



Legislation Text

File #: 1268-2018, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with AirSide Four 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.

Established in December of 2016, the primary business of AirSide Four LLC is the ownership of real estate used for office and distribution. AirSide Four LLC, an affiliate of Columbus-based developer The Daimler Group, Inc., proposes to construct a 60,000-square-foot speculative office and distribution center on Bridgeway Avenue (parcel number 520-164556), a site presently owned by the Columbus Regional Airport Authority.

AirSide Four LLC expects to invest a total of approximately \$4,500,000 at the project site on Bridgeway Avenue in order to construct the office and distribution center. It is estimated that the new development will support the creation of 10 net new full-time permanent positions to the City of Columbus with an associated new annual payroll of approximately \$350,000 by the end of the third full year of operation (estimated to be December 31, 2022). As this is a speculative development, the exact number of full-time permanent positions expected to be relocated to the site is unknown.

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 a new speculative office and distribution center.

The Gahanna-Jefferson Schools Board of Education and the Eastland-Fairfield Career & Technical Schools Board of Education 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 AirSide Four LLC for a property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years on real property improvements in consideration of a proposed total investment of approximately \$4,500,000.00.

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, AirSide Four LLC is proposing to construct a 60,000-square-foot speculative office and distribution center on Bridgeway Avenue (parcel number 520-164556); and

WHEREAS, contingent on the City granting an Enterprise Zone property tax abatement, AirSide Four LLC will invest approximately \$4,500,000 related to new building construction and thereby expects to support the creation of

approximately 10 net new full-time permanent positions with an associated annual payroll of approximately \$350,000; thereby increasing job opportunities and strengthening the economy of the City; and

WHEREAS, representatives for AirSide Four 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 AirSide Four LLC to advance the aforementioned construction.

SECTION 2. That the Director of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with AirSide Four 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 \$4,500,000 and the creation of approximately 10 net new full-time permanent positions with an associated annual payroll of approximately \$350,000 on Bridgeway Avenue (parcel number 520-164556).

SECTION 3. That the City of Columbus Enterprise Zone Agreement shall be signed by AirSide Four 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.