



Legislation Text

File #: 1914-2021, **Version:** 1

BACKGROUND: The need exists to amend the Downtown Office Incentive Agreement between the City of Columbus (“CITY”), Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, LLC (collectively, and hereafter referred to as “GRANTEE”). Columbus City Council (“COUNCIL”), by Ordinance No. 2561-2019, passed October 14, 2019, authorized the Director of the Department of Development of the CITY to enter into a Downtown Office Incentive Agreement (the “DOI AGREEMENT”) for an annual cash payment equal to fifty percent (50%) of the City of Columbus income tax withheld on the payroll for new employees added to the City of Columbus for a term of up to five (5) consecutive years. The financial incentive was granted in consideration of the GRANTEE’s total proposed investment of approximately \$300,000, which included \$156,000 in machinery and equipment, \$120,000 in stand-alone computers, and \$24,000 in furniture and fixtures to relocate and expand its corporate headquarters (HQ) into the newly constructed commercial office facility known as “80 on the Commons” located at 80 E. Rich Street, Columbus, Ohio 43215, parcel number 010-296465 (the “PROJECT SITE”). Additionally, the GRANTEE committed to create 80 net new full-time permanent positions with an annual payroll of approximately \$6,138,700, and to retain and relocate 75 full-time positions with an estimated annual payroll of approximately \$5,793,200 (the (“PROJECT”), which will be new jobs to the CITY but not incentivized at the PROJECT SITE. The DOI AGREEMENT was made and entered into effective January 10, 2020 with the incentive term to begin January 1, 2020 through December 31, 2024 for a 5-year credit.

In a letter received by the Department of Development dated May 11, 2021, and through ensuing correspondence, it was requested that the PROJECT incentive term be amended. Unfortunately, the project was delayed due to the affects from the COVID-19 global pandemic. Specifically, the GRANTEE postponed relocating and hiring employees to its newly opened office due to temporarily closing the office, accommodating workplace social distance requirements as recommended by the CDC, and revising its hiring and training processes. Therefore, the GRANTEE is requesting that the incentive term of the DOI AGREEMENT be amended from to begin January 1, 2020 through December 31, 2024 to begin January 1, 2021 through December 31, 2025, thereby giving the GRANTEE another year to complete the proposed PROJECT. Additionally, the GRANTEE is requesting that one of the grantee’s legal names be revised to reflect the correct name. Currently, the DOI AGREEMENT lists Foxen Insurance Company as a limited liability company, which is incorrect. The correct name is Foxen Insurance Company.

This legislation is to authorize the Director of the Department of Development to amend the DOI AGREEMENT for the first time to (1) revise the incentive term window from commencing January 1, 2020 and for five (5) consecutive years thereafter (i.e. January 1, 2020 through December 31, 2024 for a 5-year credit) to commencing January 1, 2021 and five (5) consecutive years thereafter (i.e. January 1, 2021 through December 31, 2025 for a 5-year credit), and (2) to revise the name of Foxen Insurance Company, LLC to Foxen Insurance Company.

This legislation is being presented as an emergency measure in order for this amendment to be legislated in as expedient a manner as possible so that this amendment to the DOI AGREEMENT can be executed and ensure that the GRANTEE remains in compliance with the terms and conditions of the Downtown Office Incentive Agreement.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the Downtown Office Incentive Agreement with Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, LLC for the first time to (1) revise the incentive term window from commencing January 1, 2020 and for five (5) consecutive years thereafter (i.e. January 1, 2020 through December 31, 2024 for a 5-year credit) to commencing January 1, 2021 and five (5) consecutive years thereafter (i.e. January 1, 2021 through December 31, 2025

for a 5-year credit), and (2) to revise the name of Foxen Insurance Company, LLC to Foxen Insurance Company, and to declare an emergency.

WHEREAS, the need exists to amend the Downtown Office Incentive Agreement between the City of Columbus (“**CITY**”), Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, LLC (collectively, and hereafter referred to as “**GRANTEE**”). Columbus City Council (“**COUNCIL**”), by Ordinance No. 2561-2019, passed October 14, 2019, authorized the Director of the Department of Development of the **CITY** to enter into a Downtown Office Incentive Agreement (the “**DOI AGREEMENT**”) for an annual cash payment equal to fifty percent (50%) of the City of Columbus income tax withheld on the payroll for new employees added to the City of Columbus for a term of up to five (5) consecutive years. The **DOI AGREEMENT** was made and entered into effective January 10, 2020; and

WHEREAS, the financial incentive was granted in consideration of the **GRANTEE**’s total proposed investment of approximately \$300,000, which includes \$156,000 in machinery and equipment, \$120,000 in stand-alone computers, and \$24,000 in furniture and fixtures to relocate and expand its corporate headquarters (HQ) into the newly constructed commercial office facility known as “80 on the Commons” located at 80 E. Rich Street, Columbus, Ohio 43215, parcel number 010-296465 (the “**PROJECT SITE**”). Additionally, the **GRANTEE** committed to create 80 net new full-time permanent positions with an annual payroll of approximately \$6,138,700, and to retain and relocate 75 full-time positions with an estimated annual payroll of approximately \$5,793,200 (the (“**PROJECT**”), which will be new jobs to the **CITY** but not incentivized at the **PROJECT SITE**; and

WHEREAS, in a letter received by the Department of Development dated May 11, 2021, and through ensuing correspondence, it was requested that the **PROJECT** incentive term be amended. Unfortunately, the project was delayed due to the affects from the COVID-19 global pandemic. Specifically, the **GRANTEE** postponed relocating and hiring employees to its newly opened office due to temporarily closing the office, accommodating workplace social distance requirements as recommended by the CDC, and revising its hiring and training processes. Therefore, the **GRANTEE** is requesting that the incentive term of the **DOI AGREEMENT** be amended from to begin January 1, 2020 through December 31, 2024 to begin January 1, 2021 through December 31, 2025 for a 5-year credit, thereby giving the **GRANTEE** another year to complete the proposed **PROJECT**. Additionally, the **GRANTEE** is requesting that one of the grantee’s legal names, Foxen Insurance Company, LLC, be revised. Currently, the **DOI AGREEMENT** lists Foxen Insurance Company as a limited liability company, which is incorrect. The correct identity name is Foxen Insurance Company; and

WHEREAS, an amendment to the **DOI AGREEMENT** is now needed to (1) revise the incentive term window from commencing January 1, 2020 and for five (5) consecutive years thereafter (i.e. January 1, 2020 through December 31, 2024 for a 5-year credit) to commencing January 1, 2021 and five (5) consecutive years thereafter (i.e. January 1, 2021 through December 31, 2025 for a 5-year credit), and (2) to revise the name of Foxen Insurance Company, LLC to Foxen Insurance Company; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to seek a First Amendment to the **DOI AGREEMENT** with Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, LLC to ensure that the **GRANTEE** remains in compliance with the terms and conditions of the Downtown Office Incentive Agreement, and to preserve the public health, property, safety and welfare; and

NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

Section 1. That the Director of the Department of Development is hereby authorized to amend the Downtown Office Incentive Agreement with Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, LLC to revise the incentive term window

from commencing January 1, 2020 and for five (5) consecutive years thereafter (i.e. January 1, 2020 through December 31, 2024 for a 5-year credit) to commencing January 1, 2021 and five (5) consecutive years thereafter (i.e. January 1, 2021 through December 31, 2025 for a 5-year credit).

Section 2 That the Director of the Department of Development is hereby authorized to amend the Downtown Office Incentive Agreement with Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, LLC to revise the name of Foxen Insurance Company, LLC to Foxen Insurance Company.

Section 3. That this **FIRST AMENDMENT** to the City of Columbus Downtown Office Incentive Agreement be signed by Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

Section 4. That the remaining terms of the Downtown Office Incentive Agreement remain in full effect relative to the Ordinance.

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.