



Legislation Details (With Text)

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Title: To dissolve the Community Reinvestment Area Agreement with Fireproof Partners, LLC, and 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:

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Date	Ver.	Action By	Action	Result
11/7/2018	1	CITY CLERK	Attest	
11/6/2018	1	MAYOR	Signed	
11/5/2018	1	COUNCIL PRESIDENT	Signed	
11/5/2018	1	Columbus City Council	Approved	Pass

BACKGROUND: Columbus City Council (COUNCIL), by Ordinance No. 0723-2014, passed April 7, 2014, authorized the City of Columbus (CITY) to enter into an Community Reinvestment Area Agreement (the AGREEMENT) with Fireproof Partners, LLC (ENTERPRISE) with the AGREEMENT being for a tax abatement of fifty percent (50%) for a period of fifteen (15) years in consideration of a total investment of approximately \$11.3 million, including \$8.5 million for new construction (the legislation authorizing the AGREEMENT indicated a proposed investment of approximately \$2.8 million in eligible real property improvements) and the creation of 24 full-time permanent positions with an associated annual payroll of approximately \$1,055,080 related to rehabilitation and new construction at the site of the vacant and abandoned 5-story Fireproof building with the entire project consisting of approximately 91,381 square feet comprised of new and renovated commercial retail space, 56 multi-family residential units and 87 parking spaces at 1024 North High Street on parcel number 010-015325 in Columbus, Ohio (the "PROJECT SITE") and within the Short North Community Reinvestment Area (the "CRA"). The AGREEMENT was made and entered into effective May 16, 2014 (CRA #049-18000-40/14-001) with the abatement currently effective from 2015-2029. As per the terms of the CRA, the only eligible improvement applicable to the AGREEMENT is the new commercial retail space.

Based on a recommendation from the 2017 Tax Incentive Review Council (the "TIRC"), the AGREEMENT was subsequently authorized to be amended for the first time by Ordinance 1634-2018, passed on June 18, 2018, to (1) revise the job creation number from 24 to 4; (2) to revise the commensurate new job payroll amount from \$1,055,080 to \$87,360; (3) to add language to the AGREEMENT indicating that only full-time jobs that pay at least \$12 per hour can be considered to fulfill the job creation commitment of the AGREEMENT; and (4) to revise the investment in new construction from \$8.5 million to an investment of \$2,457,143 in new construction related to new commercial retail space. The First Amendment was made and entered into to be effective January 1, 2016.

The CITY reported to the 2018 TIRC that following the First Amendment to the AGREEMENT, the annual report for Report Year 2017 submitted by ENTERPRISE reflected one (1) eligible new full-time job, three (3) jobs low for the commitment of four (4) per the First Amendment with a commensurate payroll of \$41,253 (attainments of 25% and 47% respectively). Based on this report, the TIRC recommended to DISSOLVE the AGREEMENT.

COUNCIL, by Resolution 0287X-2018, passed October 8, 2018, accepted the written recommendations presented by the 2018 TIRC.

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 prior to the end of calendar year 2018.

FISCAL IMPACT: No funding is required for this legislation.

To dissolve the Community Reinvestment Area Agreement with Fireproof Partners, LLC, and 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 City of Columbus (CITY) entered into an Community Reinvestment Area Agreement (the “AGREEMENT”) with Fireproof Partners, LLC (ENTERPRISE), approved by Columbus City Council (COUNCIL) on April 7, 2014 by Ordinance No. 0723-2014 with this AGREEMENT made and entered into effective May 16, 2014; and

WHEREAS, the AGREEMENT granted a 50%/15-Year abatement on eligible real property improvements in consideration of a total investment of approximately \$11.3 million, including \$8.5 million for new construction (the legislation authorizing the AGREEMENT indicated a proposed investment of approximately \$2.8 million in eligible real property improvements) and the creation of 24 full-time permanent positions with an associated annual payroll of approximately \$1,055,080 related to rehabilitation and new construction at the site of the vacant and abandoned 5-story Fireproof building with the entire project consisting of approximately 91,381 square feet comprised of new and renovated commercial retail space, 56 multi-family residential units and 87 parking spaces at 1024 North High Street on parcel number 010-015325 in Columbus, Ohio (the “PROJECT SITE”) and within the Short North Community Reinvestment Area (the “CRA”); and

WHEREAS, the AGREEMENT was made and entered into effective May 16, 2014 (CRA #049-18000-40/14-001) with the abatement currently effective from 2015-2029; and

WHEREAS, per the terms of the CRA, the only eligible improvement applicable to the AGREEMENT is the new commercial retail space; and

WHEREAS, based on a recommendation from the 2017 Tax Incentive Review Council (the “TIRC”), the AGREEMENT was subsequently authorized to be amended for the first time by Ordinance 1634-2018, passed on June 18, 2018, to (1) revise the job creation number from 24 to 4; (2) to revise the commensurate new job payroll amount from \$1,055,080 to \$87,360; (3) to add language to the AGREEMENT indicating that only full-time jobs that pay at least \$12 per hour can be considered to fulfill the job creation commitment of the AGREEMENT; and (4) to revise the investment in new construction from \$8.5 million to an investment of \$2,457,143 in new construction related to new commercial retail space with this First Amendment made and entered into to be effective January 1, 2016; and

WHEREAS, the CITY reported to the 2018 TIRC that following the First Amendment to the AGREEMENT, the annual report for Report Year 2017 submitted by ENTERPRISE reflected one (1) eligible new full-time job, three (3) jobs low for the commitment of four (4) per the First Amendment with a commensurate payroll of \$41,253 (attainments of 25% and 47% respectively); and

WHEREAS, the recommendation of the TIRC was to DISSOLVE the AGREEMENT; and

WHEREAS, COUNCIL, by Resolution 0287X-2018, passed October 8, 2018, accepted the written recommendations presented by the 2018 TIRC; 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 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 prior to the end of calendar year 2018, 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 dissolves the Fireproof Partners, LLC Community Reinvestment Area Agreement (CRA Agreement #049-18000-40/14-001) as of December 31, 2017.

SECTION 2. That the Director of Development is hereby directed to notify the necessary local and state agencies of any changes to the Fireproof Partners, LLC Community Reinvestment Area 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.