



Legislation Details (With Text)

File #: 2664-2017 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 10/2/2017 **In control:** Economic Development Committee

On agenda: 11/20/2017 **Final action:**

Title: To authorize the Director of Development to enter into an Enterprise Zone Agreement with Hubbard High Acquisition, LLC for a property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed total investment of approximately \$51,000,000.00, of which approximately \$14,000,000.00 will be related to the construction of approximately 45,000 square feet of commercial office space and an additional \$4,200,000.00 will be related to the construction of 86 parking spaces in support of the office development, and the creation of 30 net new full-time permanent positions; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD2664-2017 Hubbard High Acquisition, LLC - Site Map (EZ), 2. ORD2664-2017 Hubbard High Acquisition, LLC - Fact Sheet (EZ)

Date	Ver.	Action By	Action	Result
11/22/2017	1	ACTING CITY CLERK	Attest	
11/21/2017	1	MAYOR	Signed	
11/20/2017	1	COUNCIL PRESIDENT	Signed	
11/20/2017	1	Columbus City Council	Approved	Pass

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Hubbard High Acquisition, LLC. The Ohio Enterprise Zone law (Section 5709.62(C) of the Ohio Revised Code) requires the City to enter into Council-approved agreements between the City and participating companies.

Hubbard High Acquisition, LLC, an affiliate of Dublin, Ohio-based developer Crawford Hoying Development Partners, LLC, is proposing to redevelop the former Haiku restaurant site located at 800 North High Street, Columbus, Ohio 43215 (Project Site) in the Short North Arts District, into a 10-story, approximately 150,000-square-foot mixed use hotel, commercial office, and retail development.

Once constructed, the new building on the southeast corner of High Street and Hubbard Avenue is expected to house a nearly 7,000 square foot ground-floor restaurant space, approximately 45,000 square feet of Class A office on floors three through five, a Moxy Hotel supported by Marriot on floors six through nine, and a second restaurant with a roof-top bar on the 10th floor.

Parking to serve the building is expected to be wholly provided by valets with room for 144 vehicles to be parked within the building. A U-shaped valet drop off area will be located in the rear of the building with access off of Pearl Alley. Vehicles will be stored on one underground level and portions of the second floor, and vehicle lifts will be utilized to maximize efficiency. This allows for a building design with parking that is largely hidden from pedestrian view.

Hubbard High Acquisition, LLC is expected to invest approximately \$51,000,000 to construct and finish the full development, of which approximately \$14,000,000 will be related to the construction of approximately 45,000 square feet of commercial office space. An additional \$4.2 million, of the \$51,000,000 will be related to the construction of 86

parking spaces in support of the office development. It is estimated that the new development will support the creation of 30 net new full-time permanent positions within the City of Columbus with an associated new annual payroll of approximately \$1,425,000 by December 31, 2022.

The Department of Development recommends an Enterprise Zone property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years on real property improvements for the purpose of constructing approximately 45,000 square feet of commercial office space and 86 structured parking spaces in support of the office development at 800 North High Street, Columbus, Ohio 43215.

The Columbus City School District has been advised of this project. This legislation is presented as 30 day legislation.

This legislation is requested to be considered as an emergency in order to allow the aforementioned construction project to begin in an expedient manner.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into an Enterprise Zone Agreement with Hubbard High Acquisition, LLC for a property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed total investment of approximately \$51,000,000.00, of which approximately \$14,000,000.00 will be related to the construction of approximately 45,000 square feet of commercial office space and an additional \$4,200,000.00 will be related to the construction of 86 parking spaces in support of the office development, and the creation of 30 net new full-time permanent positions; and to declare an emergency.

WHEREAS, the Columbus City Council authorized the designation of the Central 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, 2690-92 and 2249-92 in 1992; 1079-94 and 1228-94 in 1994; 2196-95 and 2817-95 in 1995; 0533-99 in 1999; 1785-00 in 2000; 1464-02 in 2002; 0225-03 in 2003; and 0032-2012 in 2012; 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, August 19, 2003 and most recently on April 3, 2012 as an "urban jobs and enterprise zone" under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Hubbard High Acquisition, LLC is proposing to redevelop the former Haiku restaurant site located at 800 North High Street, Columbus, Ohio 43215 (parcel number 010-001383) in the Short North Arts District into a 10-story, approximately 150,000-square-foot mixed use hotel, commercial office, and retail development; and

WHEREAS, Hubbard High Acquisition, LLC will invest a total of approximately \$51,000,000 in real property improvements related to new building construction, of which approximately \$14,000,000 will be related to the construction of approximately 45,000 square feet of commercial office space and an additional \$4,200,000 will be related to the construction of 86 parking spaces in support of the office development; and

WHEREAS, contingent on the City granting an Enterprise Zone property tax abatement, Hubbard High Acquisition, LLC will invest approximately \$51,000,000 related to new building construction and thereby expects to support the creation of approximately 30 net new full-time permanent positions with an associated annual payroll of approximately \$1,425,000; thereby increasing job opportunities and strengthening the economy of the City; and

WHEREAS, representatives for Hubbard High Acquisition, LLC have indicated that receiving this tax incentive from the City is crucial to their decision to advance the aforementioned construction in Columbus; and

WHEREAS, the City desires to increase employment opportunities and encourage the creation of new jobs in the City in

order to improve the overall economic climate of the City and its citizens; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to grant and maintain the project schedule and to coincide with the established development timeline, thereby preserving the public health, peace, property, safety and welfare; 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 representatives for Hubbard High Acquisition, LLC to pursue redevelopment of the former Haiku restaurant site.
- SECTION 2.** That the Director of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with Hubbard High Acquisition, LLC to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) consecutive taxable years in association with the project's proposed total investment of approximately \$51,000,000, which includes \$14,000,000 in real property improvements related to the construction of approximately 45,000 square feet of commercial office space and an additional \$4,200,000 in real property improvements related to the construction of 86 parking spaces in support of the office development, and the creation of 30 net new full-time permanent positions with an associated new annual payroll of approximately \$1,425,000 at 800 North High Street, Columbus, Ohio 43215.
- SECTION 3.** That the City of Columbus Enterprise Zone Agreement shall be signed by Hubbard High Acquisition, LLC within ninety (90) days of passage of this ordinance or this ordinance and the abatement authorized herein shall be null and void.
- SECTION 4.** That 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.