

FACT SHEET
Tower 10, LLC
July, 2012

I. STATEMENT OF PURPOSE – Enterprise Zone

The Department of Development recommends an Enterprise Zone Tax Abatement of Seventy-Five Percent (75%) for a period of ten (10) years on real property improvements for the purpose of renovating and repurposing a historical site and creating new employment within downtown Columbus.

II. PROJECT HISTORY

Tower 10, LLC acquired the LeVeque Tower at 50 W. Broad Street in 2011. The site was constructed in 1927 and was originally a corporate office for American Insurance Union Citadel. At one time the facility included a hotel annex, which was closed in 1964. The building was renamed the LeVeque Tower (after owners) in 1977, two years after being listed on the National Registry. The site is currently housing a variety of businesses and agencies that fill just over half of the building.

Tower 10, LLC is a limited liability corporation involved in real estate investment. The firm will acquire and redevelop the existing 421,281 sq. ft. facility at 50 W. Broad Street. A total capital investment of \$27.6 million is proposed at the site; with \$4.5 million toward building acquisition; \$19.9 million toward new construction and improvements; \$1.2 million for equipment, furniture and fixtures; and \$2 million toward streetscape improvements. A total of 4 new full-time permanent positions will be created and 3 full-time positions will be retained as a result of the project.

Tower 10, LLC is requesting an Enterprise Zone Tax Abatement of 75% for ten (10) years to assist in the development of this project.

III. PROJECT INVESTMENT

| | |
|--|--------------|
| BUILDING ACQUISITION | \$ 4,500,000 |
| STREETSCAPE | \$ 2,000,000 |
| IMPROVEMENTS TO EXISTING BUILDING | \$19,900,000 |
| MACHINERY & EQUIPMENT | \$ 1,000,000 |
| FURNITURE & FIXTURES | \$ 200,000 |
| | |
| TOTAL INVESTMENT | \$27,600,000 |

IV. DECISION & TIMING

The building improvement project is expected to begin July, 2012 with a scheduled time of completion for August, 2016, contingent upon Columbus City Council approval of the recommended tax incentive.

V. EMPLOYMENT

The project will create 4 new full-time permanent positions with an annual payroll of \$125,000. A total of 3 positions will be retained with an annual payroll of \$178,000.

| Position | New Jobs | Hourly Rate | Average Annual Pay | Total Estimated Salary |
|------------------------|-----------------|--------------------|---------------------------|-------------------------------|
| Head of Security | 1 | \$16.83 | \$35,000 | \$35,000 |
| Head of Janitorial | 1 | \$16.83 | \$35,000 | \$35,000 |
| Management Support | 1 | \$14.42 | \$30,000 | \$30,000 |
| Maintenance Technician | 1 | \$12.02 | \$25,000 | \$25,000 |
| Total | 4 | | | \$125,000 |

- Paid Vacation/Personal Days
- Paid Holidays
- Vacation Pay
- Annual Bonus
- Medical/Dental Insurance

The benefits start immediately upon hiring.

The project is located at 50 West Broad Street and is accessible by public transportation (COTA).

VI. REQUESTED PUBLIC PARTICIPATION

The Department of Development recommends a 75%/10-year Enterprise Zone Abatement on real property improvements for the purpose of building acquisition and improvements at 50 West Broad Street.

VII. WORKFORCE DEVELOPMENT

Employers granted a tax incentive will meet with the Central Ohio Workforce Investment Corporation (COWIC) to develop a relationship to assure continuing employment opportunities for Columbus residents who are unemployed or underemployed. The company must meet with COWIC within 90 days of passage of the legislation.

VIII. NEW TAX IMPACT: 10-YEAR SUMMARY

| Unabated Revenue | Average Annual | 10-year Summary |
|---|-----------------------|------------------------|
| A. Real Property Tax Revenue | 549,673 | 5,496,730 |
| B. New City Income Tax Revenue | 3,125 | 31,250 |
| C. Total Unabated Tax Revenue | 552,798 | 5,527,980 |
| | | |
| Abatement Impact | Average Annual | 10-year Summary |
| D. Total Proposed Tax Abatement 75%/10-yr on Real Property | 412,255 | 4,122,550 |
| E. Total Revenue Net of Tax Abatement (i.e., C-D) | 140,543 | 1,405,430 |
| | | |
| School District Impact | Average Annual | 10-year Summary |
| Columbus-Hilliard City School District | Average Annual | 10-year Summary |
| F. Existing School District Revenue from Real Property at site | 236,025 | 2,360,250 |
| G. New Revenue as a Result of the Proposed Project | 95,945 | 959,454 |
| H. Total School District Revenue | 331,970 | 3,319,704 |

IX. TAX BENEFIT

The recommended 75%/10-year Enterprise Zone Abatement could yield a tax savings of approximately \$4.1 million to Tower 10, LLC for the ten (10) year term of the abatement. The Columbus City Schools will receive \$959,454 over the term of the abatement, as a result of the project.

X. AREA IMPACT/GREEN INITIATIVES

Office recycling programs are in place and continue to expand. Renovations will install high efficiency, automatic plumbing fixtures to save water and new monitoring equipment will save energy. Furthermore, LED lighting will replace less efficient lights on the tower.