



## Legislation Text

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**File #:** 1257-2019, **Version:** 1

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**BACKGROUND:** Columbus City Council (**COUNCIL**), by Ordinance No. 1205-2018, passed May 14, 2018, authorized the City of Columbus (**CITY**) to enter into an Enterprise Zone Agreement (the “**AGREEMENT**”) with Columbus Industrial Owner I, LLC (hereinafter “**ENTERPRISE**”) for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of the company’s investment of approximately \$15 million in real property improvements and the creation of five (5) net new full-time permanent positions with a total payroll of approximately \$156,000. The project involved the construction of an approximately 280,000 square foot speculative industrial warehouse on the east side of Walcutt Road, north of Trabue Road on Parcel Number 560-184817 located within the Hilliard City School District and the Tolles Career & Technical Center and within the Columbus Enterprise Zone, (hereinafter referred to as the “**PROJECT**”). The **AGREEMENT** was made and entered into effective August 13, 2018.

In a letter dated March 12, 2019 from a representative of the **ENTERPRISE**, the City was notified of a parcel split and property transfer that occurred in the fall of 2018 between Columbus Industrial Owner I, LLC and its affiliate HCP 1860 Walcutt Road, LLC. The letter requested that the **AGREEMENT** be amended to (i) assign the Agreement to HCP 1860 Walcutt Road, LLC; and (ii) redefine the Project Site as the 20.118 acre parcel transferred to HCP 1860 Walcutt Road, LLC and identified as parcel number 560-298454.

This legislation is to authorize the Director of the Department of Development to amend the **AGREEMENT** for the first time by revising the project scope to (i) assign the **AGREEMENT** to HCP 1860 Walcutt Road, LLC, whereby HCP 1860 Walcutt Road, LLC will assume the terms and commitments of the **AGREEMENT**; and (ii) redefine the Project Site as the 20.118 acre parcel split from the original parcel, transferred to HCP 1860 Walcutt Road, LLC and identified as parcel number 560-298454.

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** can be executed and ensure that **ENTERPRISE** remains in compliance with the terms and conditions of the **AGREEMENT**.

### **FISCAL IMPACT:**

No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the Enterprise Zone Agreement with Columbus Industrial Owner I, LLC for the first time by revising the project scope to (i) assign the agreement to HCP 1860 Walcutt Road, LLC, whereby HCP 1860 Walcutt Road, LLC will assume the terms of the agreement; and (ii) redefine the Project Site as the 20.118 acre parcel split from the original parcel, transferred to HCP 1860 Walcutt Road, LLC and identified as parcel number 560-298454; and to declare an emergency.

**WHEREAS**, the City of Columbus (“**CITY**”) entered into an Enterprise Zone Agreement (the “**AGREEMENT**”) with Columbus Industrial Owner I, LLC (hereafter referred to as “**ENTERPRISE**”), approved by Columbus City Council (“**COUNCIL**”) on May 14, 2018 by Ordinance No. 1205-2018 with this **AGREEMENT** made and entered into effective August 13, 2018; and

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

**WHEREAS**, the incentive was granted in consideration of company’s investment of approximately \$15 million in real property improvements and the creation of five (5) net new full-time permanent positions with a total payroll of

approximately \$156,000. The project involved the construction of an approximately 280,000 square foot speculative industrial warehouse on the east side of Walcutt Road, north of Trabue Road on Parcel Number 560-184817 located within the Hilliard City School District and the Tolles Career & Technical Center and within the Columbus Enterprise Zone, (hereinafter referred to as the “**PROJECT**”).

**WHEREAS**, in a letter dated March 12, 2019 from a representative of the **ENTERPRISE**, the City was notified of a parcel split and property transfer that occurred in the fall of 2018 between Columbus Industrial Owner I, LLC and its affiliate HCP 1860 Walcutt Road, LLC. The letter further requested that the **AGREEMENT** be amended to (i) assign the Agreement to HCP 1860 Walcutt Road, LLC; and (ii) redefine the Project Site as the 20.118 acre parcel split from the original parcel, transferred to HCP 1860 Walcutt Road, LLC and identified as parcel number 560-298454.

**WHEREAS**, an amendment to the **AGREEMENT** is now needed to revise the project scope to: (i) assign the **AGREEMENT** to HCP 1860 Walcutt Road, LLC, whereby HCP 1860 Walcutt Road, LLC will assume the terms and commitments of the **AGREEMENT**; and (ii) redefine the Project Site as the 20.118 acre parcel split from the original parcel, transferred to HCP 1860 Walcutt Road, LLC and identified as parcel number 560-298454.

**WHEREAS**, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to seek an amendment to the **AGREEMENT** with Columbus Industrial Owner I, LLC to revise the project scope to remove Columbus Industrial Owner I, LLC and replace with HCP 1860 Walcutt Road, LLC as the **ENTERPRISE** and to apply the proposed property tax exemption to the 20.118 acre parcel split from the original parcel, transferred to HCP 1860 Walcutt Road, LLC and identified as parcel number 560-298454 (“**PROJECT**”); thereby preserving the public health, peace, property and safety; **NOW, THEREFORE**,

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

**SECTION 1.** That the Director of the Department of Development is hereby authorized to amend the Enterprise Zone Agreement for assignment and assumption with Columbus Industrial Owner I, LLC to revise the project scope to (i) assign the **AGREEMENT** to HCP 1860 Walcutt Road, LLC; and (ii) redefine the Project Site as the 20.118 acre parcel split from the original parcel, transferred to HCP 1860 Walcutt Road, LLC and identified as parcel number 560-298454.

**SECTION 2.** That this **FIRST AMENDMENT** to the City of Columbus Enterprise Zone Agreement be signed by HCP 1860 Walcutt Road, 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.