



Legislation Text

File #: 1275-2009, Version: 2

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Continental/Olentangy Hotel, 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.

Continental/Olentangy Hotel, LLC is a real estate development company created and organized by Continental Real Estate Companies for the purpose of re-developing the Buckeye Hall of Fame Café site, which is located just south of the OSU campus. Continental/Olentangy Hotel, LLC was created in July 2009 to assist in the **demolition of existing improvements and the** construction of a brand new 134-room, 6-story hotel known as Marriott Spring Hill Suites Hotel. The proposed site is currently under receivership and will cease operations by year end, leaving a vacant building in the community.

The Department of Development recommends a 75%/10-year Enterprise Zone tax abatement on real property improvements. This proposal is consistent with the Columbus Tax Incentive Policy under Central City projects.

The Columbus Public Schools has been advised of this project.

FISCAL IMPACT: No funding is required for this project.

To authorize the Director of Development to enter into an Enterprise Zone Agreement with Continental/Olentangy Hotel, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of a proposed \$13.6 million investment in real property improvements.

WHEREAS, the Columbus City Council authorized the designation of the 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, 2609-92 and 2249-92 in 1992; 1079-94 and 1228-94 in 1994; 2196-95 and 2817-95 in 1995; 533-99 in 1999; 1785-00 in 2000; 1464-02 in 2002; and 225-03 in 2003; 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 and most recently on August 19, 2003 as an "urban jobs and enterprise zone" under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Continental/Olentangy Hotel, LLC plans to invest approximately \$13.6 million in real property improvements on parcel numbers 010-077863 and 010-040234; and

WHEREAS, the project will include **the demolition of existing improvements and** a newly constructed Marriott Spring Hill Suites Hotel consisting of a 6-story, 134-rooms with associated parking and landscaping; and

WHEREAS, the project will create 15 new full-time positions with an annual payroll of approximately \$527,000; and

WHEREAS, the project will increase the City's bed tax revenue approximately \$450,000 annually; and

WHEREAS, the City is encouraging this project because of plans to redevelop the site of the Buckeye Hall of Fame Café; and

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

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That the Director of Development is hereby authorized to enter into an Enterprise Zone Agreement with Continental/Olentangy Hotel, 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 \$13.6 million investment in real property improvements.

Section 2. That the City of Columbus Enterprise Zone Agreement **shall be signed** ~~is signed~~ by Continental/Olentangy Hotel, LLC within sixty (60) days after receiving the agreement or this ordinance and the abatements and credits authorized herein are null and void.

Section 3. That this ordinance shall take effect at the earliest time allowed by law.