



Legislation Text

File #: 1562-2021, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Shook Road Storage, 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.

Shook Road Storage, LLC is a partnership that is comprised of three members of Crawford Hoying who will serve as the sponsor entity that invests directly in and oversees the development of the project. Crawford Hoying, established in 2012, is one of the largest real estate development firms in the Columbus region. Over the past decade, Crawford Hoying has successfully completed over \$1,000,000,000 of projects statewide. Shook Road Storage, LLC will be the owner of the project.

The project represents a massive private investment in a crucial piece of regional cold storage chain infrastructure and will compete on a national level against facilities located in other states. Most of the existing cold storage space in Columbus is decades old and utilizes outdated ammonia-based equipment. The proposed project will use state of the art self-contained, air cooled, synthetic Freon refrigeration system with onboard power monitoring that will save significant amounts of energy and water compared to existing systems.

Shook Road Storage, LLC proposes to invest a total project cost of approximately \$20,904,201 in real property improvements to construct an approximately 165,000 square-foot speculative industrial building at B Miller Street, Columbus, Ohio 43217, parcel number 512-299843 ("Project Site"). Additionally, the company will create 10 net new full-time permanent positions with an estimated annual payroll of approximately \$312,000 at the proposed Project Site.

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

The Hamilton Local School District and Eastland Joint Vocational School District have 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 Shook Road Storage, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of the company's proposed capital investment of \$20,904,201.00 in real property improvements and the creation of 10 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; 0032-2012 in 2012; 1442-2020 in 2020 and 0279-2021 in 2021; 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, April 3, 2012, September 18, 2020 and most recently May 20, 2021 as an “urban jobs and enterprise zone” under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Shook Road Storage, LLC is a partnership that is comprised of three members of Crawford Hoying who will serve as the sponsor entity that invests directly in and oversees the development of the project. Crawford Hoying, established in 2012, is one of the largest real estate development firms in the Columbus region. Over the past decade, Crawford Hoying has successfully completed over \$1,000,000,000 of projects statewide. Shook Road Storage, LLC will be the owner of the project; and

WHEREAS, the project represents a massive private investment in a crucial piece of regional cold storage chain infrastructure and will compete on a national level against facilities located in other states. Most of the existing cold storage space in Columbus is decades old and utilizes outdated ammonia-based equipment. The proposed project will use state of the art self-contained, air cooled, synthetic freon refrigeration system with onboard power monitoring that will save significant amounts of energy and water compared to existing systems; and

WHEREAS, Shook Road Storage, LLC proposes to invest a total project cost of approximately \$20,904,201 in real property improvements to construct an approximately 165,000 square-foot speculative industrial building at B Miller Street, Columbus, Ohio 43217, parcel number 512-299843 (“**Project Site**”). Additionally, the company will create 10 net new full-time permanent positions with an estimated annual payroll of approximately \$312,000 at the proposed **Project Site**; and

WHEREAS, the City is encouraging this project because of plans to construct a speculative cold storage industrial facility in the central city; and

EAS, the City desires to enter in to 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 is a critical factor in the decision by representatives for Shook Road Storage, LLC to go forward with the project.

SECTION 2. That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with Shook Road Storage, LLC to provide therewith an exemption of seventy-five percent (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 \$20,904,201 million in real property improvements at B Miller Street, Columbus, Ohio 43217, parcel number 512-299843, and the creation of 10 net new full-time permanent positions with an estimated annual payroll of approximately \$312,000.

SECTION 3. That the City of Columbus Enterprise Zone Agreement is signed by Shook Road Storage, 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.