



City of Columbus

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

Legislation Text

File #: 3014-2017, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Pizzuti GM Holdings LLC and Pizzuti GM LLC. The Ohio Enterprise Zone law (Section 5709.62(C) of the Ohio Revised Code) requires the City to enter into Council-approved agreements between the City and participating companies.

Pizzuti GM Holdings LLC and Pizzuti GM LLC, both affiliates of Columbus-based developer The Pizzuti Companies (“Pizzuti”), are proposing to redevelop the former Grandview Mercantile antique marketplace and ReVue consignment store, both located at 873 North High Street, Columbus, Ohio 43215 (“Project Site”) in the Short North Arts District into a four-story, mixed use commercial office and retail development.

Once constructed, the new four-story, 58,685-square-foot building on the northwest corner of High Street and West 1st Avenue is expected to house approximately 11,905 square feet of ground-floor retail space and approximately 46,780 square feet of Class A office space on floors two through four. Parking to serve the office space is expected to be constructed below grade with room for 34 vehicles to be parked beneath the building.

Pizzuti GM Holdings LLC and Pizzuti GM LLC are expected to invest approximately \$16,600,000 to construct and finish the full development, of which approximately \$11,172,675 will be related to the construction of approximately 46,780 square feet of commercial office space. An additional \$2,584,000 of the \$16,600,000 will be related to the construction of 34 parking spaces in support of the office development. It is estimated that the new development will support the creation of 25 net new full-time permanent positions with an associated annual payroll of approximately \$1,250,000 by December 31, 2022.

The Department of Development recommends an Enterprise Zone property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years on real property improvements for the purpose of constructing approximately 46,780 square feet of commercial office space and 34 structured parking spaces in support of the office development at 873 North High Street, Columbus, Ohio 43215.

The Columbus City School District has been advised of this project. This legislation is presented as 30 day legislation.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into an Enterprise Zone Agreement with Pizzuti GM Holdings LLC and Pizzuti GM LLC for a property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed total investment of approximately \$16,600,000.00, of which approximately \$11,172,675.00 will be related to the construction of approximately 46,780 square feet of commercial office space and an additional \$2,584,000.00 will be related to the construction of 34 parking spaces in support of the office development, and the creation of 25 net new full-time permanent positions.

WHEREAS, the Columbus City Council authorized the designation of the Central Enterprise Zone by legislation, Ordinance Number 779-85, dated April 22, 1985; and subsequently amended the Zone by Ordinance Nos. 2722-85 in 1986; 2080-89 in 1989; 1949-92, 2690-92 and 2249-92 in 1992; 1079-94 and 1228-94 in 1994; 2196-95 and 2817-95 in 1995; 0533-99 in 1999; 1785-00 in 2000; 1464-02 in 2002; 0225-03 in 2003; and 0032-2012 in 2012; and

WHEREAS, the Director of the Development Department of the State of Ohio determined that the Columbus Enterprise Zone as amended by the aforementioned Ordinances continued to contain the characteristics set forth in Section 5709.61 (A) of the Ohio Revised Code and recertified said Zone in 1986, December 20, 1989, September 28, 1992, October 22,

1992, December 17, 1992, May 31, 1994, June 24, 1994, June 16, 1995, October 5, 1995, December 19, 1995, April 1, 1999, September 25, 2000, January 27, 2003, August 19, 2003 and most recently on April 3, 2012 as an "urban jobs and enterprise zone" under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Pizzuti GM Holdings LLC and Pizzuti GM LLC are proposing to redevelop the former Grandview Mercantile antique marketplace and ReVue consignment store, both located at 873 North High Street, Columbus, Ohio 43215 (parcel number 010-033280-00) in the Short North Arts District into a four-story, mixed use commercial office and retail development; and

WHEREAS, Pizzuti GM Holdings LLC and Pizzuti GM LLC will invest a total of approximately \$16,600,000 in real property improvements related to new building construction, of which approximately \$11,172,675 will be related to the construction of approximately 46,780 square feet of commercial office space and an additional \$2,584,000 will be related to the construction of 34 parking spaces in support of the office development; and

WHEREAS, contingent on the City granting an Enterprise Zone property tax abatement, Pizzuti GM Holdings LLC and Pizzuti GM LLC will invest approximately \$16,600,000 related to new building construction and thereby expects to support the creation of approximately 25 net new full-time permanent positions with an associated annual payroll of approximately \$1,250,000; thereby increasing job opportunities and strengthening the economy of the City; and

WHEREAS, representatives for Pizzuti GM Holdings LLC and Pizzuti GM LLC have indicated that receiving this tax incentive from the City is crucial to their decision to advance the aforementioned construction in Columbus; and

WHEREAS, the City desires to increase employment opportunities and encourage the creation of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and

WHEREAS, the City desires to enter into such a binding formal agreement in order to foster economic growth for the preservation of the public health, property, safety and welfare; **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 representatives for Pizzuti GM Holdings LLC and Pizzuti GM LLC to pursue redevelopment of the former Grandview Mercantile antique marketplace and ReVue consignment store.

SECTION 2. That the Director of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with Pizzuti GM Holdings LLC and Pizzuti GM LLC to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) consecutive taxable years in association with the project's proposed total investment of approximately \$16,600,000, which includes \$11,172,675 in real property improvements related to the construction of approximately 46,780 square feet of commercial office space and an additional \$2,584,000 in real property improvements related to the construction of 34 parking spaces in support of the office development, and the creation of 25 net new full-time permanent positions with an associated new annual payroll of approximately \$1,250,000 at 873 North High Street, Columbus, Ohio 43215.

SECTION 3. That the City of Columbus Enterprise Zone Agreement shall be signed by Pizzuti GM Holdings LLC and Pizzuti GM LLC within ninety (90) days of passage of this ordinance or this ordinance and the abatement authorized herein shall be null and void.

SECTION 4. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.