



Legislation Text

File #: 1205-2018, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Columbus Industrial Owner I, 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.

Columbus Industrial Owner I, LLC, an affiliate of California-based, real-estate investment and operating company Hackman Capital Partners, is proposing to construct an approximately 280,000-square-foot industrial warehouse on the east side of Walcutt Road, north of Trabue Road on parcel number 560-184817-00.

The new warehouse is expected to offer suites from 70,000 square feet and will feature 32' clear height, at least 50' x 54' column spacing, and up to 80 dock doors. To improve efficiency and mitigate potential product damage, respectively, T5 lighting with motion sensors and an Early Suppression, Fast Response (ESFR) ceiling mounted sprinkler system are expected to be installed throughout the warehouse. The project will include approximately 172 parking spaces and will preserve the ability to add approximately 60 trailer parking spaces for on-site storage.

Columbus Industrial Owner I, LLC expects to invest a total of approximately \$15 million in order to construct a new 280,000-square-foot industrial warehouse. It is estimated that the new development, in total, will support 20 full-time permanent positions by the end of the third full year of operation (estimated to be December 31, 2022). Approximately five (5) of the positions are expected to be net new full-time permanent positions to the City of Columbus with an associated new annual payroll of approximately \$156,000 with the balance conservatively estimated to be relocated from within Franklin County, Ohio or an adjacent county. As this is a speculative development, the exact number of full-time permanent positions expected to be relocated to the site is unknown.

Columbus Industrial Owner I, LLC is requesting an Enterprise Zone property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years on real property improvements to assist in the development of this project.

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 constructing an approximately 280,000-square-foot industrial warehouse on the east side of Walcutt Road, north of Trabue Road on parcel number 560-184817-00.

The Hilliard City School District and Tolles Career & Technical Center Schools have both 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 Development to enter into an Enterprise Zone Agreement with Columbus Industrial Owner I, 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 \$15,000,000.00 and the creation of approximately 5 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, Columbus Industrial Owner I, LLC is proposing to construct an approximately 280,000-square-foot industrial warehouse on the east side of Walcutt Road, north of Trabue Road on parcel number 560-184817-00; and

WHEREAS, contingent on the City granting an Enterprise Zone property tax abatement, Columbus Industrial Owner I, LLC will invest approximately \$15,000,000 related to new building construction and thereby expects to support the creation of approximately 5 net new full-time permanent positions with an associated annual payroll of approximately \$156,000; thereby increasing job opportunities and strengthening the economy of the City; and

WHEREAS, representatives for Columbus Industrial Owner I, 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 Columbus Industrial Owner I, LLC to pursue the construction of the warehouse.

SECTION 2. That the Director of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with Columbus Industrial Owner I, 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 \$15,000,000 and the creation of 5 net new full-time permanent positions with an associated new annual payroll of approximately \$156,000 on parcel number 560-184817-00.

SECTION 3. That the City of Columbus Enterprise Zone Agreement shall be signed by Columbus Industrial Owner I, 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.