



Legislation Details (With Text)

File #: 1268-2013 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 5/20/2013 **In control:** Development Committee

On agenda: 6/17/2013 **Final action:** 6/19/2013

Title: To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with Plaza Core Hotel LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of approximately \$20,440,000.00 in real property improvements, the retention of 3 existing positions, and the creation of 26 new full-time permanent positions with an associated annual payroll of approximately \$1,063,000.00.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD1268-2013 Plaza Core Hotel LLC - Fact Sheet, 2. ORD1268-2013 Plaza Core Hotel LLC - Site Map

Date	Ver.	Action By	Action	Result
6/19/2013	1	CITY CLERK	Attest	
6/18/2013	1	MAYOR	Signed	
6/17/2013	1	COUNCIL PRESIDENT	Signed	
6/17/2013	1	Columbus City Council	Taken from the Table	Pass
6/17/2013	1	Columbus City Council	Approved	Pass
6/10/2013	1	Columbus City Council	Tabled to Certain Date	Pass
6/3/2013	1	Columbus City Council	Read for the First Time	

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Plaza Core 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.

Plaza Core Hotel LLC was incorporated in 2007 by majority owners Mr. David Patel and Mr. David Kozar. Patel and Kozar also formed Indus Hotels, a Columbus-based company, in 1997 which oversees the management and development of hotel projects through franchise agreements with Hilton Hotels, as well as operating two independent hotels which they branded themselves as The Varsity Inn.

Plaza Core Hotel LLC is proposing to invest approximately \$20,440,000 for improvements to the existing building located at 3110 Olentangy River Road, resulting in the renovation of nearly 153,000 existing square feet and the addition of approximately 5,500 square feet. This property is currently known as the University Plaza Hotel & Conference Center, but is planned to be converted by the company into a full-service hotel, the Columbus Marriott OSU.

Like other Indus properties in this area, the newly-renovated Columbus Marriott OSU will be conveniently located close to The Ohio State University, Riverside Methodist Hospital, Battelle, Downtown Columbus, Short North Arts District, prime shopping, entertainment and dining and select property amenities.

The hotel will be completely renovated and refurbished. Plans include the addition of a new indoor pool, first floor fitness

center, concierge level, and a guest business center. All of the meeting space is anticipated to be completely remodeled and a new ballroom will be added, giving the property a 6,600 square foot dividable main conference room/ballroom and a 4,400 square foot dividable second conference room/ballroom. Enhancing the meeting space will be a 700 square foot boardroom and additional meeting rooms bringing the overall meeting space to 20,000 square feet with reception and courtyard area for congregating prior to a function.

Plaza Core Hotel LLC will create 26 new full-time permanent positions and will retain 3 positions.

The Department of Development recommends a seventy-five percent (75%)/ten (10) years Enterprise Zone tax abatement on real property improvements.

The Columbus City Schools 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 Plaza Core Hotel LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of approximately \$20,440,000.00 in real property improvements, the retention of 3 existing positions, and the creation of 26 new full-time permanent positions with an associated annual payroll of approximately \$1,063,000.00.

WHEREAS, by City Council Ordinance 0427-03 passed March 31, 2003 the City designated the area the Columbus North Enterprise Zone as an "MSA principal city non-distressed based jobs and enterprise zone" pursuant to Chapter 5709 of the Ohio Revised Code and declared that incentives for business offered by such zones will enhance efforts to promote the viable and diverse economic activity necessary for rejuvenation of the zone; and

WHEREAS, effective January 8, 2004, the Director of Development of the State of Ohio determined that the aforementioned area designated in said Ordinance 0427-03 contains the characteristics set forth in Section 5709.61(A) of the Ohio Revised Code, and certified said area (the "Columbus North Enterprise Zone") as an "MSA principal city non-distressed based jobs and enterprise zone" (limited authority) under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Plaza Core Hotel LLC plans to renovate and refurbish a nearly 153,000 square foot property currently known as the University Plaza Hotel & Conference Center, and convert the site into a full-service hotel, the Columbus Marriott OSU, featuring 235 guest rooms, a new indoor pool, first floor fitness center, concierge level, and a guest business center for a total investment of approximately \$20,440,000 in new construction and real property improvements on parcel numbers 010-117351-80 and 010-117351-90; and

WHEREAS, Plaza Core Hotel LLC will retain three full-time positions and create 26 new full-time permanent positions within the City of Columbus over a three-year period following construction completion with an estimated new annual payroll of \$1,063,000; and

WHEREAS, the City is encouraging this project because of plans to redevelop urban commercial property in the city; 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 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 Plaza Core Hotel LLC to go forward with the project expansion.

Section 2. That the City Council hereby finds and determines that the project meets all the requirements of the City Act.

Section 3. That the Director of the Department of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with Plaza Core 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 investment of approximately \$20,440,000 at the site; with \$15,440,000 toward improvements to the existing building and \$5,000,000 for new construction; and the creation of 26 new permanent full-time positions with an associated annual payroll of approximately \$1,063,000; and the retention of three full-time positions.

Section 4. That the City of Columbus Enterprise Zone Agreement is signed by Plaza Core Hotel LLC within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credits authorized herein are null and void.

Section 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.