



## Legislation Text

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**File #:** 3015-2017, **Version:** 1

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**BACKGROUND:** The need exists to enter into an Enterprise Zone Agreement with 1086 North Fourth St. LS, LLC and Lykens Companies LLC. The Ohio Enterprise Zone law (Section 5709.62(C) of the Ohio Revised Code) requires the City to enter into Council-approved agreements between the City and participating companies.

1086 North Fourth St. LS, LLC is a real estate holding company that was recently created for the sole purposes of acquiring, owning, renovating, redeveloping and converting an old manufacturing facility into a productive mixed-use facility. Lykens Companies LLC is a locally owned business that has specialized in residential and commercial real estate development since 1999. The company serves urban communities of Central Ohio with an eye toward historical preservation. Their goal is to provide its clients with new innovative designs that accommodate their needs, budgets, and lifestyles while maintaining whatever made that specific property special in the first place. Both aforementioned companies are owned and operated by Kevin Lykens.

1086 North Fourth St. LS, LLC proposes to invest a total project cost of approximately \$5,456,375, which includes \$4,756,375 in real property improvements and another \$300,000 in improvements for retail space, \$200,000 in machinery and equipment, \$200,000 in furniture and fixtures to renovate, redevelop and convert a vacant manufacturing facility (known as The Budd Dairy Building) into a new mixed-use Class A commercial office. The proposed mixed-use facility will contain approximately 35,000 sq. ft. +/- of new Class A office space, which will include an Entrepreneurial center and a co-working space, and approximately 5,451 sq. ft. +/- of retail space at 1086 N. 4<sup>th</sup> Street Columbus, Ohio 43201, parcel number 010-009127. Lykens Companies LLC will be one of the office tenants and employer of record, and enter into a lease agreement with 1086 North Fourth St., LS to expand and relocate its corporate headquarters from 1020 Dennison Avenue, Suite 102 Columbus, Ohio 43201 to the proposed project site. Additionally, Lykens Companies LLC will retain 10 full-time employees with an annual payroll of approximately \$410,000 and create 6 new full-time permanent positions with an estimated annual payroll of approximately \$180,000.

The Department of Development recommends an Enterprise Zone property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years on real property improvements for the purpose of renovating and converting a vacant manufacturing facility into approximately 35,000 +/- square feet of Class A office space at 1086 N. 4<sup>th</sup> Street, Columbus, Ohio 43201.

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 1086 North Fourth St. LS, LLC and Lykens Companies LLC for a property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed total investment of approximately \$5,456,375.00, of which approximately \$4,756,375.00 will be related to the renovation of approximately 35,000 +/- square feet of new Class A office space, retention of 10 full-time jobs and the creation of 6 net new full-time permanent positions.

**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; 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**, 1086 North Fourth St, LS, LLC is a real estate holding company that was recently formed in the fall 2017 for the sole purpose of acquiring, owning, renovating, redeveloping and converting an old manufacturing facility into a new Class A commercial office; and

**WHEREAS**, Lykens Companies LLC is a locally owned business that has specialized in residential and commercial real estate development since 1999. The company serves urban communities of Central Ohio with an eye toward historical preservation. Both aforementioned companies are owned and operated by Kevin Lykens; and

**WHEREAS**, 1086 North Fourth St. LS, LLC is proposing to invest a total project cost of approximately \$5,456,375, which includes \$4,756,375 in real property improvements and another \$300,000 in improvements for retail space, \$200,000 in machinery and equipment, and \$200,000 in furniture and fixtures to renovate, redevelop and convert a vacant manufacturing facility (known as The Budd Dairy Building) into a new mixed-use Class A commercial office. The proposed mixed-use facility will contain approximately 35,000 sq. ft. +/- of new Class A office space, which will include an Entrepreneurial center and a co-working space, and approximately 5,451 sq. ft. +/- of retail space at 1086 N. 4<sup>th</sup> Street Columbus, Ohio 43201, parcel number 010-009127; and

**WHEREAS**, Lykens Companies LLC will be one of the office tenants in the new facility and employer of record, and enter into a lease agreement with 1086 North Fourth St., LS to expand and relocate its corporate headquarters from 1020 Dennison Avenue, Suite 102 Columbus, Ohio 43201 to the proposed project site. Additionally, Lykens Companies LLC will retain 10 full-time employees with an annual payroll of approximately \$410,000 and create 6 new full-time permanent positions with an estimated annual payroll of approximately \$180,000; and

**WHEREAS**, representatives for 1086 North Fourth St. LS, LLC and Lykens Companies LLC have indicated that receiving this tax incentive from the City is crucial to their decision to advance the aforementioned construction in Columbus; and

**WHEREAS**, the City desires to increase employment opportunities and encourage the creation of new jobs in the City in order to improve the overall economic climate of the City and its citizens; 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; **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 representatives for 1086 North Fourth St. LS, LLC and Lykens Companies LLC to pursue redevelopment of The Budd Dairy & Co. manufacturing site.

**SECTION 2.** That the Director of Development is hereby authorized and directed to enter into and execute an

Enterprise Zone Agreement with 1086 North Fourth St. LS, LLC and Lykens Companies LLC to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) consecutive taxable years in association with the project's proposed total investment of approximately \$5,456,375, which includes \$4,756,375 in real property improvements related to the redevelopment of approximately 35,000 square feet of new Class A office space, retention of 10 full-time positions and the creation of 6 net new full-time permanent positions with an associated new annual payroll of approximately \$180,000 at 1086 N. 4<sup>th</sup> Street, Columbus, Ohio 4320, parcel number 010-009127.

**SECTION 3.** That the City of Columbus Enterprise Zone Agreement shall be signed by 1086 North Fourth St. LS, LLC and Lykens Companies LLC within ninety (90) days of passage of this ordinance or this ordinance and the abatement authorized herein shall be null and void.

**SECTION 4.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.