



Legislation Details (With Text)

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Title: To authorize the Director of the Department of Development to amend the Enterprise Zone Agreement with Broad & High CRI Limited Partnership regarding the expected real property exemption commencement and completion dates; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
3/8/2011	1	MAYOR	Signed	
3/8/2011	1	CITY CLERK	Attest	
3/7/2011	1	Columbus City Council	Approved	Pass
3/7/2011	1	COUNCIL PRESIDENT	Signed	
2/23/2011	1	Dev Drafter	Sent for Approval	
2/23/2011	1	CITY ATTORNEY	Reviewed and Approved	
2/23/2011	1	Dev Drafter	Sent to Clerk's Office for Council	
2/22/2011	1	Dev Drafter	Sent for Approval	
2/22/2011	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	

BACKGROUND: Columbus City Council, by Ordinance 1565-2004, passed October 4, 2004, authorized the Director of the Department of Development to enter into an Enterprise Zone Agreement (the Agreement) with Broad & High CRI Limited Partnership (Enterprise) for a tax abatement of 75% for a period of ten years in consideration of an investment of \$8.8 million in new construction and improvements, including the placement of a permanent video display system and the creation of two full-time permanent jobs related to the renovation and redevelopment of 48,500 square feet of retail and office space at 2 and 4 East Broad Street as well as 12, 18 and 20 North High Street in Columbus, Ohio and within the City of Columbus Enterprise Zone. The Agreement was made and entered into to be effective August 19, 2005 (EZA# 023-05-13). This Agreement was subsequently authorized by Council to be amended for the first time to remove any and all language pertaining to personal property investment and tax abatements related to this personal property investment from the Agreement by Ordinance 0614-2009, passed May 11, 2009, made and entered into effective January 1, 2009.

The 2010 Columbus Tax Incentive Review Council reviewed the Agreement on August 19, 2010, and recommended that the Agreement be continued as Enterprise was fully compliant with all of the commitments as set forth in the Agreement.

The Agreement currently states that the project was expected to begin March 2005 with all acquisition, construction and installation expected to be completed by March 2007. The Agreement also states that no real property exemption shall commence after 2007 nor extend beyond 2016. Unforeseen delays in construction pushed the completion date past the expected March 2007 date. This has impacted the stated abatement commencement date, necessitating a modification of the dates to which the abatement is expected to be applied to allow the exemption to commence no later than 2009 nor extend beyond 2018.

This legislation seeks to authorize the changing of the language in the Agreement regarding the expected real property exemption

commencement and completion dates.

The abatement percentage terms and the length of the property tax abatement are not modified by this amendment.

This legislation is presented as an emergency measure in order for this amendment to be legislated in an expedient manner as is possible so that the Office of the Franklin County Auditor will be able to apply the tax abatement as per the terms of the Agreement beginning with tax year 2009.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the Enterprise Zone Agreement with Broad & High CRI Limited Partnership regarding the expected real property exemption commencement and completion dates; and to declare an emergency.

WHEREAS, the Columbus City Council approved the Enterprise Zone Agreement (the "EZA") with Broad & High CRI Limited Partnership (Enterprise) on October 4, 2004 by Ordinance 1565-2004 and entered into effective August 19, 2005; and

WHEREAS, the EZA was subsequently authorized by Council to be amended for the first time removing any and all language pertaining to personal property investment and tax abatements related to this personal property investment from the EZA by Ordinance 0614-2009, passed May 11, 2009; and

WHEREAS, the EZA currently grants Enterprise a 75%/10-Year abatement on real property investment; and

WHEREAS, the EZA requires an investment of \$8.8 million in new construction and improvements and the creation of 2 permanent full-time jobs related to the renovation and redevelopment of 48,500 square feet of retail and office space at 2 and 4 East Broad Street as well as 12, 18 and 20 North High Street (the "project"); and

WHEREAS, the Tax Incentive Review Council met on August 19, 2010 and it was reported that the project had met and exceeded the real property investment and job creation goals of the EZA with 12 jobs reported to have been created and \$11,582,678 reported to have been invested as of December 31, 2009, compared to the job creation goal of 2 and the real estate investment goal of \$8,800,000; and

WHEREAS, as Enterprise has been fully compliant with the terms of the EZA, the City desires to amend the Agreement to change the language regarding the expected real property exemption commencement and completion dates from "no real property exemption shall commence after 2007 nor extend beyond 2016" to "no real property exemption shall commence after 2009 nor extend beyond 2018;" and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to take action on this agreement in order for this amendment to be legislated in as expedient a manner as is possible to allow the Office of the Franklin County Auditor to apply the tax abatement as per the terms of the Agreement beginning with tax year 2009, and to preserve the public health, 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 amend the Broad & High CRI Limited Partnership Enterprise Zone Agreement, removing the language regarding the expected real property exemption commencement and completion dates reading "no real property exemption shall commence after 2007 nor extend beyond 2016" to be replaced with "no real property exemption shall commence after 2009 nor extend beyond 2018."

Section 2. For the 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.

