



Legislation Text

File #: 1117-2016, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Hubbard Park Place, LLC. The Ohio Enterprise Zone law O.R.C. Section 5709.62(C) requires the City to enter into a Council-approved agreement between the City and participating companies.

Hubbard Park Place, LLC is a real estate holding company that is partially owned by two separate entities, Schiff Capital Group, LLC (Schiff Capital) and Wood Operating Company, LLC. Schiff Capital is a privately held real estate and investment firm headquartered in Columbus, Ohio that specializes in buying, selling, and developing properties. Wood Operating Company, LLC is part of The Wood Companies that assisted in the revitalization of the historic Short North Arts District. Established by Sandy Wood in the late 1980's, the company helped transform the Short North District into a vibrant community. Mark Wood, a licensed real estate broker, joined his father in the redevelopment of the District in the early 1990's, and his brother John joined the business in the early 2000's. Together, the two entities formed Hubbard Park Place, LLC.

Hubbard Park Place, LLC is proposing to invest a total cost of approximately \$33.15 million to construct a 211,000 square foot mixed-use facility that will contain approximately 12,160 square feet of new Class A commercial office space. The facility will essentially have two parts, a 7-story tower and a 4-story townhouse section. The first floor will contain parking and apartments, the second level will contain new commercial Class A office space, and the remainder of the development will contain apartments on every floor. The proposed project will sit upon 1.053 acres at the intersection of Hubbard Avenue and Park Street in the historic Short North District just west of High Street. In addition, the project will create 4 new full-time permanent positions with an annual payroll of approximately \$160,000.

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

The Columbus 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 Hubbard Park Place, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of a proposed investment of \$1.26 million and the creation of 4 new full-time permanent positions.

WHEREAS, this Council authorized the designation of the Central Enterprise Zone by legislation, Ordinance 779-85, dated April 22, 1985; and subsequently amended the Zone by Ordinances 2722-85 in 1986; 2080-89 in 1989; 1949-92, 2690-02 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 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, Hubbard Park Place, LLC is proposing to acquire, invest, and redevelop an underutilized site into a new 211,000 square foot mixed-use facility that will consist of approximately 12,160 square feet of new Class A commercial office space in the historic

Short North District; and

WHEREAS, the project will essentially have two parts, a 7-story tower and a 4-story townhouse section with the first floor containing parking and apartments, the second level will contain new Class A commercial office space, and the remainder of the development will contain apartments; and

WHEREAS, the proposed project will sit upon 1.053 acres at the intersection of Hubbard Avenue and Park Street in the historic Short North District just west of High Street; and

WHEREAS, Hubbard Park Place, LLC will invest approximately \$1.26 million in real property improvement to construct a new Class A commercial office space consisting of approximately 12,160 square feet and create 4 new full-time permanent positions within the City of Columbus over a three-year period following construction completion with an estimated annual payroll of approximately \$160,000 on Parcel Number 010-009149; and

WHEREAS, the City is encouraging this project because of plans to redevelop an underutilized urban commercial property in the central city and to create new Class A commercial office space in the Short North; and

WHEREAS, the City desires to enter in such a binding formal agreement in order to foster economic growth; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

SECTION 1. That this Council hereby finds and determines that the enterprise submitting the 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 and receiving this tax incentive is a critical factor in the decision by Hubbard Park Place, LLC to go forward with the project development.

SECTION 2. That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with Hubbard Park Place, LLC to provide therewith an exemption of seventy-five percent (75%) on real property improvements (commercial portion only) for a term of ten (10) taxable consecutive years in association with the project's proposed investment of approximately \$1.26 million in new Class A office space and the creation of 4 full-time permanent positions with an estimated annual payroll of approximately \$160,000.

SECTION 3. That the City of Columbus Enterprise Zone Agreement is signed by Hubbard Park Place, LLC within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credit authorized herein are null and void.

SECTION 4. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.