



Legislation Details (With Text)

File #: 1850-2023 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 6/14/2023 **In control:** Economic Development Committee

On agenda: 7/10/2023 **Final action:** 7/13/2023

Title: To authorize the Director of the Department of Development to amend the City of Columbus Enterprise Zone Agreement for the first time with Cologix US, Inc. and Cologix Services Company, LLC, to add Cologix Col4, LLC and Cologix, Inc., as additional entities and party to the EZ Agreement.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
7/13/2023	1	CITY CLERK	Attest	
7/11/2023	1	MAYOR	Signed	
7/10/2023	1	COUNCIL PRESIDENT	Signed	
7/10/2023	1	Columbus City Council	Approved	Pass
6/26/2023	1	Columbus City Council	Read for the First Time	

BACKGROUND: Columbus City Council (“**COUNCIL**”), by Ordinance No. 2913-2022, passed November 21, 2022, authorized the City of Columbus (“**CITY**”) to enter into an Enterprise Zone Agreement (the “**AGREEMENT**”) with Cologix US, Inc. and Cologix Services Company, LLC (collectively, and hereinafter referred to as the “**ENTERPRISE**”) for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of the company’s total proposed investment of approximately \$160,500,000, which included approximately \$61,000,000 in real property improvements and \$99,500,000 in machinery and equipment to construct a data center of approximately 250,000 square feet on an undeveloped land consisting of 7.49 +/- acres at 7500 & 7474 Alta View Boulevard, Columbus Ohio 43085, parcel number 610-207094, (the “**PROJECT**”). The **ENTERPRISE** committed to create fifteen (15) net new full-time permanent positions with an estimated annual payroll of approximately \$1,500,000 and retain 24 full-time jobs with an annual payroll of approximately \$1,400,000 at two separate locations, 7500 & 7474 Alta View Boulevard, Columbus, Ohio 43085, parcel number 610-207094 and 555-585 Scherers Court, parcel number 610-210593, which are adjacent from one another, (collectively, the “**PROJECT SITE**”), and within the City of Columbus Enterprise Zone. The **AGREEMENT** was made and entered into effective January 24, 2023.

Paragraph fourteen within Section 8 (Program Compliance) of the **AGREEMENT** states that the “**AGREEMENT** is not transferable or assignable without the express, written, approval of the **CITY**” and paragraph fifteen of that same section states that “any requested amendment...to any of the terms of the **AGREEMENT**...shall require the payment to the **CITY** by the **ENTERPRISE** of an **AMENDMENT FEE** in the amount of five-hundred dollars (\$500.00).”

In a letter received by the **CITY** from the **ENTERPRISE** dated June 8, 2023, and through ensuing correspondence, the **ENTERPRISE** indicated that an internal reorganization of the company’s structure occurred to realign with a new corporate strategy. Because of this restructuring, the **ENTERPRISE** confirmed that Cologix Col4, LLC and Cologix, Inc. (both affiliates of Cologix US, Inc. and Cologix Services Company, LLC) was formed to accommodate the company’s strategic growth plan. Additionally, the **ENTERPRISE** confirmed that Cologix Col4, LLC is the entity that actually

owns the **PROJECT SITE** with the transfer of ownership recorded in the County Auditor's Office on December 15, 2022. The **ENTERPRISE** is requesting the **AGREEMENT** be amended to add Cologix Col4, LLC and Cologix, Inc. as additional entities and party to the **AGREEMENT**. As such, the need exists to amend the **AGREEMENT** for the first time to add Cologix Col4, LLC and Cologix, Inc. as additional entities and party to the **AGREEMENT**, which allows the company to begin receiving any tax savings benefits and adhere to the requirements of the **AGREEMENT**.

This legislation is to authorize the Director of the Department of Development to amend the **AGREEMENT** for the first time to add Cologix Col4, LLC and Cologix, Inc., as additional entities and party to the **AGREEMENT**; whereby, all four entities will collectively be parties to the terms and commitments in the **AGREEMENT**.

This legislation is presented as 30-day legislation.

FISCAL IMPACT:

No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the City of Columbus Enterprise Zone Agreement for the first time with Cologix US, Inc. and Cologix Services Company, LLC, to add Cologix Col4, LLC and Cologix, Inc., as additional entities and party to the EZ Agreement.

WHEREAS, the City of Columbus ("**CITY**") entered into an Enterprise Zone Agreement (the "**AGREEMENT**") with Cologix US, Inc. and Cologix Services Company, LLC (collectively, and hereinafter referred to as the "**ENTERPRISE**"), approved by Columbus City Council ("**COUNCIL**") on November 21, 2022 by Ordinance No. 2913-2022 with this **AGREEMENT** made and entered into effective January 24, 2023; and

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

WHEREAS, the incentive was granted in consideration of a total capital investment of approximately \$160,500,000.00 which included approximately \$61,000,000.00 in real property improvements and \$99,500,000.00 in machinery and equipment to construct a new data center of approximately 250,000 square feet on an undeveloped land consisting of 7.49 +/- acres (the "**PROJECT**"), at 7500 & 7474 Alta View Boulevard, Columbus Ohio 43085, parcel number 610-207094 (the "**PROJECT SITE**") located in the Worthington City School District, and within the City of Columbus Enterprise Zone with the abatement to begin no later 2025 nor extend beyond 2034 will all real property improvements expected to be completed by the end of the first quarter; and

WHEREAS, the **ENTERPRISE** committed to create fifteen (15) net new full-time permanent positions with an estimated annual payroll of approximately \$1,500,000 and retain 24 full-time jobs with an annual payroll of approximately \$1,400,000.00 at the **PROJECT SITE**; and

WHEREAS, paragraph fourteen within Section 8 (Program Compliance) of the **AGREEMENT** states that the "**AGREEMENT** is not transferable or assignable without the express, written, approval of the **CITY**" and paragraph fifteen of that same section states that "any requested amendment...to any of the terms of the **AGREEMENT**...shall require the payment to the **CITY** by the **ENTERPRISE** of an **AMENDMENT FEE** in the amount of five-hundred dollars (\$500.00);" and

WHEREAS, in a letter received by the **CITY** from the **ENTERPRISE** dated June 8, 2023, and through ensuing correspondence, the **ENTERPRISE** indicated that an internal reorganization of the company's structure occurred to realign with a new corporate strategy. Because of this restructuring, the **ENTERPRISE** confirmed that Cologix Col4, LLC and Cologix, Inc. (both affiliates of Cologix US, Inc. and Cologix Services Company, LLC) were formed to accommodate the company's strategic growth plan. Additionally, the **ENTERPRISE** confirmed that Cologix Col4, LLC

is the entity that actually owns the **PROJECT SITE** with the transfer of ownership recorded in the County Auditor's Office on December 15, 2022. The **ENTERPRISE** is requesting the **AGREEMENT** be amended to add Cologix Col4, LLC and Cologix, Inc., as additional entities and party to the **AGREEMENT**. As such, the need exists to amend the **AGREEMENT** for the first time to add Cologix Col4, LLC and Cologix, Inc., as additional entities and party to the **AGREEMENT**, which will allow the company to begin receiving any tax savings benefits and adhere to the requirements of the **AGREEMENT**; and

WHEREAS, an amendment to the **AGREEMENT** is now needed to add Cologix Col4, LLC and Cologix, Inc., as additional entities and party to the **AGREEMENT**; and

WHEREAS, a First Amendment to the City of Columbus Enterprise Zone Agreement with Cologix US, Inc. and Cologix Services Company, LLC is now required to add Cologix Col4, LLC and Cologix, Inc., as additional entities and party to the **AGREEMENT**; and

WHEREAS, it has become necessary in the daily operations of the Department of Development to amend the **AGREEMENT** so that all four entities: Cologix US, Inc., Cologix Services Company, LLC, Cologix Col4, LLC and Cologix, Inc., (collectively, the "**ENTERPRISE**"), will then be parties to the terms and commitments of the **AGREEMENT**;

NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

Section 1. That the Director of the Department of Development is authorized to amend the City of Columbus Enterprise Zone Agreement for the first time with Cologix US, Inc., and Cologix Services Company, LLC, to add Cologix Col4, LLC and Cologix, Inc., as additional entities and party to the **AGREEMENT**.

Section 2. That the First Amendment to the City of Columbus Enterprise Zone Agreement be signed by Cologix US, Inc., Cologix Services Company, LLC, Cologix Col4, LLC and Cologix, Inc., within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

Section 3. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.