



Legislation Details (With Text)

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File created: 6/27/2023 **In control:** Economic Development Committee

On agenda: 7/24/2023 **Final action:** 7/26/2023

Title: To authorize the Director of the Department of Development to amend the Enterprise Zone Agreement for the first time for Assignment & Assumption with 6920 Schieser Farms, LLC, to remove Pinchal & Company LLC as ENTERPRISE and party to the AGREEMENT, to be replaced with 6920 Schieser Farms, LLC as the ENTERPRISE and party to the AGREEMENT; to modify the project start and end dates; to redefine the PROJECT SITE; amend the PROJECT'S expected beginning and ending dates; amend the exemption window; and to revise the notice information.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
7/26/2023	1	CITY CLERK	Attest	
7/25/2023	1	ACTING MAYOR	Signed	
7/24/2023	1	COUNCIL PRESIDENT	Signed	
7/24/2023	1	Columbus City Council	Approved	Pass
7/17/2023	1	Columbus City Council	Read for the First Time	

BACKGROUND: Columbus City Council (“**COUNCIL**”), by Ordinance No. 2949-2021, passed May 9, 2022, authorized the City of Columbus (“**CITY**”) to enter into an Enterprise Zone Agreement (the “**AGREEMENT**”) with Pinchal & Company LLC (hereinafter, referred to as “**ENTERPRISE**”), for a real property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed total capital investment of approximately \$60,819,433.00, which included approximately \$3,299,593.00 in acquisition costs, \$3,255,840.00 in leasehold improvements and \$54,264,000.00 in real property improvements to construct a proactive distribution and warehouse facility consisting of approximately 1,085,280 square-feet on undeveloped land containing approximately 182 +/- acres south of State Route 317 on Lockbourne Road, Columbus, Ohio 43137, Parcel Number 495-263119 (the “**ORIGINAL PARCEL**”), building #5 legislated as Pinchal & Company LLC Building 2 (the “**PROJECT SITE**”), within the City of Columbus and within the City of Columbus Enterprise Zone. Additionally, the **ENTERPRISE** committed to create one-hundred thirty five (135) net new full-time permanent positions with an associated annual payroll of approximately \$4,212,000.00 at the **PROJECT SITE**. The **AGREEMENT** was made and entered into effective August 15, 2022 with the **PROJECT** expected to begin approximately August 2022, with all real property improvements expected to be completed by approximately December 2023, and with the abatement to commence no later than 2024 nor extend beyond 2033 (Agreement No. 023-22-19).

As of this date, there has not been a filing of the DTE-24 with the Franklin County Auditor, no Final Determination from the Ohio Department of Taxation, and so no forgone tax benefit has yet been received by the **ENTERPRISE**.

Paragraph fourteen within Section 8 (Program Compliance) of the **AGREEMENT** states that the “**AGREEMENT** is not transferable or assignable without the express, written, approval of the **CITY**” and paragraph fifteen of that same section states that “any requested amendment...to any of the terms of the **AGREEMENT**...shall require the payment to the

CITY by the **ENTERPRISE** of an in the amount of five-hundred dollars (\$500.00).”

In a letter from 6920 Schieser Farms, LLC on behalf of the **ENTERPRISE** dated May 17, 2023, received by the **CITY** and through ensuing correspondence, 6920 Schieser Farms, LLC confirmed that they had acquired ownership of a portion of the **PROJECT SITE** following an assignment of the purchase and sale agreement for the **PROJECT SITE** from **ENTERPRISE** to its affiliate, Prushing Farms Partners, LLC on May 27, 2022, which subsequently conveyed the **PROJECT SITE** to its wholly owned subsidiary, 6920 Schieser Farms, LLC on April 21, 2023, with the transfer having been recorded at the County Auditor’s Office on May 8, 2023. In addition, the **PROJECT SITE** has been revised to be Parcel Number 495-318351 (split from the **ORIGINAL PARCEL**), containing approximately 63.911 +/- acres of undeveloped land. The legal description per the Franklin County Auditor is listed as Lockbourne Rd, R22 T3 S2, 63.911 acres with the current street address of 6920 Schieser Farms Road, Columbus, Ohio 43137, but that this street address may or may not change upon **PROJECT** completion.

Due diligence has been undertaken by the **CITY** in that 6920 Schieser Farms, LLC has agreed to fully assume the terms and commitments of the **ENTERPRISE** pursuant to the **AGREEMENT**, has submitted an updated Economic Development Incentive Application, has submitted the five-hundred dollars (\$500.00) Amendment Fee. The Director of the Department of Development, or designee, has reviewed the new application and all other pertinent information has been reviewed and vetted prior to submission of this Ordinance.

This legislation is to authorize the Director of the Department of Development to amend the **AGREEMENT** for the first time for Assignment & Assumption to (1) remove Pinchal & Company LLC as **ENTERPRISE** and party to the **AGREEMENT** and to be replaced with 6920 Schieser Farms, LLC as **ENTERPRISE** and party to the **AGREEMENT**, whereby 6920 Schieser Farms, LLC will assume the terms and commitments of the **AGREEMENT** and will receive the benefits to be derived therefrom; (2) revise dates so that the Project shall begin in July, 2023 and be completed on or before December 31, 2024; (3) to modify the exemption period to reflect that no real property exemption shall commence after 2025 nor extend beyond 2034; (4) revise the description of the **PROJECT SITE**, and (5) revise the notice information related to **ENTERPRISE** within Section 8 of the **AGREEMENT**.

This legislation is presented as 30-day legislation.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the Enterprise Zone Agreement for the first time for Assignment & Assumption with 6920 Schieser Farms, LLC, to remove Pinchal & Company LLC as **ENTERPRISE** and party to the **AGREEMENT**, to be replaced with 6920 Schieser Farms, LLC as the **ENTERPRISE** and party to the **AGREEMENT**; to modify the project start and end dates; to redefine the **PROJECT SITE**; amend the **PROJECT'S** expected beginning and ending dates; amend the exemption window; and to revise the notice information.

WHEREAS, the City of Columbus (“**CITY**”) entered into an Enterprise Zone Agreement (the “**AGREEMENT**”) with Pinchal & Company LLC (“**ENTERPRISE**”), approved by Columbus City Council (“**COUNCIL**”) by Ordinance No. 2949-2021, passed May 9, 2022, with this **AGREEMENT** made and entered into effective August 15, 2022; and

WHEREAS, the **AGREEMENT** granted a 75%/10-Year abatement on real property improvements; and

WHEREAS, the incentive was granted in consideration of a proposed total capital investment of approximately \$60,819,433.00, which included approximately \$3,299,593.00 in acquisition costs, \$3,255,840.00 in leasehold improvements and \$54,264,000.00 in real property improvements to construct a proactive distribution and warehouse facility consisting of approximately 1,085,280 square-feet on undeveloped land containing approximately 182 +/- acres south of State Route 317 on Lockbourne Road, Columbus, Ohio 43137, Parcel No. 495-263119 (the “**ORIGINAL**”

PARCEL”), building #5 legislated as Pinchal & Company LLC Building 2 (the “**PROJECT SITE**”), within the City of Columbus and within the City of Columbus Enterprise Zone. Additionally, the **ENTERPRISE** committed to create one-hundred thirty five (135) net new full-time permanent positions with an associated annual payroll of approximately \$4,212,000.00 at the **PROJECT SITE**. The **AGREEMENT** was made and entered into effective August 15, 2022 with the **PROJECT** expected to begin approximately August 2022, with all real property improvements expected to be completed by approximately December 2023 and with the abatement to commence no later than 2024 nor extend beyond 2033 (Agreement No. 023-22-19); and

WHEREAS, paragraph fourteen within Section 8 (Program Compliance) of the **AGREEMENT** states that the “**AGREEMENT** is not transferable or assignable without the express, written, approval of the **CITY**” and paragraph fifteen of that same section states that “any requested amendment...to any of the terms of the **AGREEMENT**...shall require the payment to the **CITY** by the **ENTERPRISE** of an **AMENDMENT FEE** in the amount of five-hundred dollars (\$500.00);” and

WHEREAS, in a letter from 6920 Schieser Farms, LLC on behalf of the **ENTERPRISE** dated May 17, 2023, received by the **CITY** and through ensuing correspondence, 6920 Schieser Farms, LLC confirmed that they had acquired ownership of a portion of the **PROJECT SITE** following an assignment of the purchase and sale agreement for the **PROJECT SITE** from **ENTERPRISE** to its affiliate, Prushing Farms Partners, LLC on May 27, 2022, which subsequently conveyed the **PROJECT SITE** to its wholly owned subsidiary, 6920 Schieser Farms, LLC on April 21, 2023, with the transfer having been recorded at the County Auditor’s Office on May 8, 2023. In addition, the **PROJECT SITE** has been revised to be Parcel No. 495-318351 (split from the **ORIGINAL PARCEL**) containing approximately 63.911 +/- acres of undeveloped land. The legal description per the Franklin County Auditor is listed as Lockbourne Rd, R22 T3 S2, 63.911 acres with the current street address of 6920 Schieser Farms Road, Columbus, Ohio 43137, but that this street address may or may not change upon **PROJECT** completion; and

WHEREAS, due diligence has been undertaken by the **CITY** in that 6920 Schieser Farms, LLC has agreed to fully assume the terms and commitments of the **ENTERPRISE** pursuant to the **AGREEMENT**, has submitted an updated Economic Development Incentive Application, has paid the five-hundred dollars (\$500.00) Amendment Fee, and this Application and all other pertinent information has been reviewed and vetted by the Department; and

WHEREAS, a First Amendment to the **AGREEMENT** is now needed for Assignment & Assumption to remove Pinchal & Company LLC as **ENTERPRISE** and party to the **AGREEMENT** and to be replaced with 6920 Schieser Farms, LLC as **ENTERPRISE** and party to the **AGREEMENT**, revise the description of the **PROJECT SITE**, and revise the notice information related to **ENTERPRISE** within Section 8 of the **AGREEMENT**; and

WHEREAS, the Director of the Department of Development of the **CITY** has investigated the Economic Development Application of 6920 Schieser Farms, LLC and recommends approval to Columbus City Council on the basis that 6920 Schieser Farms, LLC, is qualified by financial responsibility and business experience to create and preserve employment opportunities in the Columbus Enterprise Zone and improve the economic climate of the **CITY**; and

WHEREAS, an amendment for Assignment & Assumption to the **AGREEMENT** with Pinchal & Company LLC to (1) remove Pinchal & Company LLC as **ENTERPRISE** and to be replaced by 6920 Schieser Farms, LLC as **ENTERPRISE** and party to the **AGREEMENT**, 6920 Schieser Farms, LLC will assume the terms and commitments of the **AGREEMENT** as **ENTERPRISE** and will receive the benefits thereunder, (2) revise the description of the **PROJECT SITE**, (3) revise the **PROJECT**’s expected start and completion date in Section 1 of the **AGREEMENT**, (4) to revise the exemption window in Section 3 of the **AGREEMENT**, and (5) revise the notice information related to **ENTERPRISE** within Section 8 of the **AGREEMENT**; and **NOW THEREFORE**,

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

SECTION 1. That the Council of Columbus finds that the **ENTERPRISE** submitting this 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.

SECTION 2. That the Director of the Department of Development is authorized to amend the Enterprise Zone Agreement with Pinchal & Company LLC (the **AGREEMENT**) to remove Pinchal & Company LLC as **ENTERPRISE** to be replaced with 6920 Schieser Farms, LLC as **ENTERPRISE** whereby 6920 Schieser Farms, LLC will assume the terms and commitments of the **AGREEMENT** as **ENTERPRISE**, which will be entitled to the benefits thereunder.

SECTION 3. That the Director of the Department of Development is authorized to amend Section 1 (Establishment by Corporation) of the **AGREEMENT** to state that the **PROJECT SITE** is revised to be Parcel No. 495-318351 (split from the **ORIGINAL PARCEL**), containing approximately 63.911 +/- acres of undeveloped land. The legal description, per the Franklin County Auditor, is listed as Lockbourne Rd, R22 T3 S2, 63.911 acres with the current street address of 6920 Schieser Farms Road, Columbus, Ohio 43137 but that this street address may or may not change upon **PROJECT** completion.

SECTION 4. That the Director of the Department of Development is authorized to amend Section 1 (Establishment by Corporation) of the **AGREEMENT** to change “the **PROJECT** is expected to begin August 2022 with all real property improvements are expected to be completed by December 2023” to “the **PROJECT** is expected to begin July 2023 with all real property improvements expected to be completed on or before December 31, 2024.”

SECTION 5. That the Director of the Department of Development is authorized to amend Section 3 (Tax Incentive) of the **AGREEMENT** to change that “No real property exemption shall commence after 2024 nor extend beyond 2023” to “No real property exemption shall commence after 2025 nor extend beyond 2034.”

SECTION 6. That the Director of the Department of Development is authorized to amend within Section 8 (Program Compliance) of the **AGREEMENT**, the “if to the **ENTERPRISE**” section regarding written communication to Pinchal & Company LLC to read, “6920 Schieser Farms, LLC C/O Brian W. McMackin.”

SECTION 7. That this **FIRST AMENDMENT** for Assignment & Assumption to the City of Columbus Enterprise Zone Agreement be signed by 6920 Schieser Farms, LLC within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

SECTION 8. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.