



Legislation Text

File #: 0025-2024, **Version:** 1

BACKGROUND: Columbus City Council (“Council”), by Ordinance No. 2511-2020, passed November 23, 2020, authorized the City of Columbus (“City”) to enter into an Enterprise Zone Agreement (the “Agreement”) with Marble Cliff Canyon, LLC (the “Enterprise”, and also referred to as “MCC”), for a real property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed capital investment of approximately \$9,200,000.00 in real property improvements, the creation of five (5) net new full-time permanent positions with an associated annual payroll of approximately \$175,000.00, and the retention or relocation of an unknown number of positions from within the City of Columbus or surrounding communities, related to the construction of a new 3-story speculative commercial office structure consisting of approximately 43,000 square feet on roughly 70 +/- acres of undeveloped land (the “**Project**”) located at 2130 Quarry Trails, Columbus, Ohio 43204 (the “**Project Site**”), parcel number 560-298029 (the “**Original Parcel**”). The Agreement was made and entered into effective August 12, 2021 (Agreement No. 023-21-19) with the **Project** expected to begin in the fall of 2020, with all real property improvements expected to be completed by December 2021, and with the abatement to commence no later than 2022 nor extend beyond 2031.

Paragraph fourteen within Section 6 (Program Compliance) of the Agreement states that the “Agreement is not transferable or assignable without the express, written, approval of the City” and paragraph fifteen of that same section states that “any requested amendment...to any of the terms of the Agreement...shall require the payment to the City by the Enterprise of an Amendment Fee in the amount of five-hundred dollars (\$500.00).”

In a letter received by the City on behalf of the Enterprise dated January 6, 2022 and through ensuing correspondence, it was confirmed that the office building transitioned into an office condominium, with each of the three floors owned by the tenants. As a result of this transition, The Quarry Trails Office Condominium (“Quarry Trails”) was created on December 10, 2021. The three floors were conveyed to WAG ROCK, LLC (“WAG”), EPF 5, LLC (“EPF 5”), and Panacea Property Ventures, LLC (“Panacea”), and each entity has acquired ownership of the **Project Site** from Quarry Trails, with the transfer having been recorded at the County Recorder's Office on June 24, 2022 for WAG, on April 3, 2023 for EPF 5, and on August 18, 2022 for Panacea. Additionally, the **Project Site** has been revised to three separate parcels for each floor: Parcel Number 560-306039 for WAG, Parcel Number 560-306040 for EPF 5, and Parcel Number 560-306041 for Panacea (all split from the **Original Parcel**) containing approximately 70 +/- acres with a mailing address of 2130 Quarry Trails (1st Floor - 3rd Floor respectively), Columbus, Ohio 43204.

Due diligence has been undertaken by the City in that Quarry Trails, WAG, EPF 5, and Panacea have agreed to collectively fully assume the terms and commitments of the Enterprise pursuant to the Agreement, have submitted updated Economic Development Incentive Applications, submitted the five-hundred dollars (\$500.00) Amendment Fee, and that these applications and all other pertinent information have been reviewed and vetted.

This legislation is to authorize the Director of the Department of Development to amend the **Agreement** for the first time for Assignment & Assumption to (1) remove Marble Cliff Canyon, LLC, as **Enterprise** and party to the Agreement and to be replaced with Quarry Trails, WAG, EPF 5, and Panacea, collectively known as the **Enterprise** and party to the Agreement, Quarry Trails, WAG, EPF 5, and Panacea will assume the terms and commitments of the Agreement, and (2) revise the description of the **Project Site**, and (3) revise the notice information related to Enterprise within Section 6 of the Agreement.

Based on the above, the Director of the Department of Development of the City has investigated the Economic Development Applications of WAG, EPF 5, and Panacea and concurs with the Columbus City Council on the basis that

WAG, EPF 5, and Panacea are qualified by financial responsibility and business experience to create and preserve employment opportunities in the Columbus Enterprise Zone and improve the economic climate of the City.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the Enterprise Zone Agreement for the first time for Assignment & Assumption with Marble Cliff Canyon, LLC, to remove Marble Cliff Canyon, LLC as Enterprise and party to the Agreement and to be replaced with WAG ROCK, LLC, EPF 5, LLC and Panacea Property Ventures, LLC, collectively as the Enterprise and party to the Agreement, to revise the Project Site description, and to revise the notice information related to the Enterprise.

WHEREAS, the City of Columbus (“City”) entered into an Enterprise Zone Agreement (the “**Agreement**”) with Marble Cliff Canyon, LLC (hereafter referred to as “**Enterprise**”), approved by Columbus City Council (“Council”) on November 23, 2020 by Ordinance No.2511-2020; 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 capital investment of approximately \$9,200,000.00 in real property improvements, the creation of five (5) net new full-time permanent positions with an associated annual payroll of approximately \$175,000.00, and the retention of relocation of an unknown number of positions from within the City of Columbus or surrounding communities, related to the construction of a new 3-story speculative commercial office structure consisting of approximately 43,000 square feet on roughly 70 +/- acres of undeveloped land (the “**Project**”) located at 2130 Quarry Trails, Columbus, Ohio 43204 (the “**Project Site**”), parcel number 560-298029 (the “**Original Parcel**”). The Agreement was made and entered into effective August 12, 2021 (Agreement No. 023-21-19) with the **Project** expected to begin in the fall of 2020, with all real property improvements expected to be completed by December 2021 and with the abatement to commence no later than 2022 nor extend beyond 2031; and

WHEREAS, paragraph fourteen within Section 6 (Program Compliance) of the Agreement states that the “Agreement is not transferable or assignable without the express, written, approval of the City” and paragraph fifteen of that same section states that “any requested amendment...to any of the terms of the Agreement ...shall require the payment to the City by the Enterprise of an Amendment Fee in the amount of five-hundred dollars (\$500.00); and

WHEREAS, in a letter received by the City on behalf of the Enterprise dated January 6, 2022 and through ensuing correspondence, it was confirmed that the Marble Cliff Canyon office building was transitioned into a condominium, with each of the three floors owned by the tenants. The Quarry Trails Office Condominium (“Quarry Trails”) was created on April 11, 2022. The three floors were conveyed to WAG ROCK, LLC (“WAG”), EPF 5, LLC (“EPF 5”), and Panacea Property Ventures, LLC (“Panacea”), and each entity has acquired ownership of the **Project Site** from Quarry Trails, with the transfer having been recorded at the County Auditor’s Office on June 24, 2022 for WAG, on April 3, 2023 for EPF 5, and on August 18, 2022 for Panacea. Additionally, the **Project Site** has been revised to three separate parcels, parcel number 560-306039 for WAG, parcel number 560-306040 for EPF 5, and parcel number 560-306041 for Panacea (split from the **Original Parcel**) with a mailing address of 2130 Quarry Trails (1st Floor-3rd Floor respectively) Columbus, Ohio 43204; and

WHEREAS, due diligence has been undertaken by the City in that Quarry Trails, WAG, EPF 5, and Panacea have agreed to fully assume the terms and commitments of the Enterprise pursuant to the Agreement, have submitted updated Economic Development Incentive Applications, submitted the five-hundred dollars (\$500.00) Amendment Fee, and that these applications and all other pertinent information has been reviewed and vetted; and

WHEREAS, the Director of the Department of Development of the City has investigated the Economic Development Applications of WAG, EPF 5, and Panacea, and concurs with the Columbus City Council on the basis that WAG, EPF 5, and Panacea are qualified by financial responsibility and business experience to create and preserve employment opportunities in the Columbus Enterprise Zone and improve the economic climate of the City; and

WHEREAS, a First Amendment to the **Agreement** is now needed for Assignment & Assumption to remove Marble Cliff Canyon, LLC as **Enterprise** and party to the **Agreement** and to be replaced with Quarry Trails, WAG, EPF 5, and Panacea (collectively and hereinafter referred to as the “Enterprise”), to redefine the Project Site, revise the notice information related to **Enterprise** within Section 6 of the **Agreement**; **NOW THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

SECTION 1. That the Council of Columbus finds that the enterprise submitting this proposal is qualified by financial responsibility and business experience to create and preserve employment opportunities in the zone and improve the economic climate of the municipal corporation.

SECTION 2. The Director of the Department of Development is hereby authorized to amend the Enterprise Zone Agreement with Marble Cliff Canyon, LLC (the “Agreement”) to remove Marble Cliff Canyon, LLC as Enterprise and party to the Agreement to be replaced by Quarry Trails, WAG, EPF 5, and Panacea as Enterprise and party to the Agreement, whereby WAG, EPF 5, and Panacea will collectively assume the terms and commitments of the Agreement as the Enterprise.

SECTION 3. That the Director of the Department of Development is hereby authorized to amend Section 1 (Establishment by Corporation) of the Agreement to state that the **Project Site** is revised to be Parcel Numbers 560-306039, 560-306040, and 560-306041 (split from the **Original Parcel**), with a mailing address of 2130 Quarry Trails Drive, (1st - 3rd Floor respectively) Columbus, Ohio 43204.

SECTION 4. That the Director of the Department of Development is hereby authorized to amend within Section 6 (Program Compliance) of the Agreement, the “if to the Enterprise” section regarding written communication to Marble Cliff Canyon, LLC to WAG, EPF 5, and Panacea. The contact for Quarry Trails is Bridgette Bundy, the contact for WAG is Matt McClimon, the contact for EPF 5 is Matthew E. Ferris, and the contact for Panacea is Krista Guagenti.

SECTION 5. That this First Amendment for Assignment & Assumption to the City of Columbus Enterprise Zone Agreement be signed by WAG, EPF 5, and Panacea within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

SECTION 6. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.