



Legislation Text

File #: 2044-2022, **Version:** 1

BACKGROUND: The Director of the Department of Development is requesting authorization to enter into an Enterprise Zone Agreement on behalf of the City with CH Outerbelt Acquisition, LLC (“CH Outerbelt”, and also the “Enterprise”). The Ohio Enterprise Zone law Section 5709.62(C) of the Ohio Revised Code authorizes the City to enter into Council-approved tax abatement agreements between the City and qualifying companies.

CH Outerbelt is a partnership that is comprised of three members of Crawford Hoying. Crawford Hoying, established in 2012, is one of the largest real estate development firms in the Columbus region. Over the past decade, Crawford Hoying has successfully completed projects in Ohio valued at more than \$1 billion.

CH Outerbelt is proposing to invest a total project cost for Building # 1 of approximately \$24,239,586 in real property improvements to construct an approximately 183,860 square-foot Class A proactive industrial facility (“Facility”) at 0 Outerbelt Street Columbus, Ohio 43213, on parcel number 520-143653 (the “**Project Site**”). The Enterprise anticipates that the project will create or cause to be created twenty-three (23) net, new full-time permanent positions with an estimated new annual payroll of approximately \$738,400 at the **Project Site** (“New Employees”).

The Director of the Department of Development is recommending that Council approve a 75%/10-year Enterprise Zone tax abatement on real property improvements made by the Enterprise at the **Project Site**, in consideration of it creating, or causing to be created, the New Employees.

The Gahanna-Jefferson City School District and Eastland-Fairfield Joint Vocational School District have 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 the Department of Development to enter into an Enterprise Zone Agreement with CH Outerbelt Acquisition, LLC (the “Enterprise”) for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of the Enterprise investing approximately \$24.2 million in real property improvements, and the creation of twenty-three (23) net new full-time permanent positions with an estimated annual payroll of approximately \$738,400.00.

WHEREAS, the Columbus City Council authorized the designation of the City of Columbus 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; 0032-2012 in 2012; 1442-2020 in 2020, 0279-2021 in 2021; and 0736-2022 in 2022; and

WHEREAS, the Director of the Development Department of the State of Ohio (“ODOD”) has determined that the Columbus Enterprise Zone (the “Zone”), as amended by the aforementioned Ordinances, continues to contain the characteristics set forth in Section 5709.61(A) of the Ohio Revised Code. The Director of ODOD has recertified this 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, April 3, 2012, September 18, 2020, May 20, 2021, and most recently on May 17, 2022 as an “urban jobs and enterprise zone” under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, CH Outerbelt Acquisition, LLC (the “Enterprise”) is a partnership comprised of three members of Crawford Hoying, a real estate development company. Crawford Hoying, established in 2012, is one of the largest real estate development firms in the Columbus region. Over the past decade, Crawford Hoying has successfully completed projects in Ohio with a combined value of more than \$1 billion; and

WHEREAS, the Enterprise has submitted a proposal (“Proposal”) to invest for Building #1 approximately \$24.2 million in real property improvements (the “Project”) to construct an approximately 183,860 square-foot Class A proactive industrial facility (the “Facility”) at 0 Outerbelt Street Columbus, Ohio 43213, parcel number 520-143653 (the “Project Site”). The Enterprise anticipates that the Project will create 23 net, new full-time permanent positions at the Facility with an estimated annual payroll of approximately \$738,400 (“New Employees”); and

WHEREAS, after reviewing and investigating the Proposal submitted by the Enterprise, the Director of the Department of Development believes that the Enterprise has demonstrated that it is qualified by financial responsibility and business experience to create and preserve employment opportunities in the Columbus Enterprise Zone and improve the City’s economic climate; and

WHEREAS, the Director of the Department of Development is recommending that City Council approve a 10-year, 75% abatement on the assessed valuation of the Project Site due to construction of the \$24.2 million Facility, to incentivize the Enterprise to construct the Class A industrial facility in the City’s eastern corridor; and

WHEREAS, the Development Director has notified the Gahanna-Jefferson City School District and Eastland-Fairfield Joint Vocational School District of the Project; and

EAS, the City desires to enter into an agreement with the Enterprise in order to incentivize economic growth and create employment opportunities for its citizens, and for the preservation of public health, peace, property and safety, **NOW, THEREFORE**,

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

SECTION 1. That Columbus City Council, having reviewed the proposal, finds that the Enterprise is qualified by financial responsibility and business experience to create and preserve employment opportunities in the City of Columbus Enterprise Zone and improve the City’s economic climate pursuant to Revised Code Section 5709.62(C).

SECTION 2. That City Council finds and determines (1) that the Enterprise will create, or cause to be created, the New Employee positions in the State and City; (2) that 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) that receiving the aforementioned tax abatement is a critical factor in the decision by representatives for CH Outerbelt Acquisition, LLC, the Enterprise hereunder, to go forward with constructing the Project.

SECTION 3. Based on this determination, City Council approves and authorizes a 10-year, 75% abatement on the increase in assessed valuation of real property on the **Project Site**, contingent upon the Enterprise investing for Building #1 approximately \$24,239,586 in real property improvements by constructing an approximately 183,860 square-foot Class A proactive industrial facility at 0 Outerbelt Street Columbus, Ohio 43213, parcel number 520-143653, and creating twenty-three (23) net, new full-time permanent positions at the **Project Site** with an estimated annual payroll of approximately \$738,400.

SECTION 4. The Director of the Department of Development, for and in the name of the City, is authorized to enter into an Enterprise Zone Agreement with the Enterprise in a form substantially similar to the one attached hereto as Exhibit “A” with such changes, amendments or edits thereto, that are not inconsistent with the terms of this Ordinance, or adverse to the City. Such authorized amendment includes assignment of the Agreement from the Enterprise to a Related Member as defined in R.C. Section 5709.61(W), or to a Successor Enterprise as defined by R.C. Section 5709.61(Y). The Director of the Department of Development also is authorized to execute any other agreements or sign any documents necessary to effectuate the Agreement and the Exemption provided therein, and approved as to Form by the City Attorney, if required.

SECTION 5. That the City and the Enterprise must execute the attached Enterprise Zone Agreement within ninety (90) days of this Ordinance’s passage, or this Ordinance, and the authorization to enter into the tax abatement agreement, is null and void.

SECTION 6. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.