



## Legislation Text

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**File #:** 1651-2019, **Version:** 1

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**BACKGROUND:** The need exists to enter into an Enterprise Zone Agreement with Montwards, 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.

Montwards, LLC is a real estate holding company that is a subsidiary of Paul V. Profeta & Associates, Inc., based in West Orange, New Jersey. After working for Eastdil in New York and then Feist & Feist in Newark, New Jersey, Mr. Profeta launched Paul V. Profeta Associates, Inc. in 1976. Paul V. Profeta & Associates, Inc. is a real estate investment company that is actively engaged in procuring value-added investment properties throughout the country. The company's portfolio is comprised of office, industrial, retail and multi-family properties in key markets.

Montwards, LLC is proposing to invest a total project cost of approximately \$1,500,000 in real property improvements to renovate an existing vacant distribution and office warehouse facility consisting of approximately 260,000 square feet located at 525 N. Nelson Road, Columbus, Ohio 43219, parcel number 010-190006 ("**Project Site**"). The company anticipates that the redevelopment of the proposed project will lead to the relocation of an unknown number of positions from within the City of Columbus and the creation of 4 net new full-time permanent positions with an estimated new annual payroll of approximately \$124,800 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 Montwards, 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 \$1,500,000.00 and the creation of 4 net new full-time permanent positions with an estimated annual payroll of approximately \$124,800.00.

**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**, Montwards, LLC is a real estate holding company that is a subsidiary of Paul V. Profeta & Associates, Inc., based in West Orange, New Jersey; and

**WHEREAS**, after working for Eastdil in New York and then Feist & Feist in Newark, New Jersey, Mr. Profeta launched

Paul V. Profeta Associates, Inc. in 1976. Paul V. Profeta & Associates, Inc. is a real estate investment company that is actively engaged in procuring value-added investment properties throughout the country. The company's portfolio is comprised of office, industrial, retail and multi-family properties in key markets; and

**WHEREAS**, Montwards, LLC is proposing to invest a total project cost of approximately \$1,500,000 on real property improvements to renovate an existing vacant distribution and warehouse facility consisting of approximately 260,000 square feet located at 525 N. Nelson Road, Columbus, Ohio 43219, parcel number 010-190006 ("**Project Site**").

**WHEREAS**, Montwards, LLC anticipates that the development of the aforementioned project will lead to the relocation of an unknown number of positions from within the City of Columbus and the creation of 4 net new full-time permanent positions with an estimated new annual payroll of approximately \$124,800 at the **Project Site**; and

**WHEREAS**, the City is encouraging this project because of plans to construct a new distribution and warehouse facility in addition to the rehabilitation of this vacant distribution and warehouse facility as two separate projects in the central city; 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 public health, peace, property and safety; **NOW, THEREFORE**,

**BE IT ORDAINED BY THE COUNCIL OF THE CITY 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 Montwards, 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 Montwards, 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 \$1,500,000 in real property improvements and the creation of 4 net new full-time permanent positions with an estimated annual payroll of approximately \$124,800.

**SECTION 3.** That the City of Columbus Enterprise Zone Agreement is signed by Montwards, 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.