

FACT SHEET
RICKENBACKER WEST OWNER, LLC AND
COLUMBUS-FRANKLIN COUNTY FINANCE AUTHORITY
SEPTEMBER 2017

I. STATEMENT OF PURPOSE – COMMUNITY REINVESTMENT AREA

The Department of Development recommends a Community Reinvestment Area property tax abatement of one hundred percent (100%) for a period of fifteen (15) consecutive years on real property improvements by Rickenbacker West Owner, LLC, an affiliate of The Pizzuti Companies, and the Columbus-Franklin County Finance Authority for the purpose of constructing a commercial warehouse and creating new employment opportunities.

II. PROJECT HISTORY

Rickenbacker West Owner, LLC, an affiliate of Columbus-based real estate development company The Pizzuti Companies (“Pizzuti”), is proposing to construct an 802,149-square-foot industrial warehouse on parcel numbers 495-234526-00 and 495-287286-00 off of Beggrow Street, Columbus, Ohio 43137 (“Project Site”).

The new warehouse will be in a premier location within the Rickenbacker Community Reinvestment Area (“Rickenbacker CRA”) and the Rickenbacker Inland Port and is part of a three-building development plan which can support up to 1.5 million square feet of development. Rickenbacker West features large, rail-served cross-dock facilities and is located in an industrial corridor adjacent to Norfolk Southern’s Rickenbacker Intermodal Terminal. As constructed, the project will preserve the ability to expand the building to a total of approximately 1 million square feet.

Rickenbacker West Owner, LLC expects to invest a total of approximately \$34.4 million in order to construct the building and has estimated that the new warehouse will support the creation of 80 net new full-time permanent positions within the City of Columbus with an associated new annual payroll of approximately \$2,400,000 by the end of the third full year of operation (estimated to be December 31, 2021). As this is a speculative development, the exact number of full-time permanent positions expected to be relocated to the Project Site is unknown.

The Project Site will ultimately be developed by, and conveyed to, a newly-formed entity affiliated with Pizzuti - Rickenbacker West Owner, LLC. The new entity will be entering into a capital lease financing structure with the Columbus-Franklin County Finance Authority (“the Authority”). The Authority will obtain its interest in the property pursuant to a ground lease, will own the facility, and will lease the facility to the newly-formed entity affiliated with Pizzuti under a triple net lease.

Rickenbacker West Owner, LLC and the Columbus-Franklin County Finance Authority are requesting a Community Reinvestment Area property tax abatement of one hundred

percent (100%) for a period of fifteen (15) consecutive years on real property improvements to assist in the development of this project.

III. PROJECT INVESTMENT

INVESTMENT TYPE	PROPOSED VALUE
New construction	\$34,492,407
TOTAL INVESTMENT	\$34,492,407

IV. DECISION & TIMING

Real property improvements are expected to begin as soon as October 2017 with a scheduled time of completion of June 2018, contingent upon Columbus City Council approval of the recommended tax incentive.

V. EMPLOYMENT

Rickenbacker West Owner, LLC has estimated that the new warehouse will support the creation of 80 net new full-time permanent positions within the City of Columbus with an associated new annual payroll of approximately \$2,400,000 by the end of the third full year of operation (estimated to be December 31, 2021).

Position Title	Number of New Jobs	Average Hourly Rate	Average Annual Salary	Total Estimated Payroll for New Positions
Warehouse Staff	80	\$14.42	\$30,000	\$2,400,000
TOTALS	80			\$2,400,000

The proposed Project Site is comprised of parcels 495-234526-00 and 495-287286-00 in Franklin County, Columbus, Ohio 43137. The Project Site is accessible by public transportation (Central Ohio Transit Authority).

VI. REQUESTED PUBLIC PARTICIPATION

The Department of Development recommends a Community Reinvestment Area tax abatement of one hundred percent (100%) for a period of fifteen (15) consecutive years on real property improvements for the purpose of constructing a 802,149-square-foot industrial warehouse on parcel numbers 495-234526-00 and 495-287286-00, Beggrow Street, Columbus, Ohio 43137.

VII. NEW TAX IMPACT: ANNUAL & 15-YEAR SUMMARY

Unabated Revenue	Average Annual	15-year Summary
A. Real property tax revenue	\$71,077	\$1,066,155
B. New City income tax revenue	\$60,000	\$900,000
C. Total unabated tax revenue (i.e., A. + B.)	\$131,077	\$1,966,155

Proposed Tax Abatement Impact	Average Annual	15-year Summary
D. Total proposed tax abatement – one hundred percent (100%)/fifteen (15) consecutive years on real property improvements	\$1,256,954	\$18,854,317
E. Total unabated property tax revenue (i.e., C.-D.)	(\$1,190,616)	(\$17,859,240)

School District Impact: Columbus City School Board of Education	Average Annual	15-year Summary
F. Existing school district revenue from real property at site (pre abatement)	\$39,613	\$594,195
G. New revenue as a result of the proposed project (post abatement)*	\$0	\$0
H. Total school district revenue (i.e., F. + G.)	\$39,613	\$594,195

VIII. TAX BENEFIT

The recommended Community Reinvestment Area property tax abatement could yield a tax savings of approximately \$18,854,317 over the full fifteen (15) year term. The City of Columbus will receive a net benefit of approximately \$900,000 in new withholding tax over the term of the incentive.

(*) Note: The Columbus City School District is not estimated to receive additional property tax revenue over the term of the abatement as a result of the project. However, as per a separately negotiated and approved Compensation Agreement, the Columbus City School District is expected to receive:

- \$1,100,000 total made in three unequal payments;
- five (5) reading kiosks and associated maintenance costs for five (5) years;
- equipment for the School District’s career and technical education program at a cost of up to \$160,000; and
- ten (10) paid construction trade internships to School District students per year for ten (10) academic years.

IX. AREA IMPACT/GREEN INITIATIVES

Pizzuti will use green initiatives in the design, construction, and operation of the warehouse. The building will include low-flow toilets and urinals, all interior paints and sealants will contain low volatile organic compounds (VOCs), and Pizzuti will source building materials locally with attention to recycled content.