



Legislation Text

File #: 2014-2023, **Version:** 1

BACKGROUND: Columbus City Council (“**COUNCIL**”), by Ordinance No. 2086-2022, passed July 25, 2022, authorized the City of Columbus (“**CITY**”) to enter into an Enterprise Zone Agreement (the “**AGREEMENT**”) with Becknell Industrial dba BI Developer LLC (hereinafter, referred to as “**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 \$37,000,000.00 in real property improvements to construct a Class A proactive industrial facility consisting of approximately 527,023 square-feet at 5811 Gender Road Columbus, Ohio 43110, parcel numbers: 010-224901 and 010-260326 (collectively, and hereinafter referred to as the “**ORIGINAL PARCEL**”), within the Columbus Southeast Enterprise Zone (the “**PROJECT SITE**”). Additionally, the **ENTERPRISE** committed to creating 50 net new full-time permanent positions with an estimated associated payroll of approximately \$1,528,800.00 at the **PROJECT SITE**. The **AGREEMENT** was made and entered into effective October 14, 2022, with the **PROJECT** expected to begin approximately November 2022, with all real property improvements expected to be completed by approximately July 2023 and with the abatement to commence no later than 2024 nor extend beyond 2033 (Agreement No. 392-22-01).

As of this date, there has not been a filing of the DTE-24 with the Franklin County Auditor. There also has not been a 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 Harrington Law on behalf of the **ENTERPRISE** dated December 21, 2022, received by the **CITY** and through ensuing correspondence, confirmed that Canal Winchester Owner, LLC 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, Canal Winchester Owner, LLC on November 9, 2022, with the transfer having been recorded at the County’s Auditor’s office on November 16, 2022. In addition, the **PROJECT SITE** has been revised to be Parcel Number 010-308800 (split from the **ORIGINAL PARCEL**) containing approximately 42.296 +/- acres of land. The legal description, per the Franklin County Auditor, is listed as Winchester Pike R21 T11 S24 42.296 +/- acres with the current street address of 6085 Winchester Pike, Columbus, Ohio 43110. This street address may or may not change upon **PROJECT** completion.

Due diligence has been undertaken by the **CITY** in that Canal Winchester Owner, 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, has submitted the five-hundred dollars (\$500.00) Amendment Fee, and that this application and all other pertinent information has been reviewed and vetted by the Department of Development.

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 Becknell Industrial dba BI Developer, LLC as **ENTERPRISE** and party to the **AGREEMENT** and to be replaced with Canal Winchester Owner, LLC as **ENTERPRISE** and party to the **AGREEMENT**, where by Canal Winchester Owner, LLC will assume the terms and commitments of the **AGREEMENT** and will receive the benefits derived therefrom; (2) revise the description of the **PROJECT SITE**, and (3) 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 the first time with Becknell Industrial dba BI Developer, LLC to remove Becknell Industrial dba BI Developer, LLC, as the Enterprise and replace it with Canal Winchester Owner LLC,; to make Canal Winchester Owner LLC a party to the Enterprise Zone Agreement; to redefine the Project Site; and revise the notice information in the Enterprise Zone Agreement.

WHEREAS, the City of Columbus (“**CITY**”) entered into an Enterprise Zone Agreement (the “**AGREEMENT**”) with Becknell Industrial dba BI Developer LLC (“**ENTERPRISE**”), approved by Columbus City Council (“**COUNCIL**”) by Ordinance No. 2086-2022, passed July 25, 2022, with this **AGREEMENT** made and entered into effective October 14, 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 \$37,000,000.00 in real property improvements to construct a Class A proactive industrial facility consisting of approximately 527,023 square-feet at 5811 Gender Road Columbus, Ohio 43110, parcel numbers: 010-224901 and 010-260326 (collectively, and hereinafter referred to as the “**ORIGINAL PARCELS**”), within the Columbus Southeast Enterprise Zone (referred to as the “**PROJECT SITE**”). Additionally, the **ENTERPRISE** committed to creating 50 net new full-time permanent positions with an estimated associated payroll of approximately \$1,528,800.00 at the **PROJECT SITE**. The **AGREEMENT** was made and entered into effective October 14, 2022 with the **PROJECT** expected to begin approximately in November 2022, with all real property improvements expected to be completed by approximately July 2023 and with the abatement to commence no later than 2024 nor extend beyond 2033 (Agreement No. 392-22-01); 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 Harrington Law on behalf of the **ENTERPRISE** dated December 21, 2022, received by the **CITY** and through ensuing correspondence, confirmed that Canal Winchester Owner LLC 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, Canal Winchester Owner LLC on November 9, 2022, with the transfer having been recorded at the County’s Auditor’s office on November 16, 2022. In addition, the **PROJECT SITE** has been revised to be Parcel Number 010-308800 (split from the **ORIGINAL PARCEL**) containing approximately 42.296 +/- acres of land. The legal description, per the Franklin County Auditor, is listed as Winchester Pike R21 T11 S24 42.296 +/- acres with the current street address of 6085 Winchester Pike, Columbus, Ohio 43110. This street address may or may not change upon **PROJECT** completion; and

WHEREAS, due diligence has been undertaken by the **CITY** in that Canal Winchester Owner 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 by the Department of Development; and

WHEREAS, a First Amendment to the **AGREEMENT** is now needed for Assignment & Assumption to remove Becknell Industrial dba BI Developer LLC as **ENTERPRISE** and party to the **AGREEMENT** and to be replaced with Canal Winchester Owner 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 ("**APPLICATION**") of Canal Winchester Owner LLC and recommends approval on the basis that Canal Winchester Owner 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** will (1) remove Becknell Industrial dba BI Developer LLC as **ENTERPRISE** and be replaced by Canal Winchester Owner LLC as **ENTERPRISE** and party to the **AGREEMENT**, (2) determine that Canal Winchester Owner LLC will assume the terms and commitments of the **AGREEMENT** as **ENTERPRISE**, (3) revise the description of the **PROJECT SITE**, and (4) revise the notice information related to **ENTERPRISE** within Section 8 of the **AGREEMENT**; and **NOW THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

SECTION 1. That the Council of Columbus finds that the **ENTERPRISE**, Canal Winchester Owner LLC, who has submitted the **APPLICATION** to the Director of Development, 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 authorized to amend the Enterprise Zone Agreement with Becknell Industrial dba BI Developer LLC (the **AGREEMENT**) to remove Becknell Industrial dba BI Developer LLC as **ENTERPRISE** to be replaced with Canal Winchester Owner LLC as **ENTERPRISE** whereby Canal Winchester Owner LLC will assume the terms and commitments of the **AGREEMENT** as **ENTERPRISE** and will receive the benefits derived therefrom.

SECTION 3. That the Director of the Department of Development is authorized to amend Section 1 (Establishment by Corporation) of the **AGREEMENT** to state that the **PROJECT SITE** is revised to be Parcel Number 010-308800 (split from the **ORIGINAL PARCEL**), containing approximately 42.296 +/- acres of land. The legal description, per the Franklin County Auditor, is listed as Winchester Pike R21 T11 S24 42.296 +/- acres with the current street address of 6085 Winchester Pike, Columbus, Ohio 43110, but that this street address may or may not change upon **PROJECT** completion.

SECTION 4. That the Director of the Department of Development is authorized to amend within Section 8 (Program Compliance) of the **AGREEMENT**, regarding the "if to the **ENTERPRISE**" section regarding written communication to Becknell Industrial dba BI Developer LLC, which shall now refer to Canal Winchester Owner LLC C/O Derek Hawkins.

SECTION 5. That this **FIRST AMENDMENT** for Assignment & Assumption to the City of Columbus Enterprise Zone Agreement be signed by Canal Winchester Owner LLC within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

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