



Legislation Details (With Text)

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Type: Ordinance **Status:** Passed

File created: 11/22/2016 **In control:** Economic Development Committee

On agenda: 12/12/2016 **Final action:** 12/15/2016

Title: To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with 711, LLC and Wood G.P., Ltd. for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed total investment of \$40.5 million in new construction and the creation of 7 new full-time permanent positions.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD3118-2016 711 - Project Site Map, 2. ORD3118-2016 711 - Fact Sheet

Date	Ver.	Action By	Action	Result
12/15/2016	1	CITY CLERK	Attest	
12/14/2016	1	MAYOR	Signed	
12/12/2016	1	COUNCIL PRESIDENT	Signed	
12/12/2016	1	Columbus City Council	Approved	Pass
12/5/2016	1	Columbus City Council	Read for the First Time	

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with 711, LLC and Wood G.P., Ltd. 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.

711, LLC is a real estate holding company that is partially owned by three separate entities, Schiff Capital Group, LLC (Schiff Capital), Wood Operating Company, LLC and Lilly Family Enterprises, LLC. Schiff Capital is a privately held real estate and investment firm headquartered in Columbus, Ohio that specializes in buying, selling, and developing properties; whereas, 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. Lilly Family Enterprises, LLC was established in March 2015 and is owned and operated by Joel Lilly. Together, the three entities formed 711, LLC.

711, LLC is proposing to redevelop the Buttles and High City parking lot property at 711 North High Street (Short North District), and identified as Franklin County Tax Parcel 010-031749 into a new 9-story Class A commercial office facility with an attached parking garage containing roughly 80 parking spaces. The company plans to invest approximately \$38.03 million in new construction. The new Class A commercial office space consists a total square-footage of approximately 162,033 with 107,835 sq. ft. of new Class A office space, approximately 45,586 sq. ft. of a parking support and roughly 8,612 sq. ft. of restaurant space. The new facility will consist of nine floors with the 2nd through 9th floors containing office space, and the 1st and part of the 9th floor containing restaurant space. The company anticipates that the construction of this new facility will lead to the relocation of an unknown number of positions from within the City of Columbus and the creation of 7 new full-time permanent positions with an estimated annual payroll of approximately \$218,400.

In addition, 711, LLC is partnering with Wood G.P., Ltd. to construct a new residential development along with a new

parking garage that will have approximately 245 parking spaces at Lincoln Street and Pear Alley, parcel number 010-011525. The project consists of approximately 1,705 sq. ft. of retail space, 77,210 sq. ft. of parking and roughly 18,465 sq. ft. of residential units. The proposed Enterprise Zone tax abatement will only apply to the 125 parking spaces of the garage reserved for commercial office use.

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: 0

To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with 711, LLC and Wood G.P., Ltd. for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed total investment of \$40.5 million in new construction and the creation of 7 new full-time permanent positions.

WHEREAS, the Columbus City Council authorized the designation of the Enterprise Zone by legislation, Ordinance Number 779-85, dated April 22, 1985; and subsequently amended the Columbus Enterprise Zone by Ordinance Numbers 2722-85 in 1986; 2080-89 in 1989; 1949-92, 2249-92 and 2690-92 in 1992; 1079-94 and 1228-94 in 1994; 1274-95, 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, 711, LLC is a real estate holding company that is partially owned by three separate entities, Schiff Capital Group, LLC (Schiff Capital), Wood Operating Company, LLC and Lilly Family Enterprises, LLC. Schiff Capital is a privately held real estate and investment firm headquartered in Columbus, Ohio that specializes in buying, selling, and developing properties; whereas, Wood Operating Company, LLC is part of The Wood Companies that assisted in the revitalization of the historic Short North Arts District. Lilly Family Enterprises, LLC was established in March 2015 and is owned and operated by Joel Lilly. Together, the three entities formed 711, LLC; and

EAS, 711, LLC is proposing to redevelop the Buttles and High City parking lot property at 711 North High Street (Short North District), and identified as Franklin County Tax Parcel 010-031749 into a new 9-story Class A commercial office facility with an attached parking garage containing roughly 80 parking spaces. The company proposes to invest approximately \$38.03 million in new construction. The new Class A commercial office space consists a total square-footage of approximately 162,033 with 107,835 sq. ft. of new Class A office space, approximately 45,586 sq. ft. of a parking support and roughly 8,612 sq. ft. of restaurant space. The new facility will consist of nine floors with the 2nd through 9th floors containing office space, and the 1st and part of the 9th floor containing restaurant space; and

EAS, in addition to aforementioned project, 711, LLC is partnering with Wood G.P., Ltd. to construct a new residential development along with a new parking garage that will have approximately 245 parking spaces at Lincoln Street and Pearl Alley, parcel number 010-011525. The project consists of approximately 1,705 sq. ft. of retail space, 77,210 sq. ft. of parking and roughly 18,465 sq. ft. of residential units. The proposed Enterprise Zone tax abatement will only apply to the 125 parking spaces of the garage reserved for commercial office use; and

EAS, it is anticipated that the construction of this new facility will lead to the relocation of an unknown number of positions from within the City of Columbus and the creation of 7 new full-time permanent positions with an estimated annual payroll of

approximately \$218,400.

EAS, per City of Columbus policy as set forth by Columbus City Council, only new full-time permanent positions compensated at an hourly wage rate of at least \$12.00 will be eligible for City incentive support; the incentive will be applied toward new full-time employee hired as a result of the project so long as they meet the minimum hourly wage requirement during the incentive term; and

EAS, the City is encouraging this project because of plans to develop a vacant commercial lot parcel in the central city; and

EAS, 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 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 711, LLC and Wood G.P., Ltd. to go forward with the project expansion.

SECTION 2. That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with 711, LLC and Wood G.P., Ltd. to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) consecutive taxable years in association with the project's proposed total investment of approximately \$40.5 million in new construction at 711 N. High Street, parcel number 010-031749 and Lincoln Street, parcel number 010-011525, and the create of seven (7) full-time permanent positions with an estimated annual payroll of approximately \$218,400.

SECTION 3. That the City of Columbus Enterprise Zone Agreement is signed by 711, LLC and Wood G.P., Ltd. 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.