



Legislation Details (With Text)

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Type: Ordinance **Status:** Passed

File created: 2/8/2023 **In control:** Economic Development Committee

On agenda: 2/27/2023 **Final action:** 3/1/2023

Title: To authorize the Director of the Department of Development to enter into a FIRST AMENDMENT with Shook Road Storage, LLC, to remove Shook Road Storage, LLC as the ENTERPRISE and party to the ENTERPRISE ZONE AGREEMENT and replaced with ARIS Shook Road, LLC as the ENTERPRISE and party to the AGREEMENT and to declare an emergency (\$0.00).

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
3/1/2023	1	CITY CLERK	Attest	
2/28/2023	1	MAYOR	Signed	
2/27/2023	1	COUNCIL PRESIDENT	Signed	
2/27/2023	1	Columbus City Council	Approved	Pass

BACKGROUND: Columbus City Council (“**COUNCIL**”), by Ordinance No. 1562-2021, passed July 19, 2021, authorized the City of Columbus (“**CITY**”) to enter into an Enterprise Zone Agreement (the “**AGREEMENT**”) with Shook Road Storage, LLC (“**ENTERPRISE**”), for a real property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed total capital investment of approximately \$20,904,201.00 in real property improvements and the creation of 10 net new full-time permanent positions with an associated annual payroll of approximately \$312,000.00 related to the construction of a new approximately 165,000 square-foot speculative cold storage warehouse facility (the “**PROJECT**”) at B Miller Street, Columbus, Ohio 43217, parcel number 512-299843 within the City of Columbus and within the City of Columbus Enterprise Zone (the “**PROJECT SITE**”). The **AGREEMENT** was made and entered into effective August 30, 2021 with the **PROJECT** expected to begin approximately September 2021, with all real property improvements expected to be completed by August 2022 and with the abatement to commence no later than 2023 nor extend beyond 2032 (Agreement No. 023-21-10).

Paragraph fourteen within Section 7 (Program Compliance) of the **AGREEMENT** states that the “**AGREEMENT** is not transferable or assignable without the express, written, approval of the **CITY**” and paragraph fifteen of that same section states that “any requested amendment...to any of the terms of the **AGREEMENT**...shall require the payment to the **CITY** by the **ENTERPRISE** of an **AMENDMENT FEE** in the amount of five-hundred dollars (\$500.00).”

In a letter received by the **CITY** on behalf of the **ENTERPRISE** dated January 24, 2023, and through ensuing correspondence, it was confirmed that ARIS Shook Road, LLC has acquired ownership of the **PROJECT SITE** from Shook Road Storage, LLC with the transfer having been recorded at the County Auditor’s Office on January 27, 2023. Due diligence has been undertaken by the **CITY** in that ARIS Shook Road, LLC has agreed to fully assume the terms and commitments of the **ENTERPRISE** pursuant to the **AGREEMENT**, has submitted an updated Economic Development Incentive Application, the five-hundred dollars (\$500.00) Amendment Fee and that this application and all other pertinent information has been reviewed and vetted.

This legislation is to authorize the Director of the Department of Development to amend the **AGREEMENT** for the first time for Assignment & Assumption to (1) remove Shook Road Storage, LLC as **ENTERPRISE** and party to the **AGREEMENT** and to be replaced with ARIS Shook Road, LLC as **ENTERPRISE** and party to the **AGREEMENT**, whereby ARIS Shook Road, LLC will assume the terms and commitments of the **AGREEMENT**, 2) revise the description of the **PROJECT SITE**, and (3) revise the notice information related to **ENTERPRISE** within Section 7 of the **AGREEMENT**.

Based on the above, the Director of the Department of Development of the **CITY** has investigated the Economic Development Application of ARIS Shook Road, LLC and concurs with Columbus City Council on the basis that ARIS Shook Road, LLC is qualified by financial responsibility and business experience to create and preserve employment opportunities in the Columbus Enterprise Zone and improve the economic climate of the **CITY**.

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** might be fully executed with the proper property owner, which will allow the **ENTERPRISE** to remain in compliance and receive any future tax savings from the proposed abatement.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a FIRST AMENDMENT with Shook Road Storage, LLC, to remove Shook Road Storage, LLC as the **ENTERPRISE** and party to the **ENTERPRISE ZONE AGREEMENT** and replaced with ARIS Shook Road, LLC as the **ENTERPRISE** and party to the **AGREEMENT** and to declare an emergency (\$0.00).

WHEREAS, the City of Columbus (“**CITY**”) entered into an Enterprise Zone Agreement (the “**AGREEMENT**”) with Shook Road Storage, LLC (hereafter referred to as “**ENTERPRISE**”), approved by Columbus City Council (“**COUNCIL**”) on July 19, 2021 by Ordinance No. 1562-2021; and

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

WHEREAS, the incentive was granted in consideration of company’s investment of approximately \$20,904,201.00 in real property improvements and the creation of ten (10) net new full-time permanent positions with a total payroll of approximately \$312,000.00. The project involved the construction of an approximately 165,000 square foot speculative cold storage warehouse facility at B Miller Street, Columbus, Ohio 43217, parcel number 512-299843 (the “**PROJECT SITE**”) located within the Hamilton Local School District and the Eastland Fairfield Joint Vocational School District, and within the Columbus Enterprise Zone, (hereinafter referred to as the “**PROJECT**”); and

WHEREAS, paragraph fourteen within Section 7 (Program Compliance) of the **AGREEMENT** states that the “**AGREEMENT** is not transferable or assignable without the express, written, approval of the **CITY**” and paragraph fifteen of that same section states that “any requested amendment...to any of the terms of the **AGREEMENT**...shall require the payment to the **CITY** by the **ENTERPRISE** of an **AMENDMENT FEE** in the amount of five-hundred dollars (\$500.00);” and

WHEREAS, in a letter received by the **CITY** on behalf of the **ENTERPRISE** dated January 24, 2023, and through ensuing correspondence, it was confirmed that ARIS Shook Road, LLC has acquired ownership of the **PROJECT SITE** from Shook Road Storage, LLC with the transfer having been recorded at the County Auditor’s Office on January 27,

2023; and

WHEREAS, due diligence has been undertaken by the **CITY** in that ARIS Shook Road, LLC has agreed to fully assume the terms and commitments of the **ENTERPRISE** pursuant to the **AGREEMENT**, has submitted an updated Economic Development Incentive Application, including the five-hundred dollar (\$500.00) Amendment Fee and that this application and all other pertinent information has been reviewed and vetted; and

WHEREAS, a first amendment to the **AGREEMENT** is now needed for Assignment & Assumption to remove Shook Road Storage, LLC as **ENTERPRISE** and party to the **AGREEMENT** and to be replaced with ARIS Shook Road, LLC as **ENTERPRISE** and party to the **AGREEMENT**, revise the description of the **PROJECT SITE**, revise the notice information related to **ENTERPRISE** within Section 7 of the **AGREEMENT**; (the "**FIRST AMENDMENT**") and

WHEREAS, the Director of the Department of Development of the **CITY** has investigated the Economic Development Application of ARIS Shook Road, LLC and concurs with the Columbus City Council on the basis that ARIS Shook Road, LLC is qualified by financial responsibility and business experience to create and preserve employment opportunities in the Columbus Enterprise Zone and improve the economic climate of the **CITY**; and

WHEREAS, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to enter into this **FIRST AMENDMENT** for Assignment & Assumption to the **AGREEMENT** with Shook Road Storage, LLC to (1) remove Shook Road Storage, LLC as the **ENTERPRISE** and be replaced by ARIS Shook Road, LLC as the **ENTERPRISE** and party to the **AGREEMENT**; (2) and ARIS Shook Road, LLC will assume the terms and commitments of the **AGREEMENT** as the **ENTERPRISE**, (3) revise the description of the **PROJECT SITE**, and (4) revise the notice information related to **ENTERPRISE** within Section 7 of the **AGREEMENT**; thereby preserving the public health, peace, property and safety

NOW, THEREFORE

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS

Section 1. That the Council of Columbus finds that the enterprise submitting this proposal is qualified by financial responsibility and business experience to create and preserve employment opportunities in the zone and improve the economic climate of the municipal corporation.

Section 2. The Director of the Department of Development ("Director") is authorized to execute and amend the Enterprise Zone Agreement with Shook Road Storage, LLC (the **AGREEMENT**) to remove Shook Road Storage, LLC as the **ENTERPRISE** and party to the **AGREEMENT** to be replaced with ARIS Shook Road, LLC as the **ENTERPRISE** and party to the **AGREEMENT**, whereby ARIS Shook Road, LLC will assume the terms and commitments of the **AGREEMENT** as the **ENTERPRISE**.

Section 3. That the Director is authorized to amend Section 1 (Establishment by Corporation) of the **AGREEMENT** to state that the **PROJECT SITE** is revised to be Parcel Number 512-299843 with the two separate street addresses of 6900 Shook Road and 2099 Wright Brothers Avenue, Columbus, Ohio 43217.

Section 4. That the Director is authorized to amend the notice requirement within Section 7 (Program Compliance) of the **AGREEMENT**, to reflect the **ENTERPRISE** as being ARIS Shook Road, LLC, with attention to, or in care of, Jenette O'Brien.

Section 5. That the parties shall enter into this **FIRST AMENDMENT** for Assignment & Assumption of the **AGREEMENT** within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

Section 6. That for reasons stated in the preamble hereto, which is made a part hereof, the 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 days after the passage if the Mayor neither approves nor vetoes the same.

