



Legislation Details (With Text)

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File created: 7/2/2021 **In control:** Economic Development Committee

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Title: To authorize the Director of the Department of Development to amend the Enterprise Zone Agreement with 1489 Rohr Holding, LLC for the first time by revising the project scope to change the total project investment from approximately \$12.6 million in real property improvements to \$25 million and change the proposed total square footage of the speculative industrial and warehouse facility from approximately 550,000 square feet to approximately 1,000,000 square feet, and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------------|----------|--------|
| 7/22/2021 | 1 | CITY CLERK | Attest | |
| 7/20/2021 | 1 | MAYOR | Signed | |
| 7/19/2021 | 1 | COUNCIL PRESIDENT | Signed | |
| 7/19/2021 | 1 | Columbus City Council | Approved | Pass |

BACKGROUND: Columbus City Council (“**COUNCIL**”), by Ordinance No. 1449-2020, passed July 06, 2020, authorized the City of Columbus (“**CITY**”) to enter into an Enterprise Zone Agreement (the “**AGREEMENT**”) with 1489 Rohr Holding, LLC (the “**ENTERPRISE**”) for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed total capital investment of roughly \$12,600,000 in real property improvements and the creation of four (4) net new permanent full-time positions with an associated annual payroll of approximately 124,800 related to the construction of a new 550,000-square-foot speculative industrial distribution and warehouse facility (the “**PROJECT**”) located at 1279 and 1489 Rohr Road, Columbus Ohio 43137, parcel numbers 495-266702, 495-266703 and 495-266704 (the “**PROJECT SITE**”), within the City of Columbus Enterprise Zone. The **AGREEMENT** was made and entered into effective December 23, 2020 with this **PROJECT** expected to begin November 2020 with all real property improvements expected to be completed by March 2022, with the abatement to begin no later than 2025 nor extend beyond 2034.

In a letter received by the Department of Development dated June 16, 2021, and through ensuing correspondence, it was requested that the **PROJECT** be revised to align with the company’s new development strategy. The **ENTERPRISE** now proposes to invest a total project cost of approximately \$25 million in real property improvements to construct a new speculative industrial distribution and warehouse facility consisting of approximately 1,000,000 square feet at the **PROJECT SITE**, which is double the investment cost and size of the original **PROJECT**. The **ENTERPRISE** is requesting the City to amend the current **AGREEMENT** to reflect the company’s revised project scope and development strategy.

This legislation is to authorize the Director of the Department of Development to amend the **AGREEMENT** for the first time by revising the project scope to (i) change the total project investment from approximately \$12.6 million in real property improvements to approximately \$25 million, and (ii) change the proposed speculative distribution and warehouse facility square footage from 550,000 square feet to approximately \$1,000,000 square feet.

This legislation is being presented as an emergency measure in order for this amendment to be legislated in as expedient a manner as possible so that this amendment to the **AGREEMENT** can be executed and ensure that **ENTERPRISE** remains in compliance with the terms and conditions of the Enterprise Zone Agreement.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the Enterprise Zone Agreement with 1489 Rohr Holding, LLC for the first time by revising the project scope to change the total project investment from approximately \$12.6 million in real property improvements to \$25 million and change the proposed total square footage of the speculative industrial and warehouse facility from approximately 550,000 square feet to approximately 1,000,000 square feet, and to declare an emergency.

WHEREAS, the City of Columbus (“**CITY**”) entered into an Enterprise Zone Agreement (the “**AGREEMENT**”) with 1489 Rohr Holding, LLC and was approved by Columbus City Council (“**COUNCIL**”) on July 6, 2020 by Ordinance No. 1449-2020 with this **AGREEMENT** made and entered into effective December 23, 2020; and

WHEREAS, the **AGREEMENT** granted a 75%/10-Year tax abatement on real property improvements; and

WHEREAS, the incentive was granted in consideration of a total capital investment of approximately \$12,600,000 in real property improvements and the creation of four (4) net new full-time permanent positions with an annual payroll of approximately \$124,800 related to the construction of a new 550,000-square-foot speculative distribution and warehouse facility (the “**PROJECT**”) located at 1279 and 1489 Rohr Road, Columbus, Ohio 43137, parcel numbers 495-266702, 495-266703 and 495-266704 (the “**PROJECT SITE**”), within the City of Columbus Enterprise Zone. The **AGREEMENT** was made and entered into effective December 23, 2020 with this **PROJECT** expected to begin November 2020 with all real property improvements expected to be completed by March 2022, with the abatement to begin no later than 2025 nor extend beyond 2034.

WHEREAS, in a letter received by the **CITY** from the **ENTERPRISE** dated June 16, 2021, and through ensuing correspondence, it was confirmed that the **PROJECT** as described in the **AGREEMENT** has changed. The **ENTERPRISE** now proposes to invest a total project cost of approximately \$25 million in real property improvements to construct a new speculative industrial distribution and warehouse facility consisting of approximately 1,000,000 square feet at the **PROJECT SITE**, which is double the investment cost and size of the original project. The **ENTERPRISE** is requesting the City to amend the current **AGREEMENT** to reflect the company’s new project scope and development strategy; and

WHEREAS, an amendment to the **AGREEMENT** is now needed to revise the project scope to re-align with the **ENTERPRISE**’s revised developmental strategy. The **ENTERPRISE** is now proposing to invest a total project cost of \$25 million in real property improvements instead of the proposed \$12.6 million and construct a new speculative distribution and warehouse facility consisting of approximately 1,000,000 square feet instead of the proposed 550,000 square feet; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to authorize the Director to amend the **AGREEMENT** with 1489 Rohr Holding, LLC to ensure that **ENTERPRISE** remains in compliance with the terms and conditions of the Enterprise Zone Agreement; thereby preserving the public health, peace, property and safety.

NOW, THEREFORE

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS

Section 1. That the Director of the Department of Development is hereby authorized to amend the Enterprise Zone Agreement with 1489 Rohr Holding, LLC to (i) change the total project investment from approximately \$12.6 million in real property improvements to a total project investment of approximately \$25 million, and (ii) to change the proposed

square footage of the new speculative industrial distribution and warehouse facility from 550,000 square feet to approximately 1,000,000 square feet.

Section 2. That this **FIRST AMENDMENT** to the City of Columbus Enterprise Zone Agreement be signed by 1489 Rohr Holding, LLC within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

Section 3. That for reasons stated in the preamble hereto, which is hereby made a part hereof, the ordinance is hereby 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 days after the passage if the Mayor neither approves nor vetoes the same.