



Legislation Text

File #: 1324-2015, **Version:** 1

BACKGROUND: Columbus City Council, by Ordinance 1268-2013, passed June 17, 2013, authorized the City of Columbus to enter into an Enterprise Zone Agreement (Agreement) with Plaza Core Hotel LLC (Enterprise) for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of a proposed \$20.4 million investment in real property improvements, the retention of three (3) full time positions and the creation of twenty-six (26) permanent full-time positions with an associated annual payroll of approximately \$1,063,000 related to the renovation and expansion of a 243-room hotel of approximately 152,812 square feet on Parcel No. 010-117351, located at 3110 Olentangy River Road in Columbus Ohio and within the City of Columbus North Enterprise Zone (Zone 393). The Agreement was made and entered into effective August 12, 2013 (EZA #393-13-08) with construction of the project expected to begin in the summer of 2013 and all real property improvements expected to be completed by May 2014. No real property exemption was to commence after 2015 nor extend beyond 2024.

Discussion began in 2014 and continued into 2015 regarding the inability of the Enterprise to begin the project as described in the Agreement and following a series of meetings it was confirmed that the principals of Continental Real Estate Companies and Concord Hospitality acquired all of the interest in UPH Holdings, LLC and ownership of Parcel No. 010-117351 was transferred from Plaza Core Hotel LLC to UPH Holdings, LLC on July 18, 2014. The facility will be a Marriott flagged full-service hotel along with a Residence Inn by Marriott extended stay hotel with this dual flagged facility being the first project in the country with these two brands in one building. The revised scope of the project is a proposed investment of approximately \$35 million in real property improvements and the creation of 15 new permanent full-time jobs with an annual payroll of approximately \$853,000 related to the renovation and expansion of a Marriott flagged hotel of at least 250 rooms totaling approximately 247,000 square feet. Due diligence has been undertaken by the City in that UPH Holdings, LLC has submitted an updated Economic Development Incentive Application and that this application and all other pertinent information has been reviewed and vetted.

This legislation is to authorize the Director of Development to (1) amend the Agreement for the first time to remove Plaza Core Hotel LLC as Enterprise and party to the Agreement and to be replaced with UPH Holdings, LLC dba University Plaza Hotel as Enterprise and party to the Agreement, to (2) revise the scope of the project related to the investment in real estate improvements, the number of jobs to be created and associated new job payroll, to (3) revise the project construction time frame and to (4) revise the dates by which real property exemptions are to commence and extend.

This legislation is being presented as an emergency measure in order for this amendment to be legislated in as expedient manner as possible so that this amendment to the Agreement might be fully executed prior to the 2015 Tax Incentive Review Council.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to amend the Enterprise Zone Agreement with Plaza Core Hotel LLC, to remove Plaza Core Hotel LLC as Enterprise and party to the Agreement and to be replaced with UPH Holdings, LLC dba University Plaza Hotel as Enterprise and party to the Agreement and to revise the scope of the project related to investment, job creation, construction and exemption time-frames; and to declare an emergency.

WHEREAS, the City of Columbus entered into an Enterprise Zone Agreement (the “Agreement”) with Plaza Core Hotel LLC (Enterprise), approved by Columbus City Council on June 17, 2013 by Ordinance 1268-2013 with this Agreement made and entered into effective August 12, 2013; 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 \$20.4 million investment in real property improvements, the retention of three (3) full time positions and the creation of twenty-six (26) permanent full-time positions with an associated annual payroll of approximately \$1,063,000 related to the renovation and expansion of a 243-room hotel of approximately 152,812 square feet on Parcel No. 010-117351, located at 3110 Olentangy River Road in Columbus Ohio and within the City of Columbus North Enterprise Zone (Zone 393); and

WHEREAS, following extensive discussion regarding the inability of the Enterprise to begin the project as described in the Agreement and following a series of meetings it was confirmed that the principals of Continental Real Estate Companies and Concord Hospitality acquired all of the interest in UPH Holdings, LLC and ownership of Parcel No. 010-117351 was transferred from Plaza Core Hotel LLC to UPH Holdings, LLC on July 18, 2014; and

WHEREAS, due diligence has been undertaken by the City in that UPH Holdings, LLC has submitted an updated Economic Development Incentive Application and that this application and all other pertinent information has been reviewed and vetted; and

WHEREAS, an amendment is needed to remove Plaza Core Hotel LLC as Enterprise and party to the Agreement and be replaced with UPH Holdings, LLC dba University Plaza Hotel as Enterprise and party to the Agreement and to revise the scope of the project related to investment, job creation, construction and exemption time-frames; and

WHEREAS, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to seek an amendment to the Agreement with Plaza Core Hotel LLC so that this amendment to the Agreement might be fully executed prior to the 2015 Tax Incentive Review Council, thereby preserving the public health, peace, property and safety, **NOW, THEREFORE**,

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

SECTION 1. That the Director of Development is hereby authorized to amend the Enterprise Zone Agreement with Plaza Core Hotel LLC (the Agreement) to remove Plaza Core Hotel LLC as Enterprise and party to the Agreement to be replaced with UPH Holdings, LLC dba University Plaza Hotel as Enterprise and party to the Agreement.

SECTION 2. That the Director of Development is hereby authorized to amend Agreement to revise the scope of the project related to the investment in real estate improvements, the number of jobs to be created and associated new job payroll.

SECTION 3. That the Director of Development is hereby authorized to amend the Agreement to revise the project construction time frame and the dates by which real property exemptions are to commence and extend.

SECTION 4. That this First Amendment to the City of Columbus Enterprise Zone Agreement be signed by UPH Holdings, LLC within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

SECTION 5. That for reasons stated in the preamble hereto, which is hereby made a part hereof, the ordinance is hereby 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 days after the passage if the Mayor neither approves nor vetoes the same.