



Legislation Text

File #: 0601-2008, **Version:** 2

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Schottenstein Stores Corporation and 4300 Venture 34910 LLC. The Ohio Enterprise Zone law O.R.C. Section 5709.62 (3) requires the City to enter into a Council-approved agreement between the City and participating companies.

Schottenstein's was founded by Ephraim Schottenstein in 1917. Schottenstein Stores Corporation (SSC) is the Schottenstein family retail holdings company. The firm owns interests in retail businesses, including Retail Ventures, Filene's Basement stores, DSW shoe warehouse stores, Value City Furniture and American Eagle Outfitters. Schottenstein Stores Corp. (SSC) ranks among the 250 largest private enterprises in the United States.

The company proposes to relocate its corporate headquarters from 1800 Moler Road in Columbus to 4300 East Fifth Avenue Columbus, Ohio (a.k.a. Air Center Park). The project would involve the relocation of all 355 full-time employees currently located at the Moler Road facility to the renovated Air Center Park facility.

The Department of Development recommends a 75%/10 year Enterprise Zone tax abatement on real property improvements. The proposal is consistent with the Columbus Tax Incentive Policy under Edge City projects.

Emergency action is requested of City Council in order to facilitate a project start date.

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

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into an Enterprise Zone Agreement with Schottenstein Stores Corporation and 4300 Venture 34910 LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years; in consideration of a proposed \$11.8 million investment in real property improvements and personal property and the retention of 355 full-time permanent positions. ~~÷ and to declare an emergency.~~

WHEREAS, the Columbus City Council authorized the designation of the 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, 2609-92 and 2249-92 in 1992; 1079-94 and 1228-94 in 1994; 2196-95 and 2817-95 in 1995; 533-99 in 1999; 1785-00 in 2000; 1464-02 in 2002; and 225-03 in 2003; 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 and most recently on August 19, 2003 as an "urban jobs and enterprise zone" under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Schottenstein Stores Corporation and 4300 Venture 34910 LLC plan to invest \$10.3 million in real property improvements on parcel# 010-268722 to renovate a building; and

WHEREAS, Schottenstein Stores Corporation and 4300 Venture 34910 LLC will invest \$1.5 million in personal property and retain 355 full-time permanent positions within the City; **NOW, THEREFORE**,

~~WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to enter into contract with Schottenstein Stores Corporation and 4300 Venture 34910 LLC in order to facilitate a project start date, all for the preservation of public health, peace, property and safety,~~

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

Section 1. That the Director of Development is hereby authorized to enter into an Enterprise Zone Agreement with Schottenstein Stores Corporation and 4300 Venture 34910 LLC and to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) taxable years in association with the project's proposed \$11.8 million investment and job retention.

Section 2. That the City of Columbus Enterprise Zone Agreement be signed by Schottenstein Stores Corporation and 4300 Venture 34910 LLC within ninety (90) days of passage of this ordinance, or this ordinance and the abatements authorized herein are 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.~~ **That this ordinance shall take effect and be in force from and after the earliest period allowed by law.**