



Legislation Text

File #: 3120-2018, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Fortuity Holding, LLC and Fortuity Calling, LLC. The Ohio Enterprise Zone law O.R.C. Section 5709.62(C) requires the City to enter into a Council-approved agreement between the City and participating companies.

Headquartered in the City of Columbus, Fortuity Holding, LLC is a real estate holding company established in the fall of 2017. Fortuity Calling, LLC is a wholly owned subsidiary of Fortuity Holding, LLC, and will launch in mid-to-late 2018 as a full-service outsourced call center providing a range of customer support services to local and national companies including phone, chat, social media support, sms/text, email and mail/fax. Fortuity Calling, LLC will provide domestic inbound, overflow and back-office call center support for corporate clients that desire on-shore agents speaking English as their first language. Both entities are owned and operated by an experienced management team that includes Fred Brothers, Katie Robinson, and others.

Fortuity Holding, LLC proposes to invest a total project cost of approximately \$12.44 million, which includes \$4.56 million in acquisition cost, \$5.38 million in real property improvements, \$2.0 million in inventory, \$300,000 in equipment, and \$200,000 in furniture and fixtures to acquire, own, expand, renovate and redevelop Mt. Carmel's old medical office facility into a new Class A commercial office and rehabilitate the associated attached parking garage at 750 Mt. Carmel Mall, Columbus, Ohio, 43222, parcel number 010-000814 in West Franklinton. The proposed redevelopment will convert a 54,805 sq. ft. three-story medical office facility into a four-story commercial office space containing approximately 71,900 sq. ft. Additionally, the company proposes to rehabilitate a two-story parking garage that will support the commercial office. The 92,204 sq. ft. parking garage contains approximately 300 parking spaces, of which, 150 spaces will be used for public parking. Fortuity Calling, LLC will be one of the office tenants and employer of record, and will enter into a lease agreement with Fortuity Holding, LLC, retain 2 full-time positions with an annual payroll of approximate \$320,700 and create 125 new full-time permanent positions with an estimated annual payroll of approximately \$3.62 million at the proposed project site.

The Department of Development recommends 75%/10-year Enterprise Zone tax abatement on real property improvements.

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 Fortuity Holding, LLC and Fortuity Calling, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a total proposed capital investment of approximately \$12.44 million, the retention of 2 full-time jobs and the creation of 125 new full-time permanent positions with an estimated annual payroll of approximately \$3.62 million.

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 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, Fortuity Holding, LLC is a real estate holding company established in the fall of 2017 by Fred Brothers, CEO and President; and

WHEREAS, Fortuity Calling, LLC is a wholly owned subsidiary of Fortuity Holding, LLC, and will launch in mid-to-late 2018 as a full-service outsourced call center providing a range of customer support services to local and national companies including phone, chat, social media support, sms/text, email and mail/fax. The company will provide domestic inbound, overflow and back-office call center support for corporate clients that want on-shore agents speaking English as their first language; and

WHEREAS, both entities are owned and operated by an experienced management team that includes Fred Brothers, Katie Robinson, and others; and

WHEREAS, Fortuity Holding, LLC proposes to invest a total project cost of approximately \$12.44 million, which includes \$4.56 million in acquisition cost, \$5.38 million in real property improvements, \$2.0 million in inventory, \$300,000 in equipment, and \$200,000 in furniture and fixtures to acquire, own, expand, renovate and redevelop Mt. Carmel’s soon-to-be vacant medical office facility into a new Class A commercial office and rehabilitate the associated attached parking garage at 750 Mt. Carmel Mall, Columbus, Ohio, 43222, parcel number 010-000814 in West Franklinton; and

WHEREAS, the proposed redevelopment project will convert a 54,805 sq. ft. three-story medical office facility into a four-story commercial office space containing approximately 71,900 total sq. ft. Additionally, the company proposes to rehabilitate a two-story parking garage that will support the commercial office. The 92,204 sq. ft. parking garage contains approximately 300 parking spaces, of which, 150 spaces will be used for public parking; and

WHEREAS, Fortuity Calling, LLC will be one of the tenants and employer of record, and enter into a lease agreement with Fortuity Holding, LLC at the proposed project site, retain 2 full-time positions with an estimated an annual payroll of approximately \$320,700 and create 125 new full-time permanent positions with an estimated annual payroll of approximately \$3.62 million; and

WHEREAS, the City is encouraging this project because of plans to redevelop a soon-to-be vacant medical office facility in the central city; and

WHEREAS, the City desires to enter in such a binding formal agreement in order to foster economic growth for the preservation of public health, peace, property and safety; and **NOW, THEREFORE:**

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

Section 1. That this Council hereby finds and determines that the enterprise submitting the proposal is qualified by financial responsibility and business experience to create and preserve employment opportunities in the zone and improve the economic climate of the municipal corporation and receiving this tax incentive is a critical factor in the decision by Fortuity Holding, LLC and Fortuity Calling, 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 an Enterprise Zone Agreement with Fortuity Holding, LLC and Fortuity Calling, 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 \$12.44 million, which includes \$4.56 million in acquisition cost, \$5.38 million in real property improvements, \$2.0 million in inventory, \$300,000 in equipment, and \$200,000 in furniture and fixtures. Additionally, the company proposes to rehabilitate a two-story parking garage that will support the commercial office. The 92,204 sq. ft. parking garage contains approximately 300 parking spaces, of which, 150 spaces will be used for public parking at 750 Mt. Carmel Mall, Columbus, Ohio 43222, parcel number 010-000814. The company will retain 2 employees with an annual payroll of approximately \$320,700 and create 125 new full-time permanent positions with an estimated annual payroll of approximately \$3.62 million.

Section 3. That the City of Columbus Enterprise Zone Agreement is signed by Fortuity Holding, LLC and Fortuity Calling, LLC within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credit authorized herein are null and void.

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