



Legislation Details (With Text)

File #: 1481-2015 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 5/29/2015 **In control:** Development Committee

On agenda: 6/15/2015 **Final action:** 6/16/2015

Title: To authorize the dissolution of the Enterprise Zone Agreement with NWD 240 Nationwide, LLC (as successor in interest to NWD Investments, LLC) and Columbia Gas of Ohio, Inc.; to direct the Director of the Department of Development to notify as necessary the local and state tax authorities; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
6/16/2015	1	MAYOR	Signed	
6/16/2015	1	CITY CLERK	Attest	
6/15/2015	1	COUNCIL PRESIDENT	Signed	
6/15/2015	1	Columbus City Council	Approved	Pass

BACKGROUND: Columbus City Council (Council), by Ordinance 0570-2011, passed April 25, 2011, authorized the City of Columbus (City) to enter into an Enterprise Zone Agreement (Agreement) with NWD Investments, LLC and Columbia Gas of Ohio, Inc. for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of a \$51 million investment in real property improvements and the retention of 650 full-time employees with an annual payroll of approximately \$60 million related to the construction of two new Class A office buildings consisting of approximately 275,000 combined square feet on parcel number 010-247724, located at 240-290 Nationwide Boulevard in Columbus Ohio and within the City of Columbus Enterprise Zone. The Agreement was made and entered into effective December 8, 2011 (EZA #023-11-02) with the term of the abatement not to commence after 2015 nor extend beyond 2024. To date, the DTE Form 24 Tax Incentive Program Application for Real Property Tax Exemption and Remission for this project has been not filed with the Franklin County Auditor and so no forgone tax benefit has been received.

Council, by Ordinance 2649-2013, passed November 18, 2013, authorized the Director of Development to petition the Ohio Development Services Agency for an amendment to the Columbus Downtown Residential Community Reinvestment Area (CRA), originally authorized by Council by Resolution 170X-92, adopted September 28, 1992 and amended by Council by Ordinance 1345-2002, passed July 29, 2002, which among other things, revised the terms of project applicability within the CRA to include not only the renovation or construction of residential structures but to include the renovation and construction of commercial structures as well and renamed the CRA the Columbus Downtown CRA.

In a letter to the City from NWD 240 Nationwide, LLC (as successor in interest to NWD Investments, LLC) and Columbia Gas of Ohio, Inc., dated May 8, 2015, pursuant to correspondence from the City dated March 5, 2015 and March 12, 2015 respectively, it was requested that the Agreement be dissolved effective December 31, 2014 and that once dissolution process was completed, that the Columbus Downtown Community Reinvestment Area Tax Exemption Application submitted by NWD 240 Nationwide, LLC as submitted under Section 6 of Ordinance 2649-2013 will be

approved by the City and certified to the Franklin County Auditor.

This legislation is presented as an emergency measure in order for this dissolution to be legislated in the most expedient manner as possible so that this dissolution of the Agreement can be reported to the necessary local and state agencies that the Columbus Downtown Community Reinvestment Area Tax Exemption Application as submitted under Section 6 of Ordinance 2649-2013 will be approved by the City and certified to the Franklin County Auditor.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the dissolution of the Enterprise Zone Agreement with NWD 240 Nationwide, LLC (as successor in interest to NWD Investments, LLC) and Columbia Gas of Ohio, Inc.; to direct the Director of the Department of Development to notify as necessary the local and state tax authorities; and to declare an emergency.

WHEREAS, the Columbus City Council (Council) approved the Enterprise Zone Agreement with NWD Investments, LLC and Columbia Gas of Ohio, Inc. (Agreement) on April 25, 2011 by Ordinance No. 0570-2011 and entered into effective December 8, 2011 (EZA #023-11-02); and

WHEREAS, the Agreement granted a 75%/10-Year abatement on real property improvements with the term of the abatement not to commence after 2015 nor extend beyond 2024 in consideration of a \$51 million investment in real property improvements and the retention of 650 full-time employees with an annual payroll of approximately \$60 million related to the construction of two new Class A office buildings consisting of approximately 275,000 combined square feet on parcel number 010-247724, located at 240-290 Nationwide Boulevard in Columbus Ohio and within the City of Columbus Enterprise Zone; and

WHEREAS, no DTE Form 24 Tax Incentive Program Application for Real Property Tax Exemption and Remission has been filed and no forgone tax benefit has been received; and

WHEREAS, the Columbus Downtown Residential Community Reinvestment Area (CRA) was amended by Council for the second time by Ordinance No. 2649-2013, passed November 18, 2013 which among other things, revised the terms of project applicability within the CRA to include not only the renovation or construction of residential structures but to include the renovation and construction of commercial structures as well and renamed the CRA the Columbus Downtown CRA; and

WHEREAS, in a letter to the City from NWD 240 Nationwide, LLC (as successor in interest to NWD Investments, LLC) and Columbia Gas of Ohio, Inc., dated May 8, 2015, pursuant to correspondence from the City dated March 5, 2015 and March 12, 2015 respectively, it was requested that the Agreement be dissolved effective December 31, 2014 and that once dissolution process was completed, that the Columbus Downtown Community Reinvestment Area Tax Exemption Application submitted by NWD 240 Nationwide, LLC as submitted under Section 6 of Ordinance 2649-2013 will be approved by the City and certified to the Franklin County Auditor; 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 dissolution to be authorized and dissolved in the most expedient manner as possible so that this dissolution of the Agreement can be reported to the necessary local and state agencies that the Columbus Downtown Community Reinvestment Area Tax Exemption Application as submitted under Section 6 of Ordinance 2649-2013 will be approved by the City and certified to the Franklin County Auditor, 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 the Director of Development is hereby authorized to enter into a Dissolution Agreement with NWD 240 Nationwide, LLC (as successor in interest to NWD Investments, LLC) and Columbia Gas of Ohio, Inc. to dissolve the Enterprise Zone Agreement with NWD Investments, LLC and Columbia Gas of Ohio, Inc. (EZA #023-11-02) as of December 31, 2014, conditioned upon approval of the application for the Columbus Downtown Community Reinvestment Area Tax Exemption Application submitted under Section 6 of Ordinance 2649-2013.

SECTION 2. That following the execution of the Dissolution Agreement, the Director of Development is hereby directed to notify the necessary local and state agencies of any changes to the NWD Investments, LLC and Columbia Gas of Ohio, Inc. Enterprise Zone Agreement.

SECTION 3. 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.