



Legislation Details (With Text)

File #: 1121-2016 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 4/18/2016 **In control:** Economic Development Committee

On agenda: 5/16/2016 **Final action:** 5/19/2016

Title: To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with The Brunner Building, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of a proposed investment of \$1.94 million and the creation of 4 new full-time permanent positions.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD1121-2016 The Brunner Bldg. EZA- Fact Sheet, 2. ORD1121-2016 The Brunner Bldg. EZA - Project Site Map

Date	Ver.	Action By	Action	Result
5/19/2016	1	CITY CLERK	Attest	
5/17/2016	1	MAYOR	Signed	
5/16/2016	1	COUNCIL PRESIDENT	Signed	
5/16/2016	1	Columbus City Council	Approved	Pass
5/9/2016	1	Columbus City Council	Read for the First Time	

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Hubbard Park Place, LLC. The Ohio Enterprise Zone law O.R.C. Section 5709.62(C) requires the City to enter into a Council-approved agreement between the City and participating companies.

The Brunner Building, LLC is a real estate holding company that is partially owned by two separate entities, Schiff Capital Group, LLC (Schiff Capital) and Wood Operating Company, LLC. Schiff Capital is a privately held real estate and investment firm headquartered in Columbus, Ohio that specializes in buying, selling, and developing properties. Wood Operating Company, LLC is part of The Wood Companies that assisted in the revitalization of the historic Short North Arts District. Established by Sandy Wood in the late 1980's, the company helped transform the Short North District into a vibrant community. Mark Wood, a licensed real estate broker, joined his father in the redevelopment of the District in the early 1990's, and his brother John joined the business in the early 2000's. Together, the two entities formed The Brunner Building, LLC

The Brunner Building, LLC is proposing to invest a total cost of approximately \$12.64 million to construct a 6-story 71,000 square foot mixed-use facility that will contain approximately 11,510 square feet of new Class A commercial office space at \$1.94 million. The 6-story facility will include storage and parking on the lowest level, the 1st floor includes retail and parking, the 2nd floor will contain approximately 11,510 square feet of new Class A commercial office space, floors three through five will consist of 33 residential units and the 6th floor with consist of three penthouse apartments along with a clubhouse. In addition, the project will create 4 new full-time permanent positions with an estimated annual payroll of approximately \$160,000 at 930-940 N. High Street in the historic Short North District.

The Department of Development recommends 75%/10-year Enterprise Zone tax abatement on real property improvements.

The Columbus City School District has been advised of this project.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with The Brunner Building, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of a proposed investment of \$1.94 million and the creation of 4 new full-time permanent positions.

WHEREAS, this Council authorized the designation of the Central Enterprise Zone by legislation, Ordinance 779-85, dated April 22, 1985; and subsequently amended the Zone by Ordinances 2722-85 in 1986; 2080-89 in 1989; 1949-92, 2690-02 and 2249-92 in 1992; 1079-94 and 1228-94 in 1994; 2196-95 and 2817-95 in 1995; 0533-99 in 1999; 1785-00 in 2000; 1464-02 in 2002; 0225-03 in 2003; and 0032-2012 in 2012; and

WHEREAS, the Director of the Development Department of the State of Ohio determined that the Columbus Enterprise Zone as amended by the aforementioned Ordinances continued to contain the characteristics set forth in Section 5709.61 (A) of the Ohio Revised and recertified said Zone in 1986, December 20, 1989, September 28, 1992, October 22, 1992, December 17, 1992, May 31, 1994, June 24, 1994, June 16, 1995, October 5, 1995, December 19, 1995, April 1, 1999, September 25, 2000, January 27, 2003, August 19, 2003 and most recently on April 3, 2012 as an “urban jobs and enterprise zone” under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, The Brunner Building, LLC is proposing to acquire, invest, and redevelop an underutilized site into a 6-story 71,000 square foot mixed-use facility that will contain of approximately 11,510 square feet of new Class A commercial office space in the historic Short North District; and

WHEREAS, the 6-story mixed-use facility will include storage and parking on the lowest level, the 1st floor includes retail and parking, the 2nd floor will contain approximately 11,510 square feet of new Class A commercial office space, floors three through five will consist of 33 residential units and the 6th floor with consist of three penthouse apartments along with a clubhouse; and

WHEREAS, The Brunner Building, LLC will invest approximately \$1.94 million in real property improvement to construct a new Class A commercial office space consisting of approximately 11,510 square feet and create 4 new full-time permanent positions within the City of Columbus over a three-year period following construction completion with an estimated annual payroll of approximately \$160,000 on Parcel Numbers 010-023041 and 010-023010; and

WHEREAS, the City is encouraging this project because of plans to redevelop an underutilized urban commercial property in the central city and to create new Class A commercial office space in the Short North; and

WHEREAS, the City desires to enter in such a binding formal agreement in order to foster economic growth for the preservation of public health, peace, property and safety; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That this Council hereby finds and determines that the enterprise submitting the proposal is qualified by financial responsibility and business experience to create and preserve employment opportunities in the zone and improve the economic climate of the municipal corporation and receiving this tax incentive is a critical factor in the decision by The Brunner Building, LLC to go forward with the project development.

SECTION 2. That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with The Brunner Building, LLC to provide therewith an exemption of seventy-five percent (75%) on real property improvements (commercial portion only) for a term of ten (10) taxable consecutive years in association with the project's proposed investment of approximately \$1.94 million in new Class A office space and the creation of 4 full-time permanent positions with an estimated annual payroll of approximately \$160,000.

SECTION 3. That the City of Columbus Enterprise Zone Agreement is signed by The Brunner Building, LLC within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credit authorized herein are null and void.

SECTION 4. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.