



Legislation Details (With Text)

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Type: Ordinance **Status:** Passed

File created: 3/18/2019 **In control:** Economic Development Committee

On agenda: 4/1/2019 **Final action:** 4/3/2019

Title: To authorize the Director of the Department of Development to enter into a Community Reinvestment Area Agreement with Lincoln Pearl LLC for a tax abatement of fifty percent (50%) for a period of fifteen (15) consecutive years on real property improvements in consideration of a proposed total investment of approximately \$10.5 million; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD0846-2019 Lincoln Pearl - Project Site Map, 2. ORD0846-2019 Lincoln Pearl - CRA Fact Sheet

Date	Ver.	Action By	Action	Result
4/3/2019	1	CITY CLERK	Attest	
4/2/2019	1	MAYOR	Signed	
4/1/2019	1	COUNCIL PRESIDENT	Signed	
4/1/2019	1	Columbus City Council	Approved	Pass

BACKGROUND: Community Reinvestment Areas (CRA) have been designated by Columbus City Council under the general guidelines of Ordinance 1698-78. Such areas allow for granting of real property tax incentives to encourage industrial, commercial and residential growth.

Columbus City Council (“**Council**”) by Ordinance No. 1292-2012, as adopted on June 18, 2012, created the Short North CRA. In addition to providing for real property tax exemptions of 100% on the increase in the assessed valuation from improvements of or to various types of residential properties and projects, Ordinance 1292-2012 also provided for real property tax exemptions of up to 100% for a period of up to 15 years for the construction of new commercial structures (including, without limitation, retail structures and parking garages). Prior to confirmation by the Ohio Department of Development, Ordinance No. 1292-2012 was amended for the first time by Ordinance No. 1735-2012, adopted by Council on July 30, 2012, to expand the boundaries of the CRA. The Short North CRA received confirmation by the Ohio Department of Development on August 15, 2012.

Lincoln Pearl LLC is a real estate holding company that is wholly owned by Wood G.P., Ltd., and is part of The Wood Companies, a real estate development organization headquartered in the city of Columbus. The Wood Companies has led the way in transforming the Short North from the dilapidated area it once was into the lively, eclectic district it is today. In partnership with their tenants, shopkeepers, startups and restaurateurs. The Wood Companies remains devoted to supporting and fostering the Short North to ensure it remains one of the great Midwest neighborhoods to live, work, and play. The current President of the company is Mark Wood, son of the founder.

Recently, Wood G.P. Ltd. partnered with 711, LLC to invest approximately \$25 million related to the construction of a new 9-story 162,000-square-foot Class A commercial office facility in the Short North District. Now, Lincoln Pearl LLC is proposing to invest approximately \$10.5 million in real property improvements to construct a new mixed-use development along with a new parking structure that will have approximately 258 parking spaces at 36 and 40 E. Lincoln Street, Columbus, Ohio 43201, parcel number 010-011525, located at the intersection of E. Lincoln Street and Pearl Alley

in the Short North District. The proposed project consists of approximately 5,000 sq. ft. of retail space, roughly 16,476 sq. ft. of new residential units and a new parking structure of approximately 98,313 sq. ft. The proposed CRA property tax abatement will only apply to the 125 parking spaces of the garage associated with the just recently constructed commercial office space.

The Department of Development recommends a fifty percent (50%), fifteen (15) years Community Reinvestment Area tax abatement on real property improvements related to 125 parking spaces of the garage associated with just recently constructed commercial office space.

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

This legislation is requested to be considered as an emergency in order to allow Lincoln Pearl LLC to begin the aforementioned construction project in an expedient manner.

FISCAL IMPACT:

No Funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Community Reinvestment Area Agreement with Lincoln Pearl LLC for a tax abatement of fifty percent (50%) for a period of fifteen (15) consecutive years on real property improvements in consideration of a proposed total investment of approximately \$10.5 million; and to declare an emergency.

WHEREAS, Community Reinvestment Areas (“**CRA**”) has been designated by Columbus City Council under the general guidelines of Ordinance 1698-78, such areas allow for granting of real property tax incentives to encourage industrial, commercial and residential growth; and

WHEREAS, Columbus City Council (“**Council**”) by Ordinance No. 1292-2012, as adopted on June 18, 2012, created the Short North CRA. In addition to providing for real property tax exemptions of 100% on the increase in the assessed valuation from improvements of or to various types of residential properties and projects, Ordinance 1292-2012 also provided for real property tax exemptions of up to 100% for a period of up to 15 years for the construction of new commercial structures (including, without limitation, retail structures and parking garages). Prior to confirmation by the Ohio Department of Development, Ordinance No. 1292-2012 was amended for the first time by Ordinance No. 1735-2012, adopted by Council on July 30, 2012, to expand the boundaries of the CRA. The Short North CRA received confirmation by the Ohio Department of Development on August 15, 2012; and

WHEREAS, Lincoln Pearl LLC is a real estate holding company that is wholly owned by Wood G.P., Ltd., and is part of The Wood Companies, a real estate development organization headquartered in the city of Columbus; and

WHEREAS, established by Sandy Wood in the late 1980’s, the company helped transform the Short North District into a vibrant community. Since 1982, The Wood Companies has been dedicated to preserving the history of the Short North Arts District and nurturing local arts, as they renovate, restore, and develop the community; and

WHEREAS, recently, Wood G.P. Ltd. partnered with 711, LLC to invest approximately \$25 million related to the construction of a new 9-story 162,000-square-foot Class A commercial office facility in the Short North District; and

WHEREAS, Lincoln Pearl LLC is now proposing to invest approximately \$10.5 million to construct a new mixed-use development along with a new parking structure that will have approximately 258 parking spaces at 36 and 40 E. Lincoln Street, Columbus, Ohio 43201, parcel number 010-011525 at the intersection of E. Lincoln Street and Pearl Alley in the Short North District; and

WHEREAS, the project consists of approximately 5,000 sq. ft. of retail space, 98,313 sq. ft. of parking and roughly 16,476 sq. ft. of residential units. The proposed CRA property tax abatement will only apply to the 125 parking spaces of

the garage associated with just recently constructed commercial office space; and

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

WHEREAS, the City, having the appropriate authority to offer tax incentive on this project, is desirous of providing 50%/15-year tax abatement on real property improvements related to the new parking structure portion of the project; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to grant and maintain the project schedule and to coincide with the established development timeline, thereby preserving the public health, peace, property, safety and welfare; **NOW, THEREFORE**,

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

Section 1. That City hereby finds and determines that the project (1) is economically sound and will benefit the people of the State and City by increasing the opportunity for new housing in the central city (2) create availability of the much needed parking in the Short North and; (3) receiving the aforementioned tax abatement is a critical factor in the decision by Lincoln Pearl LLC to go forward with the project development.

Section 2. That the Director of Development is hereby authorized and directed to enter into and execute an Community Reinvestment Area Agreement with Lincoln Pearl LLC to provide therewith an exemption of fifty percent (50%) on real property improvements for a term of fifteen (15) consecutive taxable years in association with the project's proposed investment of approximately \$10.5 million in eligible real property improvements.

Section 3. That the City of Columbus Community Reinvestment Area Agreement is signed by Lincoln Pearl LLC within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credits authorized herein are null and void.

Section 4. That for reasons stated in the preamble hereto, which is hereby made a part hereof, the ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after the passage if the Mayor neither approves nor vetoes the same.