



Legislation Text

File #: 1883-2012, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Pizzuti Short North Office 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.

Development of Pizzuti Short North Office LLC (dba The Joseph) began over 4 years ago with the vision of bringing a boutique hotel experience to the Columbus region. Over the course of the project's development additional property became available adjacent to the original project site. This land was acquired and the site design refocused to install a one of a kind mixed-use development in the district.

As part of the design Pizzuti has proposed the construction of a speculative 60,000 square foot facility housing 55,000 square feet of Class A office and 5,000 square feet of retail space. Project costs are estimated to be \$11.6 million including \$8.9 million in new building construction and \$2.7 million in leasehold improvements. A total of 217 new employees are anticipated to fill the space with the potential to generate \$13.3 million in annual payroll.

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

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 Pizzuti Short North Office LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years on real property improvements in consideration of a proposed total investment of \$11.6 million for new building construction (\$8.9 million) and tenant build out (\$2.7 million). **(AMENDED BY ORD. 0175-2013 PASSED 1/28/2013)**

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; and 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 Code 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 April 3, 2012 as an "urban jobs and enterprise zone" under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Pizzuti Short North Office LLC proposes to construct a 60,000 square foot mixed-use facility on North High Street (parcel number 010-002258); and

WHEREAS, Pizzuti Short North LLC will make a proposed total investment of \$11.6 million (\$8.9 million for new building construction and \$2.7 million for tenant buildout) at the project site; and

WHEREAS, Pizzuti Short North Office LLC will create 217 full-time permanent jobs with an annual payroll of \$13.3 million; and

WHEREAS, the City is encouraging this project because of plans to redevelop urban commercial property in the city; and

WHEREAS, the City desires to enter into such a binding formal agreement in order to foster economic growth, **NOW, THEREFORE**,

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

Section 1. That City hereby finds and determines that the project will (1) 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 Pizzuti Short North Office LLC to go forward with the project expansion.

Section 2. That the City Council hereby finds and determines that the project meets all the requirements of the City Act.

Section 3. That the Director of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with Pizzuti Short North Office LLC 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 investment of approximately \$11.6 million, toward new building construction and tenant build out and the creation of 217 new permanent full-time positions with an annual payroll of approximately \$13.3 million.

Section 4. That the City of Columbus Enterprise Zone Agreement is signed by Pizzuti Short North Office LLC within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credits authorized herein are null and void.

Section 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.