



Legislation Details (With Text)

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File created: 3/7/2024 **In control:** Economic Development & Small and Minority Business Committee

On agenda: 4/8/2024 **Final action:** 4/10/2024

Title: To authorize the Director of the Department of Development to amend the Enterprise Zone Agreement for the first time for Assignment & Assumption with The Gravity Project 2, LLC to (1) remove The Gravity Project 2, LLC as ENTERPRISE and party to the AGREEMENT and to be replaced with Gravity 2 - Office, LLC as ENTERPRISE and party to the AGREEMENT, whereby Gravity 2 - Office, 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 6 of the AGREEMENT.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
4/10/2024	1	CITY CLERK	Attest	
4/9/2024	1	MAYOR	Signed	
4/8/2024	1	COUNCIL PRESIDENT	Signed	
4/8/2024	1	Columbus City Council	Approved	Pass
3/25/2024	1	Columbus City Council	Read for the First Time	

BACKGROUND: Columbus City Council (“**COUNCIL**”), by Ordinance No. 0912-2020, passed May 18, 2020, authorized the City of Columbus (“**CITY**”) to enter into an Enterprise Zone Agreement (the “**AGREEMENT**”) with The Gravity Project 2, LLC (hereinafter, referred to as “**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 \$194,500,000.00, which included approximately \$7,500,000.00 in land and acquisition costs, \$165,000,000.00 in real property improvements and approximately \$22,000,000.00 in a new parking structure to redevelop approximately five (5) acres on Parcel Number 010-039621 (the “**ORIGINAL PARCEL**”), near the corner of W. Broad Street and McDowell Street in East Franklinton located at 451 and 455 W. Broad Street, Columbus, Ohio, 43215 (the “**PROJECT SITE**”). The proposed mixed-use development consists of a new 6-story Class A commercial office facility consisting of approximately 184,189 square feet, a 12-story residential building comprised of approximately 218,796 square feet, with ground floor Class A office space consisting of approximately 22,622 square feet, a 5-story residential mid-rise building consisting of approximately 81,340 square feet, a 5-story residential building consisting of approximately 24,461 square feet of residential townhomes and flat apartment units and 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 approximately 889 parking spaces (of which, 200 of those parking spaces are targeted for public use).

The “**PROJECT**” as related to the **AGREEMENT** consisted in the construction of the 6-story 184,189 square-foot Class A commercial office facility and a ground floor Class A office space comprising of approximately 22,622 square feet located in the residential building as it relates to the aforementioned project. The **ENTERPRISE** projected to invest

approximately \$31,176,371.00 of the proposed \$165,000,000.00 in real property improvements, on the development of the commercial office facility and the ground floor office space. In addition, the **ENTERPRISE** committed to create 50 net new full-time permanent positions with an estimated annual payroll of approximately \$3,000,000.00, to preserve or create employment opportunities within the Columbus Enterprise Zone, (hereinafter referred to as the “**PROJECT**”). The **AGREEMENT** was made and entered into effective October 15, 2020.

Paragraph fifteen within Section 6 (Program Compliance) of the **AGREEMENT** states that the “**AGREEMENT** is not transferable or assignable without the express, written, approval of the **CITY**” and paragraph sixteen 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 from Kaufman Development on behalf of the **ENTERPRISE** dated December 19, 2023, received by the **CITY** and through ensuing correspondence, The Gravity Project 2, LLC confirmed that they have transferred all of its interest and assets of the aforementioned commercial office building (the 6-story 184,189 square-foot Class A office) to another entity under the Kaufman Development umbrella, “Gravity 2 - Office, LLC”. The transfer of ownership was recorded at the County Auditor’s Office on February 11, 2021. In addition, the **PROJECT SITE** has been revised to be Parcel Number 010-301921 (split from the **ORIGINAL PARCEL**), containing approximately 1.032 +/- acres of developed land with a current street address of 449 - 461 W. Broad Street, Columbus, Ohio 43215.

Due diligence has been undertaken by the **CITY** in that Gravity 2 - Office 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 The Gravity Project 2, LLC as **ENTERPRISE** and party to the **AGREEMENT** and to be replaced with Gravity 2 - Office, LLC as **ENTERPRISE** and party to the **AGREEMENT**, where by Gravity Project 2 - Office, 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 the **ENTERPRISE** within Section 6 of the **AGREEMENT**.

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 amend the Enterprise Zone Agreement for the first time for Assignment & Assumption with The Gravity Project 2, LLC to (1) remove The Gravity Project 2, LLC as **ENTERPRISE** and party to the **AGREEMENT** and to be replaced with Gravity 2 - Office, LLC as **ENTERPRISE** and party to the **AGREEMENT**, whereby Gravity 2 - Office, 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 6 of the **AGREEMENT**.

WHEREAS, the City of Columbus (“**CITY**”) entered into an Enterprise Zone Agreement (the “**AGREEMENT**”) with The Gravity Project 2, LLC (“**ENTERPRISE**”), approved by Columbus City Council (“**COUNCIL**”) by Ordinance No. 0912-2020, passed May 18, 2020, with this **AGREEMENT** made and entered into effective October 15, 2020; and

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

WHEREAS, the incentive was granted in consideration of a proposed total capital investment of approximately 194,500,000.00, which included approximately \$7,500,000.00 in land and acquisition costs, \$165,000,000.00 in real property improvements and approximately \$22,000,000.00 in a new parking structure to redevelop approximately five (5) acres on Parcel Number 010-039621 (the “**ORIGINAL PARCEL**”), near the corner of W. Broad Street and McDowell Street in East Franklinton located at 451 and 455 W. Broad Street, Columbus, Ohio, 43215 (the “**PROJECT SITE**”). The proposed mixed-use development constructed a new 6-story Class A commercial office facility consisting of approximately 184,189 square feet, a 12-story residential building comprised of approximately 218,796 square feet, with ground floor Class A office space consisting of approximately 22,622 square feet, a 5-story residential mid-rise building consisting of approximately 81,340 square feet, a 5-story residential building consisting of approximately 24,461 square feet of residential townhomes and flat apartment units and 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 approximately 889 parking spaces (of which, 200 of those parking spaces are targeted for public use); and

WHEREAS, the “**PROJECT**” as related to the **AGREEMENT** consisted of the development of the 6-story Class A commercial office facility consisting of approximately 184,189 square-feet and a ground floor Class A office space comprising of approximately 22,622 square feet located in the residential building as it relates to the aforementioned project. The **ENTERPRISE** projected to invest approximately \$31,176,371.00 of the proposed \$165,000,000.00 in real property improvements, on the development of the commercial office facility and the ground floor office space. In addition, the **ENTERPRISE** committed to create 50 net new full-time permanent positions with an estimated annual payroll of approximately \$3,000,000.00, to preserve or create employment opportunities within the Columbus Enterprise Zone, (hereinafter referred to as the “**PROJECT**”). The **AGREEMENT** was made and entered into effective October 15, 2020; and

WHEREAS, paragraph fifteen within Section 6 (Program Compliance) of the **AGREEMENT** states that the “**AGREEMENT** is not transferable or assignable without the express, written, approval of the **CITY**” and paragraph sixteen 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 from Kaufman Development on behalf of the **ENTERPRISE** dated December 19, 2023, received by the **CITY** and through ensuing correspondence, The Gravity Project 2, LLC confirmed that they have transferred all of its interest, ownership and title of the aforementioned commercial office building (the 6-story 184,189 square-foot Class A office) to another affiliate entity under the Kaufman Development umbrella, “Gravity 2 - Office, LLC”. The transfer of title and ownership was recorded at the County Auditor’s Office on February 11, 2021. In addition, the **PROJECT SITE** has been revised to be Parcel Number 010-301921 (split from the **ORIGINAL PARCEL**), containing approximately 1.032 +/- acres of developed land with the current street address of 449 - 461 W. Broad Street, Columbus, Ohio 43215; and

WHEREAS, due diligence has been undertaken by the **CITY** in that Gravity 2 - Office, 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; and

WHEREAS, a First Amendment to the **AGREEMENT** is now needed for Assignment & Assumption to remove The Gravity Project 2, LLC as **ENTERPRISE** and party to the **AGREEMENT** and to be replaced with Gravity 2 - Office, LLC as **ENTERPRISE** and party to the **AGREEMENT**; and

WHEREAS, the Director of the Department of Development of the **CITY** has investigated the Economic Development Application of The Gravity Project 2, LLC and concurs with the Columbus City Council on the basis that Gravity 2 - Office, 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 amendment for Assignment & Assumption to the **AGREEMENT** with The Gravity Project 2, LLC to (1) remove The Gravity Project 2, LLC as **ENTERPRISE** and to be replaced by Gravity 2 - Office, LLC as **ENTERPRISE** and party to the **AGREEMENT**, Gravity 2 - Office, LLC will assume the terms and commitments of the **AGREEMENT** as **ENTERPRISE**, (2) revise the description of the **PROJECT SITE**, and (3) revise the notice information; and **NOW THEREFORE**,

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

SECTION 1. That the Columbus City Council 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. That the Director of the Department of Development is hereby authorized to amend the Enterprise Zone Agreement with The Gravity Project 2, LLC (the **AGREEMENT**) to remove The Gravity Project 2, LLC as **ENTERPRISE** to be replaced with Gravity 2 - Office, LLC as **ENTERPRISE** whereby Gravity 2 - Office, LLC will assume the terms and commitments of the **AGREEMENT** as **ENTERPRISE**.

SECTION 3. That the Director of the Department of Development is hereby authorized to amend Section 1 (Establishment by Corporation) of the **AGREEMENT** to state that the **PROJECT SITE** is revised to be Parcel Number 010-301921 (split from the **ORIGINAL PARCEL**), containing approximately 1.032 +/- acres with the current street address of 449 - 461 W. Broad Street, Columbus, Ohio 43215.

SECTION 4. That the Director of the Department of Development is hereby authorized to amend within Section 6 (Program Compliance) of the **AGREEMENT**, the “if to the **ENTERPRISE**” section regarding written communication to Gravity 2 - Office, LLC in C/O Kaufman Development 30 Warrant Street, Columbus, Ohio 43215 Farms, LLC attention: Brent Kaufman, Manager.

SECTION 5. That this **FIRST AMENDMENT** for Assignment & Assumption to the City of Columbus Enterprise Zone Agreement be signed by Gravity 2 - Office, LLC 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 this Ordinance shall take effect and be in force from and after the earliest period allowed by law.