



Legislation Text

File #: 1481-2012, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Amamata, 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.

Amamata, LLC is a healthcare entity that was founded in October 2009 by Dr. John A. Johnson (President and Chief Executive Officer), and his partner Mukesh Ranqwani. Dr. Johnson is a central Ohio psychiatrist who has worked in public, private and university mental-health systems for 25 years. He also is head of AccessOhio Mental Health Center of Excellence, a mental healthcare facility that is accessible to all people, including the economically disfavored.

Amamata, LLC is proposing to renovate a vacant commercial building consisting of approximately 51,000 square feet by investing \$4.5 million in new construction, machinery, equipment and inventory. With the new construction, Amamata, LLC plans to increase the square footage by 9,000 making the total 60,000 square feet of medical office space. The company will create approximately 40 new full-time permanent positions within the City of Columbus over a three-year period following construction completion with an estimated annual payroll of \$1.4 million.

The Department of Development recommends a 75%/10-year Enterprise Zone tax abatement on real property improvements.

The Gahanna Jefferson City School District has 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 Amamata, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years on real property improvements in consideration of a proposed total investment of approximately \$4.5 million.

WHEREAS, City Council subsequently amended the Columbus Enterprise Zone by Ordinance Numbers 2722-85 in 1986; 2080-89 in 1989; 1949-92, 2249-92 and 2690-92 in 1992; 1079-94 and 1228-94 in 1994; 1274-95, 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 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, Amamata, LLC plans to invest approximately \$3.0 million in real property improvements on Parcel Number 520-121657; and

WHEREAS, the project to be developed by Amamata, LLC at the project site will consist of purchasing and renovating a vacant commercial office facility consisting of approximately 51,000 square feet, investing \$3.0 million in real property

improvements and increasing the square footage by 9,000 on property located at 6400 E. Broad Street Columbus, Ohio 43213; and

WHEREAS, Amamata, LLC will create 40 new full-time permanent positions within the City of Columbus over a three-year period following construction completion with an estimated annual payroll of \$1.4 million; and

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

WHEREAS, the City desires to enter in such a binding formal agreement in order to foster economic growth for the preservation of public health, peace, property and safety; and **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 and tax credit is a critical factor in the decision by Amamata, LLC to go forward with the project expansion.

Section 2. That Columbus 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 Amamata, 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 \$4.5 million in new construction, machinery, equipment and inventory.

Section 4. That the City of Columbus Enterprise Zone Agreement is signed by Amamata, 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.