



City of Columbus

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Legislation Text

File #: 1730-2005, **Version:** 1

BACKGROUND: This legislation authorizes the Director of Development to amend the City's Enterprise Zone Agreement (EZA) with Bicentennial Plaza Limited ("Bicentennial Plaza") and Novell, Inc. ("Novell", successor in interest to Cambridge Technology Partners, Inc.) The EZA, which was approved by City Council in July 1997 and signed in January 1998, grants a 50%/10-year abatement (1998-2007) on real property improvements. Bicentennial Plaza committed to invest \$12,373,000 to build a new multi-tenant speculative facility in a section of the downtown that had been devoid of new development for years and Cambridge Technology Partners agreed to use its best efforts to create 100 new jobs at the facility by July 2000. The EZA was amended in 2003 to extend the job creation period to December 31, 2005 and to allow the jobs of other tenants to count towards compliance. Bicentennial Plaza has met the real property investment goal and as of December 2004, tenants in the facility had approximately 240 jobs, of which 41 were new. The Columbus Tax Incentive Review Council (the "TIRC") recommended on August 16, 2005, that the EZA be amended to more accurately reflect the actual numbers of jobs created and retained, as the City deems appropriate. This legislation proposes an overall best efforts job creation/retention requirement of 180 jobs, which Bicentennial Plaza anticipates will be comprised of approximately 30 new jobs and approximately 150 retained jobs.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to amend the Enterprise Zone Agreement with Bicentennial Plaza Limited and Novell, Inc. by establishing an overall best efforts job creation/retention requirement of 180 jobs; and to declare an emergency.

WHEREAS, the Columbus City Council approved an Enterprise Zone Agreement with Bicentennial Plaza Limited ("Bicentennial Plaza") and Cambridge Technology Partners ("CTP"), Inc. on July 14, 1997 Ordinance No. 1781-97; and

WHEREAS, the City entered into an Enterprise Zone Agreement with Bicentennial Plaza and CTP on January 5, 1998 (the "EZA"), in which the City granted a 50%/10-year abatement (1998-2007) on real property improvements and Bicentennial Plaza agreed to invest \$12,373,000 to build a new multi-tenant speculative facility and CTP agreed to use its best efforts to create 100 new jobs by July 2000; and

WHEREAS, City Council approved an amendment to the EZA by Ordinance No. 206-03 passed on February 24, 2003 to extend the deadline for the best efforts job creation to December 31, 2005 and to allow the jobs of other tenants to be counted towards EZA compliance; and

WHEREAS, Bicentennial Plaza reported that as of December 31, 2004 it had invested \$12,373,000 in real property improvements as required by the EZA; and

WHEREAS, as of December 31, 2004, Bicentennial Plaza identified 240 jobs located in the facility, of which it was estimated that 41 jobs were new to Columbus and 199 jobs were retained, *i.e.*, tenants had relocated these jobs to the facility from prior locations that were within the city; and

WHEREAS, in 2004 the jobs in the facility generated an annual payroll of approximately \$13.6 million, of which the 41 new jobs accounted for \$2.3 million; and

WHEREAS, the project's real property improvements and well-paying jobs represent a significant benefit to the city and the downtown; and

WHEREAS, the high office vacancy rates of the last several years have not afforded the Bicentennial Plaza landlord the luxury of turning away tenants on the basis of whether the jobs were created versus retained; and

WHEREAS, the Columbus Tax Incentive Review Council (the "TIRC") on August 16, 2005 recommended to amend the EZA as the City deems appropriate to reduce the best efforts requirement for job creation and increase the best efforts requirement for retained jobs; and

WHEREAS, the City deems it appropriate to establish an overall best efforts job creation/retention requirement of 180, which Bicentennial Plaza anticipates will be comprised of approximately 30 new jobs (compared to 100 new jobs) and approximately 150 retained jobs (compared to zero retained jobs); and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to take action on the TIRC's recommendations to comply with the sixty (60) day deadline for City Council action imposed by R.C. Section 5709.85 and to preserve the public health, property, safety and welfare; **NOW, THEREFORE,**

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

Section 1. The Director of Development is hereby authorized to amend the City's Enterprise Zone Agreement with Novell, Inc. (successor in interest to Cambridge Technology Partners, Inc.) and Bicentennial Plaza Limited to establish an overall best efforts job creation/retention requirement of 180, which Bicentennial Plaza anticipates will be comprised of approximately 30 new jobs and approximately 150 retained jobs.

Section 2. For the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is 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 (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.