



Legislation Details (With Text)

File #: 0087-2014 **Version:** 1
Type: Ordinance **Status:** Passed
File created: 1/6/2014 **In control:** Development Committee
On agenda: 1/27/2014 **Final action:** 1/29/2014

Title: To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with Jai Guru, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of approximately \$8.5 million in real property improvements and the creation of 5 new full-time permanent positions with an associated annual payroll of \$167,000.00.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD0087-2014 Jai Guru Staybridge EZ Fact Sheet, 2. ORD0087-2014 Jai Guru Staybridge EZ Project Site Map

Date	Ver.	Action By	Action	Result
1/29/2014	1	CITY CLERK	Attest	
1/28/2014	1	MAYOR	Signed	
1/27/2014	1	COUNCIL PRESIDENT	Signed	
1/27/2014	1	Columbus City Council	Approved	Pass
1/13/2014	1	Columbus City Council	Read for the First Time	

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

Jai Guru, LLC is an affiliate of Sintel Hotel Group, which consists of numerous affiliated hotels in the Central Ohio Area. All of the hotels are owned privately by closely held companies. The purchase of a Wyndham brand limited service hotel in 1997 was the first in the group. Today, the Sintel Hotel Group has grown to include a portfolio of close to 740 rooms. That growth has also included the development and operational strategy within the entire group to operate with premium service as the number one criteria. The Sintel Hotel Group now includes Hilton and Intercontinental Hotels Group its family of hotels. Intercontinental Hotels Group franchises the Holiday Inn Express and the Staybridge brand.

The proposed Staybridge Suites hotel project involves the construction of a 93 room hotel above a two-level parking garage at 3121 Olentangy River Road, within the Columbus North Enterprise Zone. The \$10 million project (\$8.5 million for building construction and \$1.5 million for furniture, fixtures and equipment) will include seven stories and a total of 67,000 square feet and will replace a car wash and drive-thru at the site currently. A total of five (5) jobs will be created that are above the \$12.00 an hour range.

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 has been advised of this project.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with Jai Guru, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of approximately \$8.5 million in real property improvements and the creation of 5 new full-time permanent positions with an associated annual payroll of \$167,000.00.

WHEREAS, by City Council Ordinance 0427-03 passed March 31, 2003 the City designated the area the Columbus North Enterprise Zone as an "MSA principal city non-distressed based jobs and enterprise zone" pursuant to Chapter 5709 of the Ohio Revised Code and declared that incentives for business offered by such zones will enhance efforts to promote the viable and diverse economic activity necessary for rejuvenation of the zone; and

WHEREAS, effective January 8, 2004, the Director of Development of the State of Ohio determined that the aforementioned area designated in said Ordinance 0427-03 contains the characteristics set forth in Section 5709.61(A) of the Ohio Revised Code, and certified said area (the "Columbus North Enterprise Zone") as an "MSA principal city non-distressed based jobs and enterprise zone" (limited authority) under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Jai Guru, LLC plans to erect a new, 67,000 square foot hotel to be known as Staybridge Suites hotel; and

WHEREAS, Jai Guru, LLC plans to invest approximately \$8.5 million in new construction and \$1.5 million in furniture, fixtures and equipment on parcel number 010-117369; and

WHEREAS, Jai Guru, LLC will create 5 new full-time permanent positions within the City of Columbus over a three-year period following construction completion with an estimated new annual payroll of \$167,000; and

WHEREAS, the City is encouraging this project because of plans to redevelop urban commercial property in the city; and

WHEREAS, the City desires to enter into such a binding formal agreement in order to foster economic growth; **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 Jai Guru, 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 Jai Guru, 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 \$8.5 million at the site for new construction and the creation of 5 new permanent full-time positions with an associated annual payroll of approximately \$167,000.

Section 4. That the City of Columbus Enterprise Zone Agreement is signed by Jai Guru, 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 provided by law.