed July 1, 2019, authorized the City of Columbus (“CITY”) to enter into an Enterprise Zone Agreement (the “AGREEMENT”) with Mission XC, LLC (“ENTERPRISE”), for a real property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed \$9.5 million investment in real property improvements and the creation of 10 net new full-time permanent positions with an associated annual payroll of approximately \$353,600 related to the construction of a new approximately 231,664 square foot speculative industrial building located at 1260 London Groveport Road on Parcel Number 495-232636 within the City of Columbus and within the Columbus Central Enterprise Zone (the “PROJECT SITE”). The AGREEMENT was made and entered into effective December 3, 2019 with the abatement to commence no later than 2021 nor extend beyond 2030 (Agreement No. 023-19-14). All real property improvements were expected to have been completed by December 2020. It should be noted that this ENTERPRISE has also been known as Mission XC, LLC I (1260 London Groveport Road). Subsequent to this but prior to this legislation, the parent parcel 495-232636 was split to create in part Parcel Number 495-300545 with a street address of 1260 Collins Drive (per the Franklin County Auditor) which revised the PROJECT SITE. As of this date there has not been a filing of the DTE-24 with the Franklin County Auditor, no Final Determination from the Ohio Department of Taxation, and so no forgone tax benefit has yet been received.

Paragraph thirteen within Section 6 (Program Compliance) of the AGREEMENT states that the “AGREEMENT is not transferable or assignable without the express, written, approval of the CITY.”

In a letter received by the City from ENTERPRISE dated June 9, 2021, ENTERPRISE advised the CITY that “the Project was conveyed to The Hub XO, LLC” and that “The Hub XO, LLC is an affiliate of Mission XC” and that “the ultimate parent entity of Mission XC and the The Hub XO, LLC is Xebec Holdings, LLC.” ENTERPRISE also provided the CITY with a copy of the recorded Limited Warranty Deed evidencing the conveyance of the Project from Mission XC to The Hub XO, LLC. The letter concluded with the request that “the City please approve an assignment of the Agreement” from Mission XC, LLC to The Hub XO, LLC.

Additionally, Columbus City Council, by Ordinance No. 3221-2018, passed March 13, 2019, authorized the Director of Development to establish a fee schedule that supports the Department’s administrative and project costs associated with administering Department programs with one of those fees being an Amendment Fee.

This legislation is to authorize the Director of Development to amend the AGREEMENT for the first time for Assignment & Assumption to remove Mission XC, LLC as ENTERPRISE to be replaced by The Hub XO, LLC as ENTERPRISE whereby The Hub XO, LLC assumes the terms and commitments of the AGREEMENT as ENTERPRISE, to revise the description of the PROJECT SITE and to add language requiring an Amendment Fee for future Grantee-initiated Amendments.

This legislation is presented as an emergency measure in order for this amendment to be legislated prior to the start of report year 2021 reporting cycle so that this amendment to the AGREEMENT can be reported to the necessary local and state agencies in as expedient manner as possible to ensure that ENTERPRISE remains in compliance with the terms of the AGREEMENT.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to amend the Enterprise Zone Agreement for the first time for Assignment & Assumption to remove Mission XC, LLC, also known as Mission XC, LLC I (1260 London Groveport Road), as

ENTERPRISE to be replaced by The Hub XO, LLC as ENTERPRISE whereby The Hub XO, LLC will assume the terms and commitments of the AGREEMENT as ENTERPRISE, to revise the description of the PROJECT SITE and to add language requiring an Amendment Fee for future Grantee-initiated Amendments and to declare an emergency.

WHEREAS, the City of Columbus ("CITY") entered into an Enterprise Zone Agreement (the "AGREEMENT") with Mission XC, LLC ("ENTERPRISE"), approved by Columbus City Council ("COUNCIL") by Ordinance No. 1647-2019, passed July 1, 2019, with this AGREEMENT made and entered into effective December 3, 2019; and

WHEREAS, the ENTERPRISE has also been referred to as Mission XC, LLC I (1260 London Groveport Road); and

WHEREAS, the AGREEMENT granted a 75%/10-Year abatement on real property improvements; and

WHEREAS, the incentive was granted in consideration of a proposed \$9.5 million investment in real property improvements and the creation of 10 net new full-time permanent positions with an associated annual payroll of approximately \$353,600 related to the construction of a new approximately 231,664 square foot speculative industrial building located at 1260 London Groveport Road on Parcel Number 495-232636 within the City of Columbus and within the Columbus Central Enterprise Zone (The PROJECT SITE) with the abatement to commence no later than 2021 nor extend beyond 2030.

WHEREAS, subsequent to this but prior to this legislation, the parent parcel 495-232636 was split to create in part Parcel Number 495- 300545 with a street address of 1260 Collins Drive (per the Franklin County Auditor) which revised the PROJECT SITE; and

WHEREAS, as of this date there has not been a filing of the DTE-24 with the Franklin County Auditor, no Final Determination from the Ohio Department of Taxation, and so no forgone tax benefit has yet been received; and

WHEREAS, within Section 6 (Program Compliance) of the AGREEMENT it states that the "AGREEMENT is not transferable or assignable without the express, written, approval of the CITY;" and

WHEREAS, In a letter received by the City from ENTERPRISE dated June 9, 2021, ENTERPRISE, in a follow-up to previous email correspondence, advised the CITY that "the Project was conveyed to The Hub XO, LLC" and that "The Hub XO, LLC is an affiliate of Mission XC" and that "the ultimate parent entity of Mission XC and the The Hub XO, LLC is Xebec Holdings, LLC." ENTERPRISE also provided the CITY with a copy of the recorded Limited Warranty Deed evidencing the conveyance of the Project from Mission XC to The Hub XO, LLC. The letter concluded with the request that "the City please approve an assignment of the Agreement" from Mission XC, LLC to The Hub XO, LLC; and

WHEREAS, Columbus City Council, by Ordinance No. 3221-2018, passed March 13, 2019, authorized the Director of Development to establish a fee schedule that supports the Department's administrative and project costs associated with administering Department programs with one of those fees being an Amendment Fee; and

WHEREAS, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to authorize the Director to amend the AGREEMENT with Mission XC, LLC for Assignment and Assumption to (1) remove Mission XC, LLC as ENTERPRISE to be replaced by The Hub XO, LLC as ENTERPRISE whereby The Hub XO, LLC will assume the terms and commitments of the AGREEMENT as ENTERPRISE; (2) to revise the PROJECT SITE to be Parcel Number 495-300545 at 1260 Collins Drive (per the Franklin County Auditor) and (3) to add language requiring an Amendment Fee for future Grantee-initiated Amendments; thereby preserving the public health, peace, property and safety; and

NOW, THEREFORE

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS

SECTION 1. That the Director of Development is hereby authorized to amend the Enterprise Zone Agreement with Mission XC, LLC (the "AGREEMENT") to remove Mission XC, LLC as ENTERPRISE to be replaced with The Hub XO, LLC as ENTERPRISE whereby The Hub XO, LLC will ENTERPRISE assume the terms and commitments of the AGREEMENT as.

SECTION 2. That the Director of Development is hereby authorized to amend Section 1 (Establishment by Corporation) of the AGREEMENT to state that the PROJECT SITE is revised to be described as Parcel Number 495-300545 at 1260 Collins Drive (per the Franklin County Auditor).

SECTION 3. That the Director of Development is hereby authorized to amend the final paragraph of Section 6 (Program Compliance, modification provision paragraph) of the AGREEMENT to state that "Any request from the ENTERPRISE to modify any of the terms of this AGREEMENT must be received by the CITY at least 90 days prior to the expiration date of the AGREEMENT and shall require the payment to the CITY by the ENTERPRISE or any other potential Grantee an AMENDMENT FEE in the amount of \$500."

SECTION 4. That this FIRST AMENDMENT for Assignment and Assumption to the City of Columbus Enterprise Zone Agreement be signed by The Hub XO, LLC within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

SECTION 5. That for reasons stated in the preamble hereto, which is hereby made a part hereof, the ordinance is hereby 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 days after the passage if the Mayor neither approves nor vetoes the same.