



Legislation Text

File #: 0161-2017, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with AirSide Three LLC. The Ohio Enterprise Zone law (Section 5709.62(C) of the Ohio Revised Code) requires the City to enter into a Council-approved agreement between the City and participating companies.

Established in December 2016, AirSide Three LLC's primary business is ownership of real estate used for office and distribution. AirSide Three LLC proposes to construct a 100,000-square-foot speculative office and distribution center on parcel number 520-164556 further known as 4580 Bridgeway Avenue, Columbus, OH 43219), presently owned by the Columbus Regional Airport Authority.

A total capital investment of approximately \$6,100,000 is proposed at the site for new building construction. The developer anticipates that the construction of this facility will lead to the relocation of an unknown number of positions from within the City of Columbus and the creation of 10 new full-time permanent positions with an estimated new annual payroll of approximately \$350,000 as a result of the project.

The Department of Development recommends an Enterprise Zone Tax Abatement of seventy-five percent (75%) for a period of ten (10) years on real property improvements.

The Gahanna-Jefferson Schools Board of Education and the Eastland-Fairfield Career & Technical Schools Board of Education have been advised of this project.

This legislation is requested to be considered as an emergency in order to allow AirSide Three LLC to begin the aforementioned construction project in an expedient manner.

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 AirSide Three 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 capital investment of approximately \$6,100,000.00 for new building construction; and to declare an emergency.

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

WHEREAS, AirSide Three LLC proposes to construct a 100,000-square-foot speculative office and distribution center located on Bridgeway Avenue (parcel number: 520-164556); and

WHEREAS, AirSide Three LLC will make a proposed capital investment of \$6,100,000 for new building construction at the project site; and

WHEREAS, AirSide Three LLC will create 10 new full-time permanent positions with an estimated new annual payroll of approximately \$350,000; and

WHEREAS, the City is encouraging this project because of plans to construct new commercial property near a regional asset, John Glenn International Airport; and

WHEREAS, the City desires to enter into such a binding formal agreement in order to foster economic growth for the preservation of the public health, property, safety and welfare;

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to grant and maintain the project schedule and to coincide with the established development timeline, thereby preserving the public health, peace, property, safety and welfare; now, therefore,

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

Section 1. That this Council 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 AirSide Three LLC to go forward with the project expansion.

Section 2. That the Director of the Department of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with Airside Three 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 \$6,100,000 toward new building construction and the creation of 10 new full-time permanent positions with an estimated new annual payroll of approximately \$350,000.

Section 3. That for the reasons stated in the preamble hereto, which is made a part hereof, this 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 (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.