



Legislation Text

File #: 2000-2023, Version: 1

BACKGROUND: Columbus City Council (“**COUNCIL**”), by Ordinance No. 2948-2021, passed May 9, 2022, authorized the City of Columbus (“**CITY**”) to enter into an Enterprise Zone Agreement (the “**AGREEMENT**”) with Pinchal & Company LLC (“**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 \$16,077,439, which included approximately \$871,719 in acquisition costs, \$869,720 in leasehold improvements and \$14,336,000 in real property improvements to construct a proactive industrial distribution and warehouse facility consisting of approximately 286,720 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 #4, legislated as Pinchal & Company LLC Building 1 within the City of Columbus and within the City of Columbus Enterprise Zone (the “**PROJECT SITE**”). Additionally, the **ENTERPRISE** committed to create thirty-five (35) net new full-time permanent positions with an associated annual payroll of approximately \$1,092,000 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. 023-22-18).

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.

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).”

In a letter from 6730 Prushing Farms, LLC on behalf of the **ENTERPRISE** dated May 17, 2023, received by the **CITY** and through ensuing correspondence, 6730 Prushing 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 6730 Prushing Farms, LLC on April 6, 2023, with the transfer having been recorded at the County Auditor’s Office on April 14, 2023. In addition, the **PROJECT SITE** has been revised to be Parcel Number 495-318337 (split from the **ORIGINAL PARCEL**) containing approximately 23.713 +/- acres of undeveloped land. The legal description, per the Franklin County Auditor, is listed as Lockbourne Rd, R22 T3 S2, 23.713 +/- acres with the current street address of 6730 Prushing Farms Road, Columbus, Ohio 43137. This street address may or may not change upon **PROJECT** completion.

Due diligence has been undertaken by the **CITY** in that 6730 Prushing 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, the five-hundred dollars (\$500.00) Amendment Fee and that this application and all other pertinent information has been reviewed and vetted.

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 6730 Prushing Farms, LLC as **ENTERPRISE** and party to the **AGREEMENT**, whereby 6730 Prushing Farms, LLC will assume the terms and commitments of the **AGREEMENT**, (2) revise the description of the **PROJECT SITE**, (3) to revise the Project’s expected start and completion dates within Section 1 of the

Agreement, and (4) to revise the exemption window in Section 3 of the **AGREEMENT**, and (5) to 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 a the first time for Assignment & Assumption with 6730 Prushing Farms, LLC, to remove Pinchal & Company LLC as **ENTERPRISE** and party to the **AGREEMENT** and to be replaced with 6730 Prushing Farms, LLC as **ENTERPRISE** and party to the **AGREEMENT**, to modify project and exemption dates, redefine the **PROJECT SITE**, and 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. 2948-2021, 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 \$16,077,439, which included approximately \$871,719 in acquisition costs, \$869,720 in leasehold improvements and \$14,336,000 in real property improvements to construct a proactive industrial distribution and warehouse facility consisting of approximately 286,720 square-feet on an 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 #4, legislated as Pinchal & Company LLC Building 1 within the City of Columbus and within the City of Columbus Enterprise Zone (the “**PROJECT SITE**”). Additionally, the **ENTERPRISE** committed to create thirty-five (35) net new full-time permanent positions with an associated annual payroll of approximately \$1,092,000 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. 023-22-18); 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 6730 Prushing Farms, LLC on behalf of the **ENTERPRISE** dated May 17, 2023, received by the **CITY** and through ensuing correspondence, 6730 Prushing 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 6730 Prushing Farms, LLC on April 6, 2023, with the transfer having been recorded at the County Auditor’s Office on April 14, 2023. In addition, the **PROJECT SITE** has been revised to be Parcel Number 495-318337 (split from the **ORIGINAL PARCEL**) containing approximately 23.713 +/- acres of undeveloped land. The legal description per the Franklin County Auditor is listed as Lockbourne Rd, R22 T3 S2, 23.713 +/- acres with the current street address of 6730 Prushing Farms Road, Columbus, Ohio, 43137. This street address may or may not change upon **PROJECT** completion; and

WHEREAS, due diligence has been undertaken by the **CITY** in that 6730 Prushing 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, the five-hundred dollars (\$500.00) Amendment Fee and that this application and all other pertinent information has been reviewed and vetted; 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 6730 Prushing 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 6730 Prushing Farms, LLC and concurs with the Columbus City Council on the basis that 6730 Prushing 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 party to the **AGREEMENT** and to be replaced with 6730 Prushing Farms, LLC as **ENTERPRISE** and party to the **AGREEMENT**, whereby 6730 Prushing Farms, LLC will assume the terms and commitments of the **AGREEMENT**, (2) revise the description of the **PROJECT SITE**, (3) to revise the Project's expected start and completion dates within Section 1 of the Agreement, and (4) to revise the exemption window in Section 3 of the **AGREEMENT**, and (5) to 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 hereby authorized to amend the Enterprise Zone Agreement with Pinchal & Company LLC (the **AGREEMENT**) to remove Pinchal & Company LLC as **ENTERPRISE** to be replaced with 6730 Prushing Farms, LLC as **ENTERPRISE** whereby 6730 Prushing Farms, LLC will assume the terms and commitments of the **AGREEMENT** as **ENTERPRISE**.

SECTION 3. That the Director of the Department of Development is hereby authorized to amend Section 1 (Establishment by Corporation) of the **AGREEMENT** to state that the **PROJECT SITE** is revised to be Parcel Number 495-318337 (split from the **ORIGINAL PARCEL**), containing approximately 23.713 +/- acres of undeveloped land. The legal description per the Franklin County Auditor is listed as Lockbourne Rd, R22 T3 S2, 23.713 acres) with the current street address of 6730 Prushing 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 hereby 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 6730 Prushing Farms, LLC C/O Brian W. McMackin.

SECTION 5. That the Director of Development is authorized to amend Section 1 (Establishment by Corporation) of the **AGREEMENT** to read "the **PROJECT** is expected to begin in July of 2023, with all real property improvements expected to be completed on or before December 31, 2024."

SECTION 6. That the Director of the Development is authorized to amend Section 3 (Tax Incentive) of the **AGREEMENT** to read "No real property exemption shall commence after 2025 nor extend beyond 2034."

SECTION 7. That this **FIRST AMENDMENT** for Assignment & Assumption to the City of Columbus Enterprise Zone

Agreement be signed by 6730 Prushing 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.