



Legislation Text

File #: 1431-2024, **Version:** 1

BACKGROUND: Columbus City Council (**COUNCIL**), by Ordinance 1775-2016, passed July 18, 2016 authorized the City of Columbus (**CITY**) to enter into a City of Columbus Community Reinvestment Area Agreement (the “**CRA Agreement**”) with Hamilton Crossing BL LLC (“Hamilton Crossing”) and Big Lots, Inc. (“Big Lots”) to grant a tax abatement of one-hundred percent (100%) for a period of ten (10) years in consideration of a proposed investment of approximately \$30,000,000.00 to \$45,000,000.00 related to the construction of a new approximately 300,000 square-foot facility and one or more associated parking structures to be used as the corporate headquarters facility for Big Lots (the “**PROJECT**”) at the southwest quadrant of State Route 161 and Hamilton Road on parcel number 010- 221377 (the “**ORIGINAL PARCEL**”), Columbus, Ohio 43081 and within the Hamilton-161 Community Reinvestment Area (the “**Project Site**”). Additionally, the company committed to retain and relocate approximately seven hundred fifty (750) existing full-time permanent positions with an associated payroll of \$65,000,000.00, and create five (5) net new full-time permanent positions with an associated annual payroll of approximately \$362,500.00 at the proposed **Project Site**. The **CRA Agreement** was made and entered into effective August 22, 2016 with the **Project** expected to begin approximately October 1, 2016, and with the abatement to commence no later than 2020 nor extend beyond tax year 2029.

Pursuant to Section 22 (Transfer and/or Assignment) of the **CRA Agreement**, the “**ENTERPRISE** shall have the express authority to assign this **AGREEMENT** in whole or in part to (i) any entity within **BIG LOTS GROUP** or (ii) the Columbus-Franklin County Finance Authority...” (“**Finance Authority**”) and “in the same manner, each assignee also shall have the express authority to wholly or partially assign this **AGREEMENT** to any of the foregoing.” After any assignment, the assignee shall provide prompt written notice to the **CITY**. This **CRA Agreement** is not otherwise transferable or assignable without the express, written, approval of the **CITY** and affirmative action by **COUNCIL**.

The **Finance Authority** owns or owned certain real property structures constructed as part of the Project (“Finance Authority Structures”).

Pursuant to a prior Assignment and Assumption of the **CRA Agreement** (the “**First Assignment**”) **Hamilton Crossing** assigned to the **Finance Authority** all of the benefits of the **CRA Agreement** with respect to Finance Authority Structures for the period during which the **Finance Authority** owned the Finance Authority Structures, with this **First Assignment** being made and entered into effective November 3, 2016.

Pursuant to a Second Assignment (the “**Second Assignment**”), for Assignment and Assumption of the **CRA Agreement**; whereby, the Finance Authority assigned to BLHQ, LLC all of the benefits of the **CRA Agreement**, which the Finance Authority received in the **First Assignment**, including, but not limited to, the benefits of the **CRA Agreement** with respect to the Finance Authority Structures as set forth in Section 1 of the **First Assignment**. The **Second Assignment** was made and entered into effective on October 31, 2019.

In a letter from Big Lots, Inc. and Big Lots Management, LLC on behalf of BLHQ, LLC dated November 20, 2023, received by the **CITY** and through ensuring correspondence, BLHQ, LLC confirmed that they have transferred all of its interest and assets of the aforementioned commercial office facility (\$300,000 square-foot Class A office), to another entity under the Big Lots umbrella, “Big Lots Management, LLC”. The transfer of ownership was recorded at the County Auditor’s office on April 19, 2024. In addition, the **Project Site** has been revised to be Parcel Number 010-296247 (split from the **ORIGINAL PARCEL**), containing approximately 24.711 +/- acres with a current street address of 4860 - 4900 E. Dublin Granville Road, Columbus, Ohio 43081. BLHQ, LLC is requesting that the **CRA Agreement** be assigned from BLHQ, LLC to Big Lots Management, LLC along with all of the benefits of the **CRA Agreement**. Additionally, due to economic conditions resulting from the COVID-19 pandemic, the company leased approximately

59,390 square feet of vacant office space of the **Project Site** to WPG Management Associates, Inc., which will then contribute to the job creation and payroll commitments as set forth in the **CRA Agreement**.

Now, a Third Assignment (“Third Assignment”) to the **CRA Agreement** is required for Assignment and Assumption to remove BLHQ, LLC and assign Big Lots Management, LLC all of the benefits of the **CRA Agreement** and to add WPG Management Associates, Inc. as lessor and tenant that will contribute to the job creation and payroll commitments as set forth in the **CRA Agreement**. Because an assignment is being made to an entity other than the Finance Authority or an entity within the Big Lots Group (*i.e.*, WPG Management Associates, Inc.), City Council approval of the Third Assignment is necessary.

This legislation is to authorize the Director of the Department of Development to amend the **CRA Agreement** for the third time for Assignment and Assumption to assign all benefits of the **CRA Agreement** to Big Lots Management, LLC, from BLHQ, LLC, and to add WPG Management Associates, Inc. as lessor and tenant that will contribute to the job creation and payroll commitments as set forth in the **CRA Agreement**.

To authorize the Director of the Department of Development to amend the City of Columbus Community Reinvestment Area (“CRA”) Agreement for the third time for Assignment and Assumption with BLHQ, LLC, and to assign all benefits of the CRA Agreement to Big Lots Management, LLC from BLHQ, LLC, to add WPG Management Associates, Inc. as lessor and tenant to contribute to the job and payroll retention commitments as set forth in the CRA Agreement and to revise the description of the Project Site.

WHEREAS, the **AGREEMENT** granted a 100%/10-year abatement on real property improvements; and

WHEREAS, the incentive was granted in consideration of a proposed investment of approximately \$30,000,000.00 to \$45,000,000.00 related to the construction of a new approximately 300,000 square-foot facility and one or more associated parking structures to be used as the corporate headquarters facility for Big Lots (the “**PROJECT**”) at the southwest quadrant of State Route 161 and Hamilton Road on parcel number 010-221377 (the “**ORIGINAL PARCEL**”), Columbus, Ohio 43081 and within the Hamilton-161 Community Reinvestment Area (the “**Project Site**”). Additionally, the company committed to retain and relocate approximately seven hundred fifty (750) existing full-time permanent positions with an associated payroll of \$65,000,000.00, and to create five (5) net new full-time permanent positions with an associated annual payroll of approximately \$362,500.00 at the proposed **Project Site**. The **CRA Agreement** was made and entered into effective August 22, 2016 with the **Project** expected to be begin approximately October 1, 2016, and with the abatement to commence no later than 2020 nor extend beyond tax year 2029; and

WHEREAS, pursuant to Section 22 (Transfer and/or Assignment) of the **CRA Agreement**, its states that the “**ENTERPRISE** shall have the express authority to assign this **AGREEMENT** in whole or in part to (i) any entity within **BIG LOTS GROUP** or (ii) the Columbus-Franklin County Finance Authority...” (“**Finance Authority**”) and “in the same manner, each assignee also shall have the express authority to wholly or partially assign this **AGREEMENT** to any of the foregoing.” After any assignment, the assignee shall provide prompt written notice to the **CITY**. This **CRA Agreement** is not otherwise transferable or assignable without the express, written, approval of the **CITY** and affirmative action by **COUNCIL**; and

WHEREAS, pursuant to the Second Amendment for Assignment and Assumption to the **AGREEMENT** (the “**SECOND AMENDMENT**”) was made and entered into effective on October 31, 2019, the Finance Authority assigned BLHQ, LLC all of the benefits of the **AGREEMENT** which the Finance Authority received in the **FIRST AMENDMENT**, including, but not limited to, the benefits of the **AGREEMENT** with respect to the Finance Authority Structures as set forth in Section 1 of the **FIRST AMENDMENT**; and

WHEREAS, the **Finance Authority** owns or owned certain real property structures constructed as part of the Project (“Finance Authority Structures”); and

WHEREAS, pursuant to a prior Assignment and Assumption of the **CRA Agreement** (the “**First Assignment**”), **Hamilton Crossing** assigned to the **Finance Authority** all of the benefits of the **CRA Agreement** with respect to Finance Authority Structures for the period during which the **Finance Authority** owned the Finance Authority Structures, with this **First Assignment** being made and entered into effective November 3, 2016; and

WHEREAS, pursuant to the Second Assignment (the “**Second Assignment**”) for Assignment and Assumption of the **CRA Agreement**; whereby, the Finance Authority assigned to BLHQ, LLC all of the benefits of the **CRA Agreement**, which the Finance Authority received in the **First Assignment**, including, but not limited to, the benefits of the **CRA Agreement** with respect to the Finance Authority Structures as set forth in Section 1 of the **First Assignment**. The **Second Assignment** was made and entered into effective on October 31, 2019; and

WHEREAS, in a letter from Big Lots, Inc. and Big Lots Management, LLC on behalf of BLHQ, LLC dated November 20, 2023, received by the **CITY** and through ensuring correspondence, BLHQ, LLC confirmed that they have transferred all of its interest and assets of the aforementioned commercial office facility (\$300,000 square-foot Class A office) to another entity under the Big Lots umbrella, “Big Lots Management, LLC”. The transfer of ownership was recorded at the County Auditor’s office on April 19, 2024. In addition, the **Project Site** has been revised to be Parcel Number 010-296247 (split from the **ORIGINAL PARCEL**), containing approximately 24.711 +/- acres with a current street address of 4860 - 4900 E. Dublin Granville Road, Columbus, Ohio 43081. BLHQ, LLC is requesting that the **CRA Agreement** be assigned from BLHQ, LLC to Big Lots Management, LLC along with all of the benefits of the **CRA Agreement**. Additionally, due to economic conditions resulting from the COVID-19 pandemic, the company leased approximately 59,390 square feet of vacant office space of the **Project Site** to WPG Management Associates, Inc., which will then contribute to the job creation and payroll commitments as set forth in the **CRA Agreement**; and

WHEREAS, due diligence has been undertaken by the **CITY** in that Big Lots Management, LLC has agreed to fully assume the terms and commitments of the **CRA Agreement** pursuant to the **CRA Agreement**, and has submitted an updated Economic Development Incentive Application, the five-hundred dollars (\$500.00) Amendment Fee and that this application and all other pertinent information has been reviewed and vetted; and

WHEREAS, a Third Assignment (“Third Assignment”) to the **CRA Agreement** is now required for Assignment and Assumption to remove BLHQ, LLC and assign Big Lots Management, LLC all of the benefits of the **CRA Agreement** and to add WPG Management Associates, Inc. as lessor and tenant that will contribute to the job creation and payroll commitments as set forth in the **CRA Agreement**; and

WHEREAS, the Director of the Department of Development of the **CITY** has investigated the Economic Development Application of Big Lots Management, LLC and concurs with the Columbus City Council on the basis that Big Lots Management, LLC is qualified by financial responsibility and business experience to create and preserve employment opportunities in the Hamilton-161 Community Reinvestment Area and improve the economic climate of the **CITY**; and

WHEREAS, this Third Assignment is being executed pursuant to SECTION 22 of the **CRA Agreement**, with the approval of City Council required,, as WPG Management Associates, Inc. is an entity other than the Finance Authority or an entity within the BIG LOTS GROUP; **NOW, THEREFORE**,

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

SECTION 1. That the Director of the Department of Development is hereby authorized to amend the City of Columbus Community Reinvestment Area Agreement for the third time with BLHQ, LLC for Assignment and Assumption to remove BLHQ, LLC and assign Big Lots Management, LLC all of the benefits of the **CRA Agreement** and to add WPG Management Associates, Inc. as lessor and tenant to contribute to the job creation and payroll commitments as set forth in the **CRA Agreement**.

SECTION 2. That Big Lots Management, LLC and WPG Management Associates, Inc. sign this THIRD ASSIGNMENT for Assignment and Assumption to the City of Columbus Community Reinvestment Area Agreement within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

SECTION 3. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.