



Legislation Details (With Text)

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Type: Ordinance **Status:** Passed

File created: 7/7/2015 **In control:** Development Committee

On agenda: 7/27/2015 **Final action:** 7/30/2015

Title: To authorize the Director of Development to enter into a Community Reinvestment Area Agreement with N.P. Limited Partnership for a tax abatement of one hundred percent (100%) for a period of ten (10) years on real property improvements in consideration of a proposed investment of approximately \$15.05 million in new building construction that will create a total of 708 permanent full-time positions over a 5 year period.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD1902-2015 NP-Van Trust Old State Road CRA Fact Sheet, 2. ORD1902-2015 NP-VanTrust Old State Road CRA Site Map

Date	Ver.	Action By	Action	Result
7/30/2015	1	CITY CLERK	Attest	
7/29/2015	1	MAYOR	Signed	
7/27/2015	1	COUNCIL PRESIDENT	Signed	
7/27/2015	1	Columbus City Council	Approved	Pass
7/20/2015	1	Columbus City Council	Read for the First Time	

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

Columbus City Council (Council) by Resolution 38x-94, as approved on March 14, 1994, created the Old State Road CRA which Council subsequently amended by Resolutions 140x-97 on November 17, 1997, 10x-98 on February 9, 1998, 109x-98 on July 27, 1998 and 145X-2007 on September 24, 2007, providing for tax exemptions for improvements to real property up to 100% not exceeding 15 years for the new construction of non-retail, non-hotel, non-residential business or industrial structures as described in Section 3735.67 of the Ohio Revised Code. The Old State Road CRA most recently received confirmation by the Ohio Department of Development on September 19, 2008.

N.P. Limited Partnership is an Ohio limited partnership formed in 1987 and is the developer of the Polaris Centers of Commerce, an approximately 1,200 acre mixed-use development in north Columbus. In less than twenty (20) years, Polaris has become the largest and most successful business park in Central Ohio.

This current project being proposed by N.P. Limited Partnership, Pointe at Polaris, is the investment of approximately \$86.8 million in the overall development of approximately twenty (20) acres comprised of parcels 318-431-01-017-000 and 318-431-01-013-003 in Delaware County to be developed in phases based on market conditions. The initial phase of the total project would include a mixed use structure comprised of approximately 31,000 square feet of retail space and approximately 72,000 square feet of "Class A" office space, approximately 190 multi-family residential units, and a parking garage containing approximately 600 spaces. Future phases would include a stand-alone office building of approximately 105,000 square feet, approximately 200 additional multi-family residential units, a 120-key hotel and a

second parking garage containing approximately 600 spaces. That portion of the total project to be eligible for the CRA exemption involves the investment of approximately \$15.05 million related to the construction of 177,000 square feet of commercial office space (72,000 in the first phase and 105,000 in a future phase) which is projected to result in the creation of 708 full-time permanent positions over a five (5) year timeframe with an annual payroll of approximately \$45.5 million which will be new to Columbus and the relocation and retention of 177 permanent full-time positions with an annual payroll of approximately \$11.4 million.

The Department of Development recommends a 100%/10-year Community Reinvestment Area tax abatement on real property improvements related to the commercial office space portion of the project. This proposal is consistent with the Columbus Tax Incentive Policy for Community Reinvestment Area projects. The Olentangy Local School District and Delaware Area Career Center have been advised of this project.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into a Community Reinvestment Area Agreement with N.P. Limited Partnership for a tax abatement of one hundred percent (100%) for a period of ten (10) years on real property improvements in consideration of a proposed investment of approximately \$15.05 million in new building construction that will create a total of 708 permanent full-time positions over a 5 year period.

WHEREAS, the Columbus City Council authorized the designation of the Old State Road Community Reinvestment Area by Resolution 38x-94, adopted March 14, 1994, and subsequently amended by Resolutions 140x-97 on November 17, 1997, 10x-98 on February 9, 1998, 109x-98 on July 27, 1998 and 145X-2007 on September 24, 2007; and

WHEREAS, the Director of Development of the State of Ohio determined that the aforementioned area designated in the aforementioned Resolutions continued to contain the characteristics set forth in Ohio Revised Code Section 3735.66 and most recently confirmed that area as a Community Reinvestment Area pursuant to said Chapter 3735 effective September 19, 2008; and

WHEREAS, N.P. Limited Partnership proposes to construct a series of buildings containing approximately 177,000 square feet of commercial office space (72,000 in the first phase and 105,000 in a future phase) on parcels 31843101017000 and 31843101013003 in Delaware County within a new development currently known as Pointe at Polaris, adjacent to the Polaris Centers of Commerce; and

WHEREAS, N.P. Limited Partnership will make a total investment in real property improvements of approximately \$86.8 million dollars consisting of commercial office space, multi-family residential units, a hotel and parking garages, of which approximately \$15.05 million will be related to the construction of the approximately 177,000 square feet of commercial office space eligible for the CRA exemption; and

WHEREAS, 885 total permanent full-time positions are expected to be located at the project site as a result of the commercial office space construction on full build-out with 708 positions projected to be created which will be new to Columbus with an associated total annual payroll of approximately \$45.5 million with 177 full-time permanent positions with an associated total annual payroll of approximately \$11.4 million projected to be comprised of employees currently employed within the City of Columbus and relocated to the project site; and

WHEREAS, the property is located within the Olentangy Local and Delaware Area Career Center School Districts and the City has determined in good faith, which determination has been certified to the Board of Education of the Olentangy Local School District, that the requirement of Ohio Revised Code Section 5735.671(A)(2) has been satisfied and approval by the Board of Education of the Olentangy Local School District of this project and the real property tax exemption authorized by this legislation is not required; and

WHEREAS, the Boards of Education of the Olentangy Local District and the Delaware Area Career Center have each been notified in accordance with Ohio Revised Code Section 5709.83 and have each been provided with a copy of the tax incentive application and a draft copy of the agreement authorized by this legislation; and

WHEREAS, the City, having the appropriate authority to offer a tax incentive on this project, is desirous of providing N.P. Limited Partnership a 100%/10-year Community Reinvestment Area tax abatement on real property improvements in order to encourage the development of the Pointe at Polaris with its associated new job creation within the Old State Road CRA; **NOW THEREFORE**,

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

SECTION 1. That City hereby finds and determines that the project will (1) create jobs in the State and City; (2) the project is economically sound and will benefit the people of the State and City by increasing opportunities for employment and strengthening the economy of the State and the City; and (3) receiving the aforementioned tax abatement is a critical factor in the decision by N.P. Limited Partnership to go forward with the project.

SECTION 2. That the City Council hereby finds and determines that the project meets all the requirements of the City Act.

SECTION 3. That the Director of Development is hereby authorized and directed to enter into and execute a Community Reinvestment Area Agreement with N.P. Limited Partnership to provide therewith an exemption of 100 percent (100%) on real property improvements on parcels 318-431-01-017-000 and 318-431-01-013-003 within the City of Columbus and in Delaware County for a term of ten (10) taxable years in association with the project's proposed investment of approximately \$15.05 million in new building construction, the creation of 708 permanent full-time positions in five (5) years with an annual payroll of approximately \$45.5 million and the relocation and retention of 177 permanent full-time positions with an annual payroll of approximately \$11.4 million.

SECTION 4. That the City of Columbus Community Reinvestment Area Agreement is signed by N.P. Limited Partnership within ninety (90) days of passage of this ordinance, or this ordinance and the abatement authorized herein are null and void.

SECTION 5. That this ordinance shall take effect and be in force from and after its passage and approval by the Mayor or 10 days after passage if the Mayor neither approves nor vetoes the same.