



City of Columbus

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
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Legislation Text

File #: 1269-2013, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Riverview Hotel LLC. The Ohio Enterprise Zone law O.R.C. Section 5709.62 (3) requires the City to enter into a Council-approved agreement between the City and participating companies.

Riverview Hotel LLC was incorporated in 2007 by majority owner Mr. David Patel. Mr. Patel also formed Indus Hotels, a Columbus-based company, in 1997 with his business partner, Mr. David Kozar, which oversees the management and development of hotel projects through franchise agreements with Hilton Hotels, as well as operating two independent hotels which they branded themselves as The Varsity Inn.

Riverview Hotel LLC is proposing to invest approximately \$13,370,000 for the construction of a new, 95,321 square foot hotel to be known as Hampton Inn & Suites University Area to be located at 3160 Olentangy River Road (parcel number 010-117361). This property is currently vacant.

Located in close proximity to other properties managed by Indus Hotels, Hampton Inn & Suites University Area will be located on Olentangy River Road between the Hilton Garden Inn and the University Plaza Hotel & Conference Center, soon to be known at Columbus Marriott OSU after substantial renovations.

Guests of the hotel will enjoy a convenient location close to The Ohio State University, Riverside Methodist Hospital, Battelle, Downtown Columbus, Short North Arts District, prime shopping, entertainment and dining and select property amenities.

The development is planned to be a seven-story, limited service lodging facility featuring 152 guest rooms, breakfast and dining areas, meeting and conference space, an indoor pool, exercise facility, business center and market pantry.

Riverview Hotel LLC will create 14 new full-time permanent positions associated with this project with an associated annual payroll of \$502,000.00

The Department of Development recommends a seventy-five percent (75%)/ten (10) years Enterprise Zone tax abatement on real property improvements.

The Columbus City Schools have 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 Riverview Hotel LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of approximately \$13,370,000.00 in real property improvements and the creation of 14 new full-time permanent positions with an associated annual payroll of \$502,000.00.

WHEREAS, by City Council Ordinance 0427-03 passed March 31, 2003 the City designated the area the Columbus North Enterprise Zone as an "MSA principal city non-distressed based jobs and enterprise zone" pursuant to Chapter 5709 of the Ohio Revised Code and declared that incentives for business offered by such zones will enhance efforts to promote

the viable and diverse economic activity necessary for rejuvenation of the zone; and

WHEREAS, effective January 8, 2004, the Director of Development of the State of Ohio determined that the aforementioned area designated in said Ordinance 0427-03 contains the characteristics set forth in Section 5709.61(A) of the Ohio Revised Code, and certified said area (the "Columbus North Enterprise Zone") as an "MSA principal city non-distressed based jobs and enterprise zone" (limited authority) under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Riverview Hotel LLC plans to erect a new, 95,321 square foot hotel to be known as Hampton Inn & Suites University Area; and

WHEREAS, Riverview Hotel LLC plans to invest approximately \$13,370,000 in new construction and real property improvements on parcel number 010-117361; and

WHEREAS, Riverview Hotel LLC will create 14 new full-time permanent positions within the City of Columbus over a three-year period following construction completion with an estimated new annual payroll of \$502,000; and

WHEREAS, the City is encouraging this project because of plans to redevelop urban commercial property in the city; and

WHEREAS, the City desires to enter into such a binding formal agreement in order to foster economic growth; **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 Riverview Hotel LLC to go forward with the project expansion.

Section 2. That the City Council hereby finds and determines that the project meets all the requirements of the City Act.

Section 3. That the Director of the Department of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with Riverview Hotel LLC to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) taxable years in association with the project's proposed investment of approximately \$13,370,000 at the site for new construction and the creation of 14 new permanent full-time positions with an associated annual payroll of approximately \$502,000.

Section 4. That the City of Columbus Enterprise Zone Agreement is signed by Riverview Hotel LLC within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credits authorized herein are null and void.

Section 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.