



Legislation Text

File #: 1649-2019, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Mission XC 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.

Mission XC LLC provides real estate investment opportunities in industrial assets to institutional and private wealth investors through the acquisition, development, redevelopment and management of institutional-quality bulk logistics, infill/last-mile and light industrial properties located in top-tier markets in the U.S. Since inception, Mission XC LLC has acquired and developed, redeveloped or repositioned industrial real estate projects totaling nearly 11 million square feet, including 1.3 million square feet currently in various stages of development, and is a joint venture partner in planned logistics projects totaling over 12 million square feet. From infill industrial development in Los Angeles in the 1980s to land development and vertical construction as part of the global supply chain, Mission XC LLC continues to build upon its legacy of value creation.

Mission XC LLC is proposing to invest a total project cost of approximately \$7,100,000, including \$6,500,000 in real property improvements to construct a speculative industrial building consisting of approximately 163,493 sq. ft. located at 1322 London Groveport Road, Columbus, Ohio, parcel number 495-232636 ("Project Site"). The company anticipates that the development of the proposed project will lead to the creation of 10 net new full-time permanent positions with an estimated new annual payroll of approximately \$353,600 at the proposed Project Site.

The Department of Development recommends a 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 Mission XC LLC for Building #3 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 \$7,100,000.00 including \$6,500,000.00 in real property improvements and \$600,000.00 in furniture and fixtures and the creation of 10 net new full-time permanent positions with an estimated new annual payroll of approximately \$353,600.00.

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 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, Mission XC LLC is an industrial real estate development and investment group, based in Los Angeles,

California and Dallas, Texas; and

WHEREAS, Mission XC LLC is proposing to invest a total project cost of approximately \$7,100,000, including \$6,500,000 in real property improvements to construct a speculative industrial building consisting of approximately 163,493 sq. ft. located at 1322 London Groveport Road, Columbus, Ohio, parcel number 495-232636 (“Project Site”).

WHEREAS, Mission XC LLC anticipates that the development of the proposed project will lead to the creation of 10 net new full-time permanent positions with an estimated new annual payroll of approximately \$353,600 at the proposed Project Site; and

WHEREAS, the City is encouraging this project because of plans to invest in a speculative industrial building; 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 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 Mission XC LLC to move forward with the proposed project.

SECTION 2. That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with Mission XC LLC for Building #3 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 \$7,100,000, including \$6,500,000 in real property improvements and \$600,000 in furniture and fixtures and the creation of 10 net new full-time permanent positions with an estimated new annual payroll of approximately \$353,600.

SECTION 3. That the City of Columbus Enterprise Zone Agreement is signed by Mission XC 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.