File #: 1701-2019, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Columbus Downtown Office Incentive Agreement with ORIX Real Estate Capital Holdings, LLC dba Lancaster Pollard Mortgage Company and Red Mortgage Capital (**"ORECH"**).

Lancaster Pollard, established in 1988, is an underwriter of fixed income securities with a focus on serving the health and long-term care sectors. The firm has grown into a full-service financial institution for health care and senior living facilities. RED Mortgage Capital Group provides financial services in the multifamily, affordable and seniors housing and healthcare markets. The two companies merged on January 1, 2019 into one company called ORIX Real Estate Capital Holdings, LLC. **ORECH** provides comprehensive capital solutions for multifamily, affordable, seniors and healthcare real estate through its affiliated companies. The lending businesses of Lancaster Pollard Mortgage Company and Red Mortgage Capital continue to originate business under their existing brands and maintain their sector focus. **ORECH's** parent company, ORIX Corporation, is a Tokyo-based, publicly owned international financial services company with operations in 36 countries and regions worldwide. ORIX Corporation is listed on the Tokyo (8591) and New York Stock Exchanges (IX).

ORECH is proposing to invest a total project cost of approximately $200,000 in stand-alone computers to expand its regional office in the Central Business District. The company is proposing to reconfigure its existing office space of approximately 68,874 square feet located at 10 West Broad Street, Columbus, Ohio 43215 (the **"Project Site"**), to accommodate the company's increased sales growth and continued investment in senior housing, healthcare, market-rate multifamily and affordable housing. Additionally, **ORECH** proposes to create 62 net new full-time permanent positions with an annual payroll of approximately $6,100,000 and retain 187 full-time positions with an annual payroll of approximately $18,106,732 at the proposed **Project Site**.

ORIX Real Estate Capital Holdings, LLC dba Lancaster Pollard Mortgage Company and Red Mortgage Capital are requesting a Downtown Office Incentive from the City of Columbus to assist in the expansion 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 a Downtown Office Incentive Agreement with ORIX Real Estate Capital Holdings, LLC dba Lancaster Pollard Mortgage Company and Red Mortgage Capital.

WHEREAS, the City desires to increase employment opportunities and encourage establishment of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and,

WHEREAS, Resolution Number 0088X-2007, adopted June 4, 2007, authorized the Department of Development to establish the Columbus Downtown Office Incentive program as amended; and,

WHEREAS, the Department of Development has received a completed application for the Columbus Downtown Office Incentive program from ORIX Real Estate Capital Holdings, LLC dba Lancaster Pollard Mortgage Company and Red Mortgage Capital; and,

WHEREAS, the company is proposing to invest a total project cost of approximately $200,000 in stand-alone computers to expand its regional office located at 10 W. Broad Street, Columbus, Ohio 43215, (the **"Project Site")**, in the Central Business District; and

WHEREAS, with this expansion, ORIX Real Estate Capital Holdings, LLC dba Lancaster Pollard Mortgage Company and Red Mortgage Capital will retain 187 full-time jobs with an annual payroll of approximately $18,106,732 and create 62 net new full-time permanent positions with a cumulative estimated annual payroll of approximately $6,100,000 at the proposed **Project Site**; and

WHEREAS, the company has indicated that a Downtown Office Incentive is crucial to its decision to move forward with the expansion of its regional office within the City; and

WHEREAS, the City of Columbus desires to facilitate the future growth of ORIX Real Estate Capital Holdings, LLC dba Lancaster Pollard Mortgage Company and Red Mortgage Capital at the proposed **Project Site** by providing a Downtown Office Incentive; and **NOW THEREFORE,**

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

SECTION 1. City Council authorizes the Director of the Department of Development to enter into a Columbus Downtown Office Incentive Agreement with ORIX Real Estate Capital Holdings, LLC dba Lancaster Pollard Mortgage Company and Red Mortgage Capital pursuant to Columbus City Council Resolution Number 0088X-2007, for an annual cash payment equal to fifty percent (50%) of the amount of City withholding tax withheld on new employees for a term up to five (5) consecutive years on the estimated job creation of 62 net new full-time permanent positions with an annual payroll of approximately $6,100,000 to be located at 10 W. Broad Street, Columbus, Ohio 43215.

SECTION 2. Each year of the term of the agreement with ORIX Real Estate Capital Holdings, LLC dba Lancaster Pollard Mortgage Company and Red Mortgage Capital that a payment is due, the City's obligation to pay the incentive is expressly contingent upon the passing of an ordinance appropriating and authorizing the expenditure of monies sufficient to make such payment and the certification of the City Auditor pursuant to Section 159 of the Columbus City Charter.

SECTION 3. That the City of Columbus Downtown Office Incentive Agreement is signed by within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 4. The City Council hereby extends authority to the Director of the Department of Development to amend the ORIX Real Estate Capital Holdings, LLC dba Lancaster Pollard Mortgage Company and Red Mortgage Capital City of Columbus Downtown Office Incentive Agreement for certain modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of Development with these certain modifications being specifically limited to reductions in length of term, methods of calculating the incentive, or adding or deleting business entities associated with the employment commitments related to this incentive. All other requested amendments must be approved by City Council.

SECTION 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

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