



Legislation Text

File #: 2852-2015, **Version:** 1

BACKGROUND: Columbus City Council, by Ordinance 1481-2012, passed July 16, 2012, authorized the City of Columbus to enter into an Enterprise Zone Agreement (the Agreement) with Amamata, LLC (Enterprise) for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of a \$3 million investment in real property improvements and the creation of forty (40) new full-time permanent positions with an annual payroll of approximately \$1.4 million related to the renovation of a vacant commercial office facility of approximately 51,000 square feet at 6400 East Broad Street on parcel number 520-121657 (the Project Site), in Columbus Ohio, within the Gahanna-Jefferson City School District and within the City of Columbus (aka Central) Enterprise Zone. The Agreement was made and entered into effective August 29, 2012 (EZA #023-12-04). The Agreement stated that construction on the improvements (the Project) was expected to begin in July 2012 with all real property improvements expected to be completed by December 2013, and that no real property exemption was to commence after 2014 nor extend beyond 2023.

On August 6, 2015 a Project Site visit was conducted, and on August 11, 2015 a letter from Amamata, LLC was received indicating that due to many unforeseen conditions the construction was not completed until March 2015 and it was requested that the allowable dates for the tax abatement term could be changed so that the abatement term could begin in 2016 and end in 2025.

The City reported to the 2015 TIRC on August 20, 2015 the status of the Project and the recommendation of the TIRC was to continue and amend the Agreement to extend the construction window and the tax abatement application window.

This legislation is to authorize the Director of Development to amend the Agreement for the first time to (1) state that the Project is expected to begin July 2012 and that all improvements are expected to be completed by December 31, 2015, and (2) that no real property exemption would commence after 2016 nor extend beyond 2025.

This legislation is presented as an emergency measure in order for this amendment to be legislated prior to the end of 2015 so that this amendment to the Agreement can be reported to the necessary local and state agencies prior to the end of calendar year 2015 and to ensure that Enterprise remains in compliance with the terms of the Agreement.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to amend the Enterprise Zone Agreement with Amamata, LLC for the first time to reflect changes in the Project construction schedule; and to declare an emergency.

WHEREAS, the City of Columbus entered into an Enterprise Zone Agreement (Agreement) with Amamata, LLC (Enterprise), approved by Columbus City Council on July 16, 2012 by Ordinance 1481-2012 with this Agreement made and entered into effective August 29, 2012; and

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

WHEREAS, the incentive was granted in consideration of a \$3.0 million investment in real property improvements, and the creation of forty (40) new full-time permanent positions with an annual payroll of approximately \$1.4 million related to the renovation of a vacant commercial office facility of approximately 51,000 square feet at 6400 East Broad Street on

parcel number 520-121657 (the Project Site), in Columbus Ohio, within the Gahanna-Jefferson City School District and within the City of Columbus (aka Central) Enterprise Zone; and

WHEREAS, the Agreement stated that construction on the improvements (the Project) was expected to begin in July 2012 with all real property improvements expected to be completed by December 2013, and that no real property exemption was to commence after 2014 nor extend beyond 2023; and

WHEREAS, on August 6, 2015 a Project Site visit was conducted, and on August 11, 2015 a letter from Amamata, LLC was received indicating that due to many unforeseen conditions the construction was not completed until March 2015 and it was requested that the allowable dates for the tax abatement term could be changed so that the abatement term could begin in 2016 and end in 2025; and

WHEREAS, the City reported to the 2015 TIRC on August 20, 2015 the status of the Project and the recommendation of the TIRC was to continue and amend the Agreement to extend the construction window and the tax abatement application window; and

WHEREAS, an amendment is needed to revise the Project commencement and completion dates as well to revise the dates for which the abatement would begin and end; and

WHEREAS, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to amend the Agreement with Amamata, LLC so the amendment can be reported to the necessary local and state agencies prior to the end of calendar year 2015 and to ensure that Enterprise remains in compliance with the terms of the Agreement, thereby preserving the public health, peace, property and safety, **NOW, THEREFORE**,

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

SECTION 1. That the Director of Development is hereby authorized to amend the Enterprise Zone Agreement with Amamata, LLC to (1) state that the Project is expected to begin July 2012 and that all improvements are expected to be completed by December 31, 2015, and (2) that no real property exemption would commence after 2016 nor extend beyond 2025.

SECTION 2. That this First Amendment to the City of Columbus Enterprise Zone Agreement be signed by Amamata, 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.