



Legislation Text

File #: 1351-2013, **Version:** 1

BACKGROUND: Columbus City Council, by Ordinance 1200-2008, passed July 14, 2008, authorized the Director of the Department of Development to enter into an Enterprise Zone Agreement (the Agreement) with NetJets Inc., its subsidiaries and affiliates and FlightSafety International, Inc. for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of an \$85,000,000 investment in real property improvements, a \$110,000,000 investment in personal property, the retention of 1,974 jobs and the creation of 810 permanent full time jobs related to the addition to an existing facility of approximately 415,000 square feet at 4111 Bridgeway Avenue in Columbus Ohio and within the City of Columbus Enterprise Zone. The Agreement was made and entered into effective October 10, 2008 (EZA #023-08-07). The Agreement was subsequently authorized by Council to be amended 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. The Agreement was subsequently authorized by Council to be amended again to replace NetJets Inc., its subsidiaries and affiliates and FlightSafety International, Inc. together shown as “Enterprise” on the Agreement, with NetJets Inc, to be “Enterprise” and Bridgeway Partners LLC to be “Owner,” to revise the scope of the project from the construction of approximately 415,000 square feet on parcel numbers 520-164554, 520-164562, 520-164561, 010-260377, 010-254180, 010-254179, 010-283055 and 010-003380 at 4111 Bridgeway Avenue, Columbus, Ohio 43219 to the construction of a new facility of approximately 140,000 square feet on all or part of parcel numbers 010-003380, 520-164554, 520-164562 and 520-164563 at 4151 Bridgeway Avenue in Columbus, to revise the investment in real property improvements from \$85,000,000 to \$15,000,000, to revise the job retention number from 1,974 jobs with a commensurate payroll of \$139,450,000 to a job retention number of 1,306 jobs with a commensurate payroll of \$100,323,720, to revise the job creation number from 810 permanent full-time jobs with a commensurate payroll of \$59,000,000 to 19 permanent full-time jobs with a commensurate payroll of \$1,459,533, and to revise the expected dates of project commencement and completion from construction being expected to begin on or before January 2010 and being expected to be complete by February 2012 to construction being expected to begin during the first quarter of 2011 and being expected to be completed by May 2012 by Ordinance 0098-2011 passed January 24, 2011. The first amendment to the Agreement was made and entered into effective March 17, 2011.

In a letter to the City from The Daimler Group, Inc. dated May 20, 2013, it was indicated that Bridgeway Partners LLC is preparing to sell and assign its leasehold interests in the project as “Owner” to Realty Income Properties 6 LLC with the sale and assignment scheduled to close on or about June 20, 2013. The letter further requested that the Agreement be amended to remove Bridgeway Partners LLC as “Owner” and party to the Agreement with Realty Income Properties 6 LLC as “Owner” and party to the Agreement.

This legislation to amend the Agreement for the second time is requested to be considered as an emergency in order to approve the removal of Bridgeway Partners LLC as “Owner” and party to the Agreement to be replaced with Realty Income Properties 6 LLC as “Owner” and party to the Agreement contingent on Bridgeway Partners LLC successfully closing the sale and assignment of its leasehold interests in the project to Realty Income Properties 6 LLC on or about June 20, 2013. Once the sale is completed and the City is formally notified as such the Director of Development will have the authorization to amend the Agreement for the second time.

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 NetJets Inc. and Bridgeway Partners LLC to remove Bridgeway Partners LLC as Owner and party to the Agreement to be replaced by Realty Income Properties 6 LLC as Owner and party to the Agreement; and to declare an emergency.

WHEREAS, the City of Columbus entered into an Enterprise Zone Agreement (the Agreement) with NetJets Inc., its subsidiaries and affiliates and FlightSafety International, Inc., approved by Columbus City Council on July 14, 2008 by Ordinance 1200-2008 with this Agreement made and into effective October 10, 2008; and

WHEREAS, the Agreement granted a 75%/10-Year abatement on real property improvements and personal property investment; and

WHEREAS, the incentive was granted in consideration of an \$85,000,000 investment in real property improvements, a \$110,000,000 investment in personal property, the retention of 1,974 jobs and the creation of 810 permanent full time jobs related to the addition to an existing facility of approximately 415,000 square feet at 4111 Bridgeway Avenue in Columbus Ohio and within the City of Columbus Enterprise Zone; and

WHEREAS, the Agreement was subsequently authorized by Council to be amended 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; and

WHEREAS, the Agreement was subsequently authorized by Council to be amended again to replace NetJets Inc., its subsidiaries and affiliates and FlightSafety International, Inc. together shown as “Enterprise” on the Agreement, with NetJets Inc, to be “Enterprise” and Bridgeway Partners LLC to be “Owner,” with the scope of the project being revised to be an investment of \$15,000,000 in real property improvements, the retention of 1,306 jobs with a commensurate payroll of \$139,450,000, the creation of 19 permanent full-time jobs with a commensurate payroll of \$1,459,533, with construction expected to begin during the first quarter of 2011 and being expected to be completed by May 2012 by Ordinance 0098-2011, passed January 24, 2011, made and into effective March 17, 2011; and

WHEREAS, a letter to the City from The Daimler Group, Inc. dated May 20, 2013 indicated that Bridgeway Partners LLC is preparing to sell and assign its leasehold interests in the project as “Owner” to Realty Income Properties 6 LLC with the sale and assignment scheduled to close on or about June 20, 2013. The letter further requested that the Agreement be amended to remove Bridgeway Partners LLC as “Owner” and party to the Agreement with Realty Income Properties 6 LLC as “Owner” and party to the Agreement; and

WHEREAS, an amendment is needed to remove Bridgeway Partners LLC as “Owner” and party to the Agreement with Realty Income Properties 6 LLC as “Owner” and party to the Agreement; and

WHEREAS, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to seek an amendment to the Agreement with NetJets Inc. and Bridgeway Partners LLC for the purpose of removing Bridgeway Partners LLC as “Owner” and party to the Agreement to be replaced by Realty Income Properties 6 LLC as “Owner” and party to the Agreement contingent on the successful closing of the sale and assignment of the leasehold interests in the project of Bridgeway Partners LLC to Realty Income Properties 6 LLC on or about June 20, 2013; thereby preserving the public health, peace, property and safety, **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 Enterprise Zone Agreement with NetJets Inc. and Bridgeway Partners LLC for the second time, to remove Bridgeway Partners LLC as “Owner” and party to the Agreement to be replaced by Realty Income Properties 6 LLC as “Owner” and party to the Agreement contingent on the successful closing of the sale and assignment of the leasehold interests in the project of Bridgeway Partners LLC to Realty Income Properties 6 LLC on or about June 20, 2013.

Section 2. That this Second Amendment to the City of Columbus Enterprise Zone Agreement be signed by NetJets Inc. and

Realty Income Properties 6 LLC within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

Section 3. That for reasons stated in the preamble hereto, which is hereby made a part hereof, the ordinance is hereby 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 days after the passage if the Mayor neither approves nor vetoes the same.