

**FACT SHEET**  
**THE GRAVITY PROJECT 2, LLC dba**  
**KAUFMAN DEVELOPMENT**  
**APRIL 2020**

**I. STATEMENT OF PURPOSE – Enterprise Zone**

The Department of Development recommends an Enterprise Zone Tax Abatement of seventy-five (75%) for a period of ten (10) consecutive years for the purpose of redeveloping a commercial property located in East Franklinton.

**II. PROJECT HISTORY**

Gravity Project 2, LLC dba Kaufman Development is a newly formed limited liability company that was established in June of 2018. The company’s primary business is ownership of real estate used for office, retail and residential (mixed-use) purposes. The company’s CEO is Brent Kaufman of Kaufman Development, which is a real estate development company headquartered in Columbus, Ohio. Brett Kaufman has been working in real estate development and investing in various types of development projects for approximately 20 years. During this time, he has developed, leased and/or sold over 10,000 homes and developed a variety of commercial, retail, land and office projects.

The Gravity Project 2, LLC dba Kaufman Development (“**Gravity 2**”) is proposing to redevelop approximately five (5) acres near the corner of W. Broad Street and McDowell Street in East Franklinton. The project will involve a total investment of approximately \$194.5 million, which includes \$7.5 million in land and acquisition costs, \$165 million in real property improvements and approximately \$22 million in a new parking structure at 451 and 455 West Broad Street, Columbus, Ohio parcel number 010-039621 (the “**Project Site**”).

The proposed mixed-use development will consist of a new 6-story Class A commercial office facility consisting of approximately 175,750 square feet, a 12-story residential unit comprised of approximately 218,796 square feet, with ground floor Class A office space consisting of approximately 21,445 square feet, a 5-story residential mid-rise consisting of approximately 81,340 square feet, a 5-story residential structure consisting of approximately 24,461 square feet of residential townhomes, and the renovation of a 1-story retail building consisting of approximately 4,600 square feet, and renovation of a 1-story retail building consisting of approximately 4,600 square feet. Additionally, a new parking structure of approximately 293,000 square feet containing about 900 parking spaces (of which, 200 of those parking spaces are targeted for public use) will be constructed.

**Gravity 2** is requesting an Enterprise Zone Tax Abatement to assist in the development of the Class A commercial office spaces as it relates to the proposed project. The company will invest approximately \$31,176,371 of the proposed \$165 million in real property improvements, on the development of the proposed Class A commercial office spaces (totaling 197,195 square feet). The company anticipates that the development of the proposed commercial project will lead to the relocation of an unknown number of positions from within the City of Columbus and the creation of 50 net new full-time permanent positions with an estimated annual payroll of approximately \$3.0 million at the proposed **Project Site**.

### III. PROJECT INVESTMENT

Additions/New construction	\$31,176,371
Leasehold Improvements	\$9,633,151
Acquisition of buildings	\$5,676,892
Furniture & Fixtures	\$1,177,500
<b>TOTAL INVESTMENT</b>	<b>\$47,663,914</b>

### IV. DECISION & TIMING

The project is expected to begin late April 2020 with a scheduled time of completion for July 2021, contingent upon Columbus City Council approval of the recommended tax incentive.

### V. EMPLOYMENT

The project will create 50 net new full-time permanent office positions with an annual payroll of \$3.0 million with an hourly rate of approximately \$28.84.

The proposed project site is located at 451 and 455 W. Broad Street, Columbus, Ohio parcel number 010-039621. The project site is accessible by public transportation, Central Ohio Transit Authority (COTA). There is a COTA stop in close proximity of the project site.

### VI. REQUESTED PUBLIC PARTICIPATION

The Department of Development recommends a 75%/10-year Enterprise Zone Abatement on real property improvements for the proposed combined 197,195 Class A commercial office spaces with an investment of approximately \$31,176,371 in real property improvements.

### VII. NEW TAX IMPACT: ANNUAL & 10-YEAR SUMMARY

<b>Unabated Revenue</b>	<b>Average Annual</b>	<b>10-year Summary</b>	<b>20-year Summary</b>
A. Real Property Tax Revenue	\$898,689	\$8,986,890	\$17,973,780
B. New City Income Tax Revenue	\$75,000	\$750,000	\$1,500,000
C. Total Unabated Tax Revenue (i.e., A. + B.)	\$973,689	\$9,736,890	\$19,473,780
<b>Proposed Tax Abatement Impact</b>	<b>Average Annual</b>	<b>10-year Summary</b>	<b>20-year Summary</b>
D. Total Proposed Tax Abatement seventy-five percent (75%)/ten (10) Consecutive Years on Real Property Improvements	\$674,016	\$6,740,160	\$6,740,160
E. Total Unabated Property Tax Revenue (i.e., C.-D.)	\$299,673	\$2,996,730	\$12,733,620

<b>School District Impact: Columbus City School District</b>	<b>Average Annual</b>	<b>10-year Summary</b>	<b>20-year Summary</b>
F. Existing School District Revenue from Real Property at site (pre abatement)	\$16,422	\$164,220	\$328,440
G. New Revenue as a Result of the Proposed Project (post abatement)	\$160,011	\$1,600,110	\$8,000,687
H. Total School District Revenue ( <i>i.e.</i> , F. + G.)	\$176,433	\$1,764,330	\$8,329,127

### **VIII. TAX BENEFIT**

The recommended 75%/10-year Enterprise Zone property tax abatement could yield a tax savings of approximately \$6,740,160 for The Gravity Project 2, LLC dba Kaufman Development over the incentive term of ten (10) years.

Columbus City Schools are estimated to receive an additional \$1,600,110 over the term of the abatement and approximately \$8,000,687 over a 20-year period, as a result of the redevelopment project.

The first ten years of total taxes for the Library, County, Township, Schools and City net of the abatement equals a total of approximately **\$2,246,722**.

100% for the next ten years is \$8,986,889, plus the \$2,246,722 from the first ten years equals a total for 20 years of approximately \$11,233,611.

### **IX. AREA IMPACT/GREEN INITIATIVES**

No residential or commercial displacement will occur as a result of this project. The company will include recycling for both the business tenants as well as the residential tenants, an on-site bike storage and electric car charging stations. Energy efficient appliances will be installed in the apartment units and LED lighting will be used in the common areas.