



Legislation Details (With Text)

File #: 1937-2019 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 7/3/2019 **In control:** Economic Development Committee

On agenda: 7/22/2019 **Final action:** 7/25/2019

Title: To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with Olde Towne East Main 1223, LLC and The Merchant Columbus LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a total proposed capital expenditure of approximately \$1,350,000.00 and the creation of two (2) net new full-time permanent positions.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD1937-2019 The Merchant - Project Site Map, 2. ORD1937-2019 The Merchant - Fact Sheet EZ

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------------|-------------------------|--------|
| 7/25/2019 | 1 | CITY CLERK | Attest | |
| 7/24/2019 | 1 | MAYOR | Signed | |
| 7/22/2019 | 1 | COUNCIL PRESIDENT | Signed | |
| 7/22/2019 | 1 | Columbus City Council | Approved | Pass |
| 7/15/2019 | 1 | Columbus City Council | Read for the First Time | |

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Olde Towne East Main 1223, LLC and The Merchant Columbus 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.

Headquartered in Galloway, Ohio, Olde Towne East Main 1223, LLC is a real estate holding company that is owned by Dustin and Danielle Rohrbach, a husband and wife team. The Merchant Columbus LLC is owned by Danielle Rohrbach and Melissa Dickson, a company that invests in historical facilities renovating them into creative conceptual office spaces. Both entities share a common owner, Danielle Rohrbach.

Olde Towne East Main 1223, LLC and The Merchant Columbus LLC are proposing to invest a total project cost of approximately \$1,350,000, which includes \$350,000 in acquisition cost and \$1,000,000 in real property improvements to acquire, renovate and redevelop a 3-story vacant commercial office facility consisting of approximately 7,200 sq. ft. located (on the corner of E. Main St. and Wilson Ave.) at 1223-1227 E. Main Street Columbus, Ohio, 43205, parcel number 010-047669 (the “**Project Site**”). The Merchant Columbus LLC will be the tenant and employer of record, and enter into a long-term lease agreement with Olde Towne East Main 1223, LLC to expand and relocate its corporate headquarters (HQ) from Galloway, Ohio to the proposed **Project Site**. Additionally, the company will create 2 net new full-time permanent positions with an estimated annual payroll of approximately \$83,200. The Merchant Columbus LLC corporate HQ will occupy approximately 1,000 square feet of the 7,200 sq. ft. building. Leasable shared co-working office space will complete the remaining usable square footage.

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

The Columbus City School Board of Education 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 Olde Towne East Main 1223, LLC and The Merchant Columbus LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a total proposed capital expenditure of approximately \$1,350,000.00 and the creation of two (2) net new full-time permanent positions.

WHEREAS, the Columbus City Council authorized the designation of the Central Enterprise Zone by legislation, Ordinance Number 779-85, dated April 22, 1985; and subsequently amended the Zone by Ordinance Nos. 2722-85 in 1986; 2080-89 in 1989; 1949-92, 2690-92 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, Olde Towne East Main 1223, LLC is a real estate holding company that is owned by Dustin and Danielle Rohrbach, a husband and wife team; and

WHEREAS, The Merchant Columbus LLC is owned by Danielle Rohrbach and Melissa Dickson, a company that invests in historical facilities renovating them into creative conceptual office spaces; and

WHEREAS, Olde Towne East Main 1223, LLC and The Merchant Columbus LLC are proposing to invest a total project cost of approximately \$1,350,000, which includes \$350,000 in acquisition cost and \$1,000,000 in real property improvements to acquire, renovate and redevelop a 3-story vacant commercial office facility located (on the corner of E. Main St and Wilson Avenue), at 1223-1227 E. Main Street, Columbus, Ohio, 43205, parcel number 010-047669 (the “**Project Site**”); and

WHEREAS, The Merchant Columbus LLC will be the tenant and employer of record, and enter into a long-term lease agreement with Olde Towne East Main 1223, LLC to expand and relocate its corporate headquarters (HQ) from Galloway, Ohio to the proposed Project Site. Additionally, the company will create 2 new full-time permanent positions with an estimated annual payroll of approximately \$83,200. The Merchant Columbus LLC corporate HQ will occupy approximately 1,000 square feet of the 7,200 sq. ft. building. Leasable shared co-working office space will complete the remaining usable square footage; and

WHEREAS, Olde Towne East Main 1223, LLC will acquire and own property, while The Merchant Columbus LLC will be the tenant and employer of record, and enter into a long-term lease agreement with Olde Towne East Main 1223, LLC; and

WHEREAS, the City is encouraging this project because of plans to redevelop a vacant commercial office facility in the central city; 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; and **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 Olde Towne East Main 1223, LLC and The Merchant Columbus LLC 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 Olde Towne East Main 1223, LLC and The Merchant Columbus LLC 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 \$1.3 million, which includes approximately \$350,000 in acquisition cost and \$1,000,000 million in real property improvements at 1223-1227 E. Main Street, Columbus, Ohio 43205, parcel number 010-047669 and the creation of 2 net new full-time permanent positions with an estimated annual payroll of approximately \$83,200.

SECTION 3. That the City of Columbus Enterprise Zone Agreement is signed by Olde Towne East Main 1223, LLC and The Merchant Columbus 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.