



Legislation Text

File #: 0738-2017, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with 900 Short North, LLC. The Ohio Enterprise Zone law (Section 5709.62(C) of the Ohio Revised Code) requires the City to enter into Council-approved agreements between the City and participating companies.

900 Short North, LLC, a real estate holding company established in 2016, is a collaboration between ECP900 Short North, LLC (an affiliate of Elford Development, Ltd.) and MESA Properties, LLC (an affiliate of United Dairy Farmers, Inc.). Elford Development, Ltd. is the real estate development arm of Elford, Inc., one of the largest self-performing General Contractors and Construction Managers in Central Ohio. Founded in 1910, Elford, Inc. is one of the oldest commercial construction companies in central Ohio. United Dairy Farmers, Inc. (“UDF”) buys milk from area dairy farmers, then processes and packages it for sale. The company has grown into a chain of about 200 convenience stores, located mostly in Ohio, but also in Kentucky and southeast Indiana. UDF locations also offer in-store ice cream parlors and distribute Mobil-brand gas.

900 Short North, LLC is proposing to redevelop a United Dairy Farmers convenience store located at 900 North High Street, Columbus, Ohio 43215 (Project Site) in the Short North Arts District into a 4-story, 50,000-square-foot mixed use commercial office and retail development on parcel number 010-007464. The first floor of the new development, consisting of approximately 14,520 total square feet (including common areas), will include a revamped United Dairy Farmers convenience store and may support a single restaurant space. The remaining floors (2nd - 4th) will feature commercial office suites ranging from 5,200 square feet to approximately 38,000 square feet. The project will include 13 parking spaces (located in the rear) and approximately 2,600 square feet of outdoor patio space for office tenants.

900 Short North, LLC is expected to invest approximately \$7,500,000 for this project, of which approximately \$5,500,000 will be related to the 38,000-square-foot commercial office development. 900 Short North, LLC is expected to own the Project Site after construction and Elford Realty is expected to principally manage and lease the property. MESA Properties, LLC will remain the owner through construction. Elford Development, Ltd., in conjunction with United Dairy Farmers, Inc. has projected that the development would create approximately 40 net new full-time permanent positions with an associated annual payroll of approximately \$2,520,000.

The Department of Development recommends an Enterprise Zone property tax abatement of seventy-five (75%) for a period of ten (10) consecutive years on real property improvements for the purpose of constructing a 4-story, 50,000-square-foot mixed use commercial office and retail development at 900 North High Street, Columbus, Ohio 43215.

The Columbus City School District has been advised of this project. This legislation is presented as 30 day legislation.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into an Enterprise Zone Agreement with 900 Short North, LLC for a property tax abatement of seventy-five (75%) for a period of ten (10) consecutive years in consideration of a proposed total investment of approximately \$7,500,000.00, of which approximately \$5,500,000.00 will be related to the 38,000-square-foot commercial office development, and the creation of 40 net new full-time permanent positions.

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 Code 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, 900 Short North, LLC is proposing to redevelop a United Dairy Farmers convenience store located at 900 North High Street, Columbus, Ohio 43215 (parcel number: 010-007464) in the Short North Arts District into a 4-story, 50,000-square-foot mixed use commercial office and retail development; and

WHEREAS, 900 Short North, LLC will invest a total of approximately \$7,500,000 in real property improvements related to new building construction, of which approximately \$5,500,000 will be related to the development of approximately 38,000 square feet of commercial office space; and

WHEREAS, contingent on the City granting an Enterprise Zone property tax abatement, 900 Short North, LLC will invest approximately \$7,500,000 related to new building construction and thereby expects to support the creation of approximately 40 net new full-time permanent positions with an associated annual payroll of approximately \$2,520,000; thereby increasing job opportunities and strengthening the economy of the City; and

WHEREAS, representatives for 900 Short North, LLC have indicated that receiving this tax incentive from the City is crucial to their decision to advance the aforementioned construction in Columbus; and

WHEREAS, the City desires to increase employment opportunities and encourage the creation of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and

WHEREAS, the City desires to enter into such a binding formal agreement in order to foster economic growth for the preservation of the public health, property, safety and welfare; **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 representatives for 900 Short North, LLC to pursue redevelopment of the United Dairy Farmers convenience store.

SECTION 2. That the Director of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with 900 Short North, LLC to provide therewith an exemption of seventy-five (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 \$7,500,000, which includes \$5,500,000 in real property will be related to the development of approximately 38,000 square feet of commercial office space and the creation of 40 net new full-time permanent positions with an associated new annual payroll of approximately \$2,520,000 at 900 North High Street, Columbus, Ohio 43215.

SECTION 4. That the City of Columbus Enterprise Zone Agreement shall be signed by 900 Short North, LLC within ninety (90) days of passage of this ordinance or this ordinance and the abatement authorized herein shall be null and void.

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