



Legislation Details (With Text)

File #: 1482-2012 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 6/26/2012 **In control:** Development Committee

On agenda: 7/16/2012 **Final action:** 7/18/2012

Title: To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with Tower 10, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years on real property improvements in consideration of a proposed total capital investment of \$27.6 million.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD1482-2012 Tower10 EZA-Fact Sheet, 2. ORD1482-2012 Tower10 Map

Date	Ver.	Action By	Action	Result
7/18/2012	1	CITY CLERK	Attest	
7/17/2012	1	MAYOR	Signed	
7/16/2012	1	COUNCIL PRESIDENT	Signed	
7/16/2012	1	Columbus City Council	Approved	Pass
7/9/2012	1	Columbus City Council	Read for the First Time	

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Tower 10, LLC. The Ohio Enterprise Zone law O.R.C. Section 5709.62 (3) requires the City to enter into a Council-approved agreement between the City and participating companies.

Tower 10, LLC acquired the LeVeque Tower at 50 W. Broad Street in 2011. The site was constructed in 1927 and was originally a corporate office for American Insurance Union Citadel. At one time the facility included a hotel annex, which was closed in 1964. The building was renamed the LeVeque Tower (after owners) in 1977, two years after being listed on the National Registry. The site is currently housing a variety of businesses and agencies that fill just over half of the building.

Tower 10, LLC is a limited liability corporation involved in real estate investment. The firm has acquired and will redevelop the existing 421,281 square foot facility at 50 W. Broad Street. A total capital investment of \$27.6 million is proposed at the site; with \$4.5 million toward building acquisition; \$19.9 million toward new construction and improvements; \$1.2 million for equipment, furniture and fixtures; and \$2 million toward streetscape improvements. A total of 4 new full-time permanent positions will be created and 3 full-time positions will be retained as a result of the project.

The Department of Development recommends a 75%/10-year Enterprise Zone tax abatement on real property improvements. This proposal is consistent with the Columbus Tax Incentive Policy under Central City projects.

The Columbus City Schools have been advised of this project.

FISCAL IMPACT: No funding is required for this ordinance.

To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with Tower 10, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years on real property improvements in consideration of a proposed total capital investment of \$27.6 million.

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 Code 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 and most recently on August 19, 2003 as an "urban jobs and enterprise zone" under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Tower 10, LLC proposes to acquire and redevelop the existing 421,281 square foot facility at 50 W. Broad Street; and

WHEREAS, Tower 10, LLC will make a proposed total capital investment of \$27.6 million at the site; with \$4.5 million toward building acquisition; \$19.9 million toward new construction and improvements; \$1.2 million for equipment, furniture and fixtures; and \$2 million toward streetscape improvements; and

WHEREAS, Tower 10, LLC will create 4 new full-time permanent jobs with an annual payroll of \$125,000 and will retain 3 full-time positions at the project site; and

WHEREAS, the City is encouraging this project because of plans to redevelop urban commercial property in the central city; and **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 City; and (3) receiving the aforementioned tax abatement is a critical factor in the decision by Tower 10, LLC to go forward with the project expansion.

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 the Department of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with Tower 10, LLC to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) taxable years in association with the project's proposed investment of approximately \$27.6 million at the site; with \$4.5 million toward building acquisition; \$19.9 million toward new construction and improvements; \$1.2 million for equipment, furniture and fixtures; and \$2 million toward streetscape improvements and the creation of 4 new permanent full-time positions with an annual payroll of approximately \$125,000 and the retention of 3 full-time positions.

Section 4. That the City of Columbus Enterprise Zone Agreement is signed by Tower 10, 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 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.