



Legislation Details (With Text)

File #: 1206-2007 **Version:** 1
Type: Ordinance **Status:** Passed
File created: 7/10/2007 **In control:** Development Committee
On agenda: 7/23/2007 **Final action:** 7/25/2007

Title: To authorize the Director of the Department of Development to enter into a Community Reinvestment Area incentive agreement with MORSO Holding Co. contingent upon certification by the Director of the Ohio Department of Development of the Easton Square Place Community Reinvestment Area and to grant a 100%/10 year tax abatement on real property improvements; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
7/25/2007	1	CITY CLERK	Attest	
7/24/2007	1	MAYOR	Signed	
7/23/2007	1	Columbus City Council	Approved	Pass
7/23/2007	1	COUNCIL PRESIDENT	Signed	
7/16/2007	1	City Clerk's Office	Sent back for Clarification/Correction	
7/16/2007	1	Dev Drafter	Sent to Clerk's Office for Council	
7/11/2007	1	City Clerk's Office	Sent back for Clarification/Correction	
7/11/2007	1	Dev Drafter	Sent to Clerk's Office for Council	
7/10/2007	1	Dev Drafter	Sent for Approval	
7/10/2007	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
7/10/2007	1	Dev Drafter	Sent for Approval	
7/10/2007	1	CITY ATTORNEY	Reviewed and Approved	
7/10/2007	1	Dev Drafter	Sent to Clerk's Office for Council	

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

The Columbus City Council by Resolution 0110X-2007, adopted on July 16, 2007, created the Easton Square Place Community Reinvestment Area (the "Easton Square Place CRA") to offer up to 100% for up to ten years for parcels within new non-retail business (including office) or industrial structures. This ordinance seeks to approve a 100%/10 year tax abatement for MORSO Holding Co. contingent upon certification of the Easton Square Community Reinvestment Area by the State of Ohio Department of Development.

MORSO Holding Co. desires to cause to be the constructed on land within the Easton Square Place Community Reinvestment a series of non-retail business (including office) or industrial structures and related site improvements. MORSO Holding Co. intends to convey or lease the buildings or parts thereof and the lands upon which such buildings or constructed to one or more owners, which

owners (or their lessees) will be the parties equipping and occupying the Buildings and employing workers. The estimated total cost of the construction of the Project is expected to exceed \$135,000,000 for construction of the buildings, which collectively are expected to create approximately 1,000,000 total square feet of office space. The commencement of construction of the project is currently expected to begin in 2009 and project completion is expected by 2027.

MORSO Holding Co. currently estimates there will be created at the Project by the year 2027 approximately 4,000 full-time equivalent employees and an estimated total annual payroll of approximately \$160,000,000 upon full build-out and occupancy of the Project, or an average of approximately 200 full-time employees per year, resulting in an estimated additional average annual payroll of approximately \$8,000,000 per year.

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 incentive agreement with MORSO Holding Co. contingent upon certification by the Director of the Ohio Department of Development of the Easton Square Place Community Reinvestment Area and to grant a 100%/10 year tax abatement on real property improvements; and to declare an emergency.

WHEREAS, Ordinance 1698-78 approved August 3, 1978, authorized the Department of Development to implement a Community Reinvestment Area Program, pursuant to Section 3735.65 to 3735.70 of the Ohio Revised Code, and approved certain administrative procedures for the program; and

WHEREAS, the Columbus City Council by its Resolution 0110X-2007, adopted July 16, 2007, designated the Easton Square Place Community Reinvestment Area pursuant to Chapter 3735 of the Ohio Revised Code; and

WHEREAS, this Ordinance to grant a tax incentive is contingent upon the certification of the Easton Square Place Community Reinvestment Area by the Development Department of the State of Ohio; and

WHEREAS, the City's intent in creating the Easton Place Community Reinvestment Area was to gain the ability to use tax incentives to encourage the maintenance of existing and construction of new structures in the CRA to encourage economic stability, maintain real property values, and generate new employment opportunities; and

WHEREAS, MORSO Holding Co. (the "Company") desires to cause to be constructed on land within the Easton Square Place CRA a series of non-retail business (including office) or industrial structures and related site improvements (the "Project" with each individual building within the Project and its related site improvements hereinafter referred to as a "Building"), and the Company intends to convey or lease the Buildings or parts thereof and the lands upon which such Buildings are constructed to one or more owners, which owners (or their lessees) will be the parties equipping and occupying the Buildings and employing workers; and

WHEREAS, the City having the appropriate authority to offer tax incentives in the project, is desirous of providing MORSO Holding Co. with a 100%/10 year tax abatement on real property improvements in order to encourage the proposed development; and

WHEREAS, this Council finds and determines that notice of the proposed incentive has been delivered to the Columbus School District in accordance with Ohio Revised Code Sections 3735.671 and 5709.83; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to authorize the Easton Square Place Community Reinvestment Area tax incentive in order to attract a business development project to this City, and in order to preserve the public health, peace, property, safety and welfare; **NOW, THEREFORE**,

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

Section 1. That the Director of the Department of Development is hereby authorized to enter into a Community Reinvestment Area Agreement with MORSO Holding Co. and to grant therewith an exemption of one hundred percent (100%) on real property improvements for a term of ten (10) taxable years in association with the proposed project.

This City has heretofore determined in good faith, which determination has heretofore been certified to the Board, that the requirement of Ohio Revised Code Section 3735.671(A)(2) has been satisfied and approval from the Board to grant the real property tax exemption provided for herein is not required. This Council hereby ratifies that determination and certification. This Council further ratifies the giving of notice of the Easton Square Place CRA Agreement to the Board.

Section 2. For all reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is 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 (10) days after passage if the Mayor neither approves nor vetoes the same.