



Legislation Text

File #: 1917-2017, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with 1201 Dublin Road, LLC and The Zimmerman Companies, LLC. The Ohio Enterprise Zone law O.R.C. Section 5709.62(C) requires the City to enter into a Council-approved agreement between the City and participating companies.

Headquartered in the City of Columbus, 1201 Dublin Road, LLC is a real estate holding company that is owned by Richard S. Zimmerman, Jr. and April Zimmerman Katz, a father and daughter partnership recently formed in the spring of 2017. Mr. Zimmerman has successfully managed the family's primary business of owner-managed multi-family housing units and tennis clubs since 1970. In January of 2017, The Zimmerman Companies, LLC was formed by April Zimmerman Katz, owner and President, to act as the management company for all family-owned properties and made a strategic company decision to expand into the area of co-working/shared office spaces.

1201 Dublin Road, LLC proposes to invest a total project cost of approximately \$5.278 million, which includes \$3.85 million in acquisition cost, \$1.068 million in real property improvements and \$360,000 in furniture and fixtures to acquire, renovate, redevelop and own a vacant commercial office facility (known as the Zaner-Bloser building) at 1201 Dublin Road Columbus, Ohio, 43215, parcel number 010-104463. The Zimmerman Companies, LLC will be the tenant and employer of record, and enter into a lease agreement with 1201 Dublin Road, LLC to expand and relocate its corporate headquarters (HQ) from Nationwide Blvd. to the proposed project site. Additionally, the company will retain and relocate 6 full-time employees with an associated annual payroll of approximately \$332,700 and create 6 new full-time permanent positions with an estimated annual payroll of approximately \$260,000. The Zimmerman Companies, LLC corporate HQ will occupy the 4th floor of the 29,000 sq. ft. building. Leasable shared co-working space will complete the remaining usable square footage.

The Department of Development recommends 75%/10-year Enterprise Zone tax abatement on real property improvements.

The Columbus City School Board of Education has been advised of this project.

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 1201 Dublin Road, LLC and The Zimmerman Companies, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a total proposed capital investment of approximately \$5.278 million, the creation of 6 new full-time permanent positions and the retention of 6 full-time jobs.

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 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, 1201 Dublin Road, LLC is a real estate holding company that is partially owned by Richard S. Zimmerman, Jr. and April Zimmerman Katz, a father and daughter partnership recently formed in the spring of 2017; and

WHEREAS, Mr. Zimmerman has successfully managed the family’s primary business of owner-managed multi-family housing units and tennis clubs since 1970; and

WHEREAS, In January of 2017, The Zimmerman Companies, LLC was formed by April Zimmerman Katz, owner and President, to act as the management company for all family-owned properties and made a strategic company decision to expand into the area of co-working/shared office spaces; and

EAS, 1201 Dublin Road, LLC proposes to invest a total project cost of approximately \$5.278 million, which includes \$3.85 million in acquisition cost, \$1.068 million in real property improvements and \$360,000 in furniture and fixtures to acquire, renovate, redevelop and own a 4-story vacant commercial office facility (known as the Zaner-Bloser building) at 1201 Dublin Road Columbus, Ohio, 43215, parcel number 010-104463; and

WHEREAS, The Zimmerman Companies, LLC will be the tenant and employer of record, and enter into a lease agreement with 1201 Dublin Road, LLC to expand and relocate its corporate headquarters (HQ) from Nationwide Blvd. to the proposed project site. Additionally, the company will retain and relocate 6 full-time employees with an associated annual payroll of approximately \$332,700 and create 6 new full-time permanent positions with an estimated annual payroll of approximately \$260,000. The Zimmerman Companies, LLC corporate HQ will occupy the 4th floor of the 29,000 sq. ft. building. Leasable shared co-working space will complete the remaining usable square footage; and

EAS, 1201 Dublin Road, LLC will acquire, invest, renovate and own property, while The Zimmerman Companies will be the tenant and employer of record, and enter into a long-term lease agreement with 1201 Dublin Road, LLC; and

EAS, the City is encouraging this project because of plans to redevelop a vacant and abandoned commercial office facility in the central city; and

EAS, the City desires to enter in such a binding formal agreement in order to foster economic growth for the preservation of public health, peace, property and safety; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

Section 1. That this Council hereby finds and determines that the enterprise submitting the 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 and receiving this tax incentive is a critical factor in the decision by 1201 Dublin Road, LLC and The Zimmerman Companies, LLC to go forward with the project expansion.

Section 2. That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with 1201 Dublin Road, LLC and The Zimmerman Companies, 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 \$5.278 million, which includes \$3.85 million in acquisition cost, \$1.068 million in real property improvements and \$360,000 in furniture and fixtures at 1201 Dublin Road Columbus, Ohio 43215, parcel number 010-104463, the creation of 6 new full-time permanent positions with an estimated annual payroll of approximately \$260,000 and the retention of 6 full-time jobs with an annual payroll of approximately \$332,700.

Section 3. That the City of Columbus Enterprise Zone Agreement is signed by 1201 Dublin Road, LLC and The Zimmerman Companies, LLC within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credit authorized herein are null and void.

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