



Legislation Details (With Text)

File #: 0912-2020 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 4/6/2020 **In control:** Economic Development Committee

On agenda: 5/18/2020 **Final action:** 5/21/2020

Title: To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with The Gravity Project 2, LLC dba Kaufman Development for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a total proposed capital investment of approximately \$31,176,371.00 and the creation of 50 net new full-time permanent positions with an estimated annual payroll of approximately \$3.0 million.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD0912-2020 Gravity 2 - EZ Project Site Map, 2. ORD0912-2020 Gravity 2 - EZ Fact Sheet(2)

Date	Ver.	Action By	Action	Result
5/21/2020	1	CITY CLERK	Attest	
5/20/2020	1	MAYOR	Signed	
5/18/2020	1	COUNCIL PRESIDENT	Signed	
5/18/2020	1	Columbus City Council	Approved	Pass
5/4/2020	1	Columbus City Council	Read for the First Time	

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with The Gravity Project 2, LLC dba Kaufman Development. To do so, the Ohio Enterprise Zone law O.R.C. Section 5709.62(C) requires the City to enter into a Council-approved agreement between the City and participating companies.

The Gravity Project 2, LLC dba Kaufman Development is a limited liability company that was established in June of 2018. The company's primary business is ownership of real estate used for office, retail and residential (mixed-use). The company's CEO is Brett Kaufman of Kaufman Development, which is a real estate development company headquartered in Columbus, Ohio. Brett Kaufman has been working in real estate development and investing in various types of development projects for approximately 20 years. During this time, he has developed, leased and/or sold over 10,000 homes and developed a variety of commercial, retail, land, and office projects.

The Gravity Project 2, LLC dba Kaufman Development is proposing to redevelop approximately five (5) acres near the corner of W. Broad Street and McDowell Street in East Franklinton. The project will involve a total investment of approximately \$194.5 million, which includes \$7.5 million in land and acquisition costs, \$165 million in real property improvements, and approximately \$22 million for a new parking structure at 451 and 455 W. Broad Street, Columbus, Ohio parcel number 010-039621 (the "**Project Site**").

The proposed mixed-use development will consist of a new 6-story Class A commercial office facility consisting of approximately 175,750 square feet, a 12-story residential unit comprised of approximately 218,796 square feet, with ground floor Class A office space consisting of approximately 21,445 square feet, a 5-story residential mid-rise consisting of approximately 81,340 square feet, a 5-story residential structure consisting of approximately 24,461 square feet of residential townhomes, and the renovation of a 1-story retail building consisting of approximately 4,600 square feet. Additionally, a new parking structure of approximately 293,000 square feet containing about 900 parking spaces (of

which, at least 200 spaces are targeted for public use) will be constructed. The company anticipates that the development of the proposed project will lead to the relocation of an unknown number of positions from within the City of Columbus and the creation of 50 net new full-time permanent positions with an estimated annual payroll of approximately \$3.0 million at the proposed **Project Site**.

The Department of Development recommends a 75%/10-year Enterprise Zone tax abatement on real property improvements related to the proposed 6-story Class A commercial office facility and the first floor Class A office space associated with the proposed project. The Gravity Project 2, LLC will invest approximately \$31,176,371 in real property improvements on the development of the commercial office space.

The Columbus City School District has been advised of this project.

This legislation is presented as 30-day legislation.

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 The Gravity Project 2, LLC dba Kaufman Development for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a total proposed capital investment of approximately \$31,176,371.00 and the creation of 50 net new full-time permanent positions with an estimated annual payroll of approximately \$3.0 million.

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 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, The Gravity Project 2, LLC dba Kaufman Development is a limited liability company that was established in June of 2018. The company’s primary business is ownership of real estate used for office, retail, and residential/mixed-use; and

WHEREAS, the company’s CEO is Brett Kaufman of Kaufman Development, which is a real estate development company headquartered in Columbus, Ohio. Brett Kaufman has been working in real estate development and investing in various types of development projects for approximately 20 years. During this time, he has developed, leased and/or sold over 10,000 homes and developed a variety of commercial, retail, land, and office projects; and

WHEREAS, The Gravity Project 2, LLC dba Kaufman Development is proposing to redevelop approximately five (5) acres near the corner of W. Broad Street and McDowell Street in East Franklinton. The project will involve a total investment of approximately \$195 million, which include \$7.5 million in land and acquisition costs, \$165 million in real property improvements, and approximately \$22 million in a new parking structure at 451 and 455 W. Broad Street, Columbus, Ohio parcel number 010-039621 (the “**Project Site**”); and

WHEREAS, the proposed mixed-use development will consist of a new 6-story Class A commercial office facility consisting of approximately 175,750 square feet, a 12-story residential unit comprised of approximately 218,796 square feet, with ground floor Class A office space consisting of approximately 21,445 square feet, a 5-story residential mid-rise consisting of approximately 81,340 square feet, a 5-story residential structure consisting of approximately 24,461 square feet of residential townhomes, and the renovation of a 1-story retail building consisting of approximately 4,600 square

feet. Additionally, a new parking structure of approximately 293,000 square feet containing about 900 parking spaces (of which, at least 200 parking spaces are targeted for public use) will be constructed; and

WHEREAS, The Gravity Project 2, LLC dba Kaufman Development is requesting an Enterprise Zone Tax Abatement to assist in the development of the 175,750 square-foot Class A commercial office facility and the first floor Class A office space consisting of approximately 21,445 square feet; and

WHEREAS, The Gravity Project 2, LLC dba Kaufman Development will invest approximately \$31,176,371 of the proposed \$164 million in real property improvements on the development of the commercial office facility; and

WHEREAS, The Gravity Project 2, LLC dba Kaufman Development anticipates that the development of the proposed project will lead to the relocation of an unknown number of positions from within the City of Columbus and the creation of 50 net new full-time permanent positions with an estimated annual payroll of approximately \$3.0 million at the proposed **Project Site**; and

WHEREAS, the City is encouraging this project because of plans to construct a new commercial office facility in the central city; 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, the City desires to enter into such a binding formal agreement in order to foster economic growth for the preservation of public health, peace, property and safety; **NOW, THEREFORE:**

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

SECTION 1. That this Council hereby finds and determines that: (1) the project will 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 The Gravity Project 2, LLC dba Kaufman Development to move forward with the proposed project.

SECTION 2. That the Director of the Department of Development is hereby authorized to enter into an Enterprise Zone Agreement with The Gravity Project 2, LLC dba Kaufman Development 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 \$31,176,371 in real property improvements and the creation of 50 net new full-time permanent positions with an estimated annual payroll of approximately \$3.0 million.

SECTION 3. That the City of Columbus Enterprise Zone Agreement be signed by The Gravity Project 2, LLC dba Kaufman Development within one-hundred eighty (180) days of passage of this ordinance, or this ordinance and the abatements and credit authorized herein are null and void.

SECTION 4. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.