

FACT SHEET
June, 2013
Plaza Core Hotel LLC

I. STATEMENT OF PURPOSE – ENTERPRISE ZONE/JOB CREATION

The Department of Development recommends an Enterprise Zone Agreement with Plaza Core Hotel LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of approximately \$20.44 million for improvements to the existing building and the addition of approximately 5,500 square feet, the retention of 3 existing positions, and the creation of 26 new full-time permanent positions with an associated annual payroll of approximately \$1.063 million.

II. PROJECT HISTORY

Formed in 1997 by Mr. David Patel and Mr. David Kozar and headquartered in Columbus, Ohio, Indus Hotels oversees the management and development of hotel projects through franchise agreements with Hilton Hotels, as well as operating two independent hotels which they branded themselves as The Varsity Inn. Patel and Kozar incorporated a new company, Plaza Core Hotel LLC, in 2007 and are the majority owners.

Plaza Core Hotel LLC is proposing to invest a total of \$36.5 million with approximately \$20.44 million for improvements to the existing building and the addition of approximately 5,500 square feet at 3110 Olentangy River Road. This property is currently known as the University Plaza Hotel & Conference Center, but is planned to be converted to the Columbus Marriott OSU. Plaza Core Hotel LLC will create 26 new full-time permanent positions and will retain 3 positions.

Plaza Core Hotel LLC is requesting a seventy-five percent (75%)/ten (10) years Enterprise Zone Agreement from the City of Columbus to assist in the development of this project.

III. PROJECT INVESTMENT

Acquisition of buildings	\$9,500,000
Additions/new construction	\$5,000,000
Improvements to existing buildings	\$15,440,000
Machinery & Equipment	\$258,347
Furniture & Fixtures	\$5,372,213
Stand-Alone Computers	\$-
Inventory	\$982,000
Leasehold Improvements only	\$-
TOTAL INVESTMENT	\$36,552,560

IV. DECISION & TIMING

Improvements at the project site are expected to begin in the summer of 2013 with a scheduled time of completion of May 2014, contingent upon Columbus City Council approval of the recommended tax abatement.

V. EMPLOYMENT

The project will create 26 new full-time permanent positions compensated at a wage of at least \$12.00 per hour with an estimated new annual payroll of \$1.063 million and retains three full-time positions.

Position Title	Number of New Jobs	Average Hourly Rate	Average Annual Salary	Total Estimated Payroll for New Positions
General Manager	1	\$57.50	\$120,016.00	\$120,016.00
Front Office Manager (FOM)	1	\$21.63	\$44,980.00	\$44,980.00
Human Resources (HR) Manager	1	\$19.23	\$39,988.00	\$39,988.00
Front Office Supervisors	2	\$12.00	\$24,960.00	\$49,920.00
Executive Housekeeper	1	\$25.00	\$52,000.00	\$52,000.00
Inspectors/Supervisors	2	\$12.00	\$24,960.00	\$49,920.00
Chief Engineer	1	\$27.40	\$56,992.00	\$56,992.00
Maintenance Techs	3	\$14.00	\$29,120.00	\$87,360.00
Director of Sales (DOS)	1	\$36.05	\$74,984.00	\$74,984.00
Sales Account Manager	1	\$24.04	\$49,998.00	\$49,998.00
Catering Sales Manager	2	\$22.59	\$46,982.00	\$93,964.00
Executive Chef	1	\$31.25	\$65,000.00	\$65,000.00
Sous Chef	1	\$21.63	\$44,980.00	\$44,980.00
Cooks	4	\$12.00	\$24,960.00	\$99,840.00
Banquet Manager	1	\$21.63	\$44,980.00	\$44,980.00
Banquet Captain	1	\$12.00	\$24,960.00	\$24,960.00
Morning (AM) Restaurant Manager	1	\$15.38	\$31,980.00	\$31,980.00
Evening (PM) Restaurant Manager	1	\$15.38	\$31,980.00	\$31,980.00
TOTALS	26			\$1,063,842.00

Plaza Core Hotel LLC offers their full-time employees the following benefits:

PROVIDED? Yes or No	BENEFIT
Yes	Paid Holidays
Yes	Paid Vacation/Personal Days
Yes	Vacation Pay
No	401(K) Retirement Plan
Yes	Annual Bonus
Yes	Medical/Dental Insurance
No	Severance Policy
Yes	Employee Uniforms
No	Disability Pay
Yes	Employee Discounts

No	Pension Profit Sharing Plan
No	Training & Education Benefits
No	Other:

Benefits shall begin for newly-hired employees when hired near or after the project completion, estimated to be in May 2014.

VI. REQUESTED PUBLIC PARTICIPATION

The Department of Development recommends an Enterprise Zone Agreement with Plaza Core Hotel LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years.

VII. NEW TAX IMPACT/ANNUAL AND 10-YEAR SUMMARY

Unabated Revenue	Average Annual	10-year Summary
A. Real Property Tax Revenue	\$570,264	\$5,702,640
B. New City Income Tax Revenue	\$26,596	\$265,960
C. Total Unabated Tax Revenue (i.e., A. + B.)	\$596,860	\$5,968,600

Incentive	Average Annual	10-year Summary
D. Total Proposed Tax Abatement 75%/10 years on Real Property	\$427,700	\$4,277,000
E. Total Revenue of Tax Abatement (i.e., C.-D.)	\$169,160	\$1,691,600

School District Impact Columbus City School District	Average Annual	10-year Summary
F. Existing School District Revenue from Real Property at site (combined value for parcels 010-117351-80 and 010-117351-90)	\$155,960	\$1,559,600
G. New Revenue as a Result of the Proposed Project	\$98,998	\$989,980
H. Total School District Revenue (i.e., F. + G.)	\$254,958	\$2,549,580

VIII. 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.

IX. TAX BENEFIT

The recommended seventy-five percent (75%) for ten (10) years Enterprise Zone tax abatement could yield a tax savings of approximately \$4.277 million for the property owner, Plaza Core Hotel LLC, over the term of the abatement. The Columbus City Schools could receive an additional benefit of approximately \$989,980 in new taxes over the term of the abatement as well, as a result of the project.

X. AREA IMPACT/GREEN INITIATIVES

With an eye towards conservation and recycling, Plaza Core Hotel LLC will provide paper recycling receptacles in the guest rooms, anticipates using LED light bulbs through the property, and plans to use housekeeping carts designed to keep recycled materials separate from other refuse.