



Legislation Text

File #: 1836-2019, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Airside Five 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.

Established in May of 2019, the primary business of Airside Five LLC is the ownership of real estate used for office and distribution. Airside Five LLC is an affiliate of Columbus-based developer The Daimler Group, Inc.

Airside Five LLC proposes to invest a total cost of approximately \$8,000,000.00 in real property improvements to construct a new speculative office and distribution center consisting of approximately 140,000 sq. ft. +/- at Bridgeway Avenue, Columbus, Ohio, parcel number to be designated, created from portions of parcels 520-164563, 520-263243, 520-263245, 520-263244, 520-164555, and 520-287806 ("Project Site"). It is estimated that the new development will support the creation of 10 net new full-time permanent positions to the City of Columbus with an associated new annual payroll of approximately \$350,000.00 by the end of the third full year of operation (estimated to be December 31, 2022). As this is a speculative development, the exact number of full-time permanent positions expected to be relocated to the site is unknown.

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

The Gahanna Jefferson City School District and Eastland-Fairfield Career and Technical Schools have 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 Airside Five 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 \$8,000,000.00 in real property improvements and the creation of 10 net new full-time permanent positions with an estimated annual payroll of approximately \$350,000.00.

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, Airside Five LLC, established in May of 2019 as the owner of real estate used for office and distribution and an affiliate of Columbus-based developer The Daimler Group, Inc.; and

WHEREAS, Airside Five LLC proposes to invest a total cost of approximately \$8,000,000 in real property

improvements to construct a new speculative office and distribution center consisting of approximately 140,000 sq. ft. +/- at Bridgeway Avenue, Columbus, Ohio, parcel number to be designated, created from portions of parcels 520-164563, 520-263243, 520-263245, 520-263244, 520-164555, and 520-287806 ("Project Site"); and

WHEREAS, Airside Five LLC anticipates that the development of the proposed project will lead to the creation of 10 net new full-time permanent positions to the City of Columbus with an associated new annual payroll of approximately \$350,000.00 at the proposed Project Site; and

WHEREAS, the City is encouraging this project because of plans to invest in a speculative office and distribution center; 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 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 Airside Five 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 Airside Five 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 investment of approximately \$8,000,000.00 in real property improvements and creation of 10 net new full-time permanent positions with an estimated annual payroll of approximately \$350,000.00.

SECTION 3. That the City of Columbus Enterprise Zone Agreement is signed by Airside Five 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.