



Legislation Details (With Text)

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Title: To authorize the Director of Development to dissolve the Enterprise Zone Agreement between the City of Columbus and The Columbus Athenaeum, Ltd. and to end the associated real property tax exemptions.

Sponsors:

Indexes:

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------------|------------------------------------|--------|
| 6/15/2005 | 1 | MAYOR | Signed | |
| 6/15/2005 | 1 | CITY CLERK | Attest | |
| 6/13/2005 | 1 | Columbus City Council | Approved | Pass |
| 6/13/2005 | 1 | COUNCIL PRESIDENT | Signed | |
| 6/6/2005 | 1 | Columbus City Council | Read for the First Time | |
| 5/17/2005 | 1 | Dev Drafter | Sent for Approval | |
| 5/17/2005 | 1 | CITY ATTORNEY | Reviewed and Approved | |
| 5/17/2005 | 1 | Dev Drafter | Sent to Clerk's Office for Council | |
| 5/16/2005 | 1 | Dev Drafter | Sent for Approval | |
| 5/16/2005 | 1 | DEVELOPMENT DIRECTOR | Reviewed and Approved | |

BACKGROUND: This legislation authorizes the Director of Development to dissolve the Enterprise Zone Agreement (EZA) between the City of Columbus and The Columbus Athenaeum, Ltd. and end the associated real property tax exemptions. The Columbus Athenaeum, Ltd. has requested that the EZA and associated tax abatement be dissolved due to the less than anticipated tax savings realized by the company.

Columbus City Council authorized the EZA by Ordinance No. 630-97 on March 17, 1997. The EZA provides for a 'sliding scale' abatement of the increased real property taxes resulting from renovation of the building. The exemption schedule is: 100%/yrs 1-3, 70%/yrs 4-5 and 25%/yrs 6-10. The exemption commenced tax year 1999 and is not to extend beyond tax year 2008.

The City granted the EZA in order to facilitate the renovation of the former Masonic Temple located at 32 N 4th Street into a corporate/community meeting center. The building, listed on the National Register of Historic Places, was slated for demolition and conversion into a surface parking lot before being purchased by The Columbus Athenaeum, Ltd. It was projected that \$2.6 million would be invested in real property improvements and the abatement would yield \$236,641 in total tax savings. After an actual investment of \$2.4 million, the increase in appraised value of the building has turned out to be \$66,800 and the abatement has yielded the company only \$5,770 in total tax savings. At the current rate, the savings to The Columbus Athenaeum, Ltd., from the abatement is approximately \$357 per annum and it is no longer advantageous for the company to continue with the abatement.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to dissolve the Enterprise Zone Agreement between the City of Columbus and The Columbus Athenaeum, Ltd. and to end the associated real property tax exemptions.

WHEREAS, by authority of the Columbus City Council Ordinance No. 630-97, the City entered into an Enterprise Zone Agreement (EZA) with The Columbus Athenaeum, Ltd. and approved real property tax exemptions on March 31, 1997; and

WHEREAS, the EZA called for the rehabilitation of an historic structure and a project investment of \$4,150,000, including \$2.6 million in building improvements; and

WHEREAS, the historic structure has been rehabilitated, the project investments have been made and the EZA is in good standing; and

WHEREAS, although \$2.4 million was spent on building improvements, the increase in building value as assessed for tax purposes is only \$66,800 and therefore the abatement yields little in terms of tax savings; and

WHEREAS, the annual tax savings of approximately \$357 per year do not justify the time The Columbus Athenaeum, Ltd. spends preparing required annual reports or the expense of the annual monitoring fee the City charges (\$1000/yr); and

WHEREAS, The Columbus Athenaeum, Ltd. has requested that the EZA and associated real property tax abatement be dissolved and the City agrees that this course of action is in the best interests of The Columbus Athenaeum, Ltd.; **NOW, THEREFORE**,

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

Section 1. That the Director of Development is hereby authorized to dissolve the Enterprise Zone Agreement (EZA) between the City of Columbus and The Columbus Athenaeum, Ltd. to end the associated real property tax exemptions as of December 31, 2004 or as soon thereafter as allowed by law, and to notify the appropriate local and state authorities.

Section 2. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.