



Legislation Details (With Text)

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On agenda: 6/10/2013 **Final action:** 6/12/2013

Title: To amend Ordinance 1492-2005 by authorizing the Director of the Department of Development to enter into an Enterprise Zone Agreement with Time Warner Entertainment Company, L.P.; to authorize the Director of the Department of Development to amend the Gowdy Partners LLC & Time Warner Entertainment Company, L.P. Enterprise Zone Agreement to remove Gowdy Partners LLC as a party to the Agreement; to authorize the Director of the Department of Development to amend the Enterprise Zone Agreement to replace Time Warner Entertainment Company L.P. with Time Warner Cable Midwest LLC as party to the Agreement; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
6/12/2013	1	CITY CLERK	Attest	
6/11/2013	1	MAYOR	Signed	
6/10/2013	1	COUNCIL PRESIDENT	Signed	
6/10/2013	1	Columbus City Council	Approved	Pass

BACKGROUND: Columbus City Council, by Ordinance 1492-2005, passed September 21, 2005, authorized the City to enter into an Enterprise Zone Agreement (the Agreement) with Gowdy Partners LLC (Gowdy) for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of a total investment of approximately \$27,500,000, the retention of 450 full-time permanent jobs and the creation of 153 new full-time jobs. The project involved the construction of a 140,000 square foot facility to accommodate the relocation and expansion of Time Warner Cable, Inc. with the project site being 1015 Olentangy River Road, Columbus, OH 43212 on parcel 010-067230. (It should be noted that this same legislation also authorized the City to enter into a Job Creation Tax Credit Agreement with Time Warner Cable, Inc. in association with the creation of 203 new full-time jobs in association with the same project and a future Enterprise Zone Agreement with Gowdy Partners II LLC on a separate project.) The Agreement was made and entered into to be effective May 31, 2006 (EZA# 023-06-04) by and among the City, Gowdy and Time Warner Entertainment Company, L.P., however the City was only authorized to enter into the Agreement with Gowdy. This Agreement was subsequently authorized by Council to be amended for the first time to remove any and all language pertaining to personal property investment and tax abatements related to this personal property investment from the Agreement by Ordinance No. 0614-2009, passed May 11, 2009 but the amendment was never executed.

During calendar year 2012 the City became aware that Gowdy was no longer the owner of the project site but that parcel, now 010-280574, was conveyed to Time Warner Entertainment on July 18, 2007.

On January 28, 2013 a letter dated the same was received by the City via electronic mail from Time Warner Cable indicating that the property identified as the project site has been transferred completely to Time Warner Entertainment Company L.P. and requested that Gowdy Partners LLC be removed from the Agreement. On February 6, 2013 an email dated February 5, 2013 was forwarded to the City from The Daimler Group on behalf of Gowdy Partners LLC indicating

that Gowdy Partners LLC sold its interest in the project site on July 18, 2007 to Time Warner Entertainment Co. LP and requested that Gowdy Partners LLC be removed from the Agreement. Subsequently, the parcel was conveyed to Time Warner Cable Midwest on February 6, 2013 and in a letter dated May 3, 2013, Time Warner Cable requested that Time Warner Cable Midwest LLC replace Time Warner Entertainment Company, L.P. on the Agreement.

This legislation seeks to (1) amend Ordinance 1492-2005, passed September 21, 2005, to authorize the City to enter into an Enterprise Zone Agreement with Time Warner Entertainment Company, L.P. and (2) to authorize the Director of Development to amend the Agreement to remove Gowdy Partners, LLC as party to the Agreement and (3) to replace Time Warner Entertainment Company L.P. with Time Warner Cable Midwest LLC as party to the Agreement.

The terms of the property tax abatement are not modified by this amendment and it is expected to run through 2017.

This legislation is presented as an emergency measure in order for this amendment to be legislated in as expedient manner as possible so that this amendment to the Agreement can be executed during the report year 2012 reporting cycle and prior to the 2013 Tax Incentive Review Council.

FISCAL IMPACT: No funding is required for this legislation.

To amend Ordinance 1492-2005 by authorizing the Director of the Department of Development to enter into an Enterprise Zone Agreement with Time Warner Entertainment Company, L.P.; to authorize the Director of the Department of Development to amend the Gowdy Partners LLC & Time Warner Entertainment Company, L.P. Enterprise Zone Agreement to remove Gowdy Partners LLC as a party to the Agreement; to authorize the Director of the Department of Development to amend the Enterprise Zone Agreement to replace Time Warner Entertainment Company L.P. with Time Warner Cable Midwest LLC as party to the Agreement; and to declare an emergency.

WHEREAS, the Columbus City Council approved the Enterprise Zone Agreement with Gowdy Partners LLC (the Agreement) on September 21, 2005 by Ordinance No. 1492-2005 but was entered into effective May 31, 2006 by and between the City of Columbus, Gowdy Partners LLC and Time Warner Entertainment Company, L.P.; and

WHEREAS, the Agreement currently grants Gowdy Partners LLC and Time Warner Entertainment Company, L.P. a 75%/10-Year abatement on real property investment; and

WHEREAS, the Agreement requires an investment of approximately \$19,000,000 in real property improvements, the retention of 450 full-time permanent jobs and the creation of 153 new full-time jobs with a corresponding annual new job payroll of approximately \$6,119,360 at the project site; and

WHEREAS, the Agreement was subsequently authorized by Council to be amended for the first time to remove any and all language pertaining to personal property investment and tax abatements related to this personal property investment from the Agreement by Ordinance 0614-2009, passed May 11, 2009; and

WHEREAS, during calendar year 2012 the City became aware that Gowdy was no longer the owner of the project site but that parcel 010-280574 was conveyed to Time Warner Entertainment on July 18, 2007; and

WHEREAS, on January 28, 2013 a letter dated the same was received by the City via electronic mail from Time Warner Cable indicating that the property identified as the project site has been transferred completely to Time Warner Entertainment Company L.P. and requested that Gowdy Partners LLC be removed from the Agreement; and

WHEREAS, on February 6, 2013 an email dated February 5, 2013 was forwarded to the City from The Daimler Group on behalf of Gowdy Partners LLC indicating that Gowdy Partners LLC sold its interest in the project site on July 18,

2007 to Time Warner Entertainment Co. LP and requested that Gowdy Partners LLC be removed from the Agreement; and

WHEREAS, the City has subsequently become aware that the parcel was conveyed to Time Warner Cable Midwest on February 6, 2013; and

WHEREAS, in a letter dated May 3, 2013, Time Warner Cable requested that Time Warner Cable Midwest LLC replace Time Warner Entertainment Company, L.P. on the Agreement; and

WHEREAS, as Gowdy Partners LLC & Time Warner Entertainment Company, L.P. have been fully compliant with the terms of the Agreement, the City desires to (1) amend Ordinance 1492-2005, passed September 21, 2005, to authorize the City to enter into an Enterprise Zone Agreement with Time Warner Entertainment Company, L.P. and (2) to authorize the Director of Development to amend the Agreement to remove Gowdy Partners, LLC as party to the Agreement and (3) to replace Time Warner Entertainment Company L.P. with Time Warner Cable Midwest LLC as party to the Agreement; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to take action on this agreement in order for this amendment to be legislated in as expedient manner as possible so that this amendment to the Agreement can be executed during the report year 2012 reporting cycle and prior to the 2013 Tax Incentive Review Council, and to preserve the public health, property, safety and welfare;
NOW, THEREFORE

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

Section 1. That Columbus City Council hereby amends Ordinance 1492-2005 which authorized the Director of the Department of Development to enter into an Enterprise Zone Agreement with Gowdy Partners LLC to also authorize the Director of Development to also enter into an Enterprise Zone Agreement with Time Warner Entertainment Company, L.P.

Section 2. That the Director of the Department of Development is hereby authorized to amend the Gowdy Partners LLC & Time Warner Entertainment Company, L.P. Enterprise Zone Agreement to remove Gowdy Partners LLC as a party to the Agreement.

Section 3. That the Director of the Department of Development is hereby authorized to amend the Enterprise Zone Agreement to replace Time Warner Entertainment Company L.P. with Time Warner Cable Midwest LLC as party to the Enterprise Zone Agreement.

Section 4. For the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.