



## Legislation Text

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**File #:** 0614-2017, **Version:** 1

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**BACKGROUND:** Columbus City Council (COUNCIL), by Ordinance No. 1686-2014, passed July 28, 2014, authorized the City of Columbus (CITY) to enter into an Enterprise Zone Agreement (the AGREEMENT) with Clarus Partners, LLC and Clarus Solutions, LLC "Clarus" (ENTERPRISE) for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of a proposed \$1.5 million investment in real property improvements and the creation of 33 full-time jobs with an associated annual payroll of approximately \$1,745,600 in addition to the relocation and retention of 39 full-time jobs with an annual retained payroll of approximately \$3,232,200 related to the renovation of an existing +/-20,000-square-foot building on parcel number 010-129600, located at 1233 Dublin Road in Columbus Ohio and within the City of Columbus Enterprise Zone. The AGREEMENT was made and entered into effective November 25, 2014 (EZA #023-14-100).

Following discussion with Clarus Partners, LLC and Clarus Solutions, LLC, a letter to the CITY from Clarus Partners, LLC, was received January 13, 2017 requesting an amendment to the AGREEMENT. Executives from Clarus Partners, LLC, and Clarus Solutions, LLC - related firms with some common ownership - advanced the acquisition of the Project Site and four partners of both firms each put up the necessary capital to acquire and renovate the property. In doing so, the four partners created a real estate holding company, Clarus Ventures LLC, which took title of parcel number 010-129600 on October 1, 2014. It was noted in the letter that this new entity is the property owner of record. Clarus requested that the AGREEMENT be amended to add Clarus Ventures, LLC to the AGREEMENT as the Project Site owner, and therefore the direct beneficiary of the property tax abatement. All other terms of the AGREEMENT are to remain unchanged.

This legislation is to authorize the Director of Development to amend the AGREEMENT for the first time to add Clarus Ventures, LLC as an additional party to the AGREEMENT, together with Clarus Partners, LLC and Clarus Solutions, LLC to be known as ENTERPRISE. This legislation is being presented as an emergency measure in order for this amendment to be legislated in as expedient a manner as possible so that this amendment to the AGREEMENT might be fully executed prior to the completion of the 2016 Enterprise Zone reporting cycle; thereby preserving the public health, peace, property and safety.

**FISCAL IMPACT:** No funding is required for this legislation.

To authorize the Director of Development to amend for the first time the Enterprise Zone Agreement with Clarus Partners, LLC and Clarus Solutions, LLC to add Clarus Ventures, LLC as an additional party; and to declare an emergency.

**WHEREAS,** the City of Columbus (CITY) entered into an Enterprise Zone Agreement (the "AGREEMENT") with Clarus Partners, LLC and Clarus Solutions, LLC, approved by Columbus City Council (COUNCIL) on July 28, 2014 by Ordinance No. 1686-2014 with this AGREEMENT made and entered into effective November 25, 2014; and

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

**WHEREAS,** the incentive was granted in consideration of a \$1.5 million investment in real property improvements and the creation of 33 full-time jobs with an annual payroll of approximately \$1,745,600 in addition to the relocation and retention of 39 full-time jobs with an annual retained payroll of approximately \$3,232,200 related to the renovation of an existing, +/- 20,000-square-foot building at 1233 Dublin Road in Columbus Ohio and within the City of Columbus Enterprise Zone on parcel number 010-129600; and

**WHEREAS**, a letter to the CITY from Clarus Partners, LLC received January 13, 2017 confirmed that four partners of both firms [Clarus Partners, LLC and Clarus Solutions, LLC] had created a real estate holding company, Clarus Ventures LLC, which took title of the property on October 1, 2014; and

**WHEREAS**, Clarus Partners, LLC and Clarus Solutions, LLC seeks to add Clarus Ventures, LLC, the owner of the property, as an additional party to the AGREEMENT; and

**WHEREAS**, due diligence has been undertaken by the CITY in that Clarus Ventures, LLC has agreed to fully assume the terms and commitments of the ENTERPRISE pursuant to the AGREEMENT; and

**WHEREAS**, an emergency exists in the usual daily operations of the Department of Development in that it is necessary for this ordinance to be effective immediately so that this amendment to the AGREEMENT might be fully executed prior to the completion of the 2016 Enterprise Zone reporting cycle; **NOW, THEREFORE,**

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

**Section 1.** That the Director of Development is hereby authorized to amend the Enterprise Zone Agreement with Clarus Partners, LLC and Clarus Solutions, LLC for the first time to add Clarus Ventures, LLC as an additional party to the Agreement, to be the owner of parcel number 010-129600 and together with Clarus Partners, LLC and Clarus Solutions, LLC be known as Enterprise.

**Section 2.** That this First Amendment to the City of Columbus Enterprise Zone Agreement be signed by Clarus Partners, LLC, Clarus Solutions, LLC and Clarus Ventures, 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.