



## Legislation Text

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**File #:** 2561-2019, **Version:** 1

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**BACKGROUND:** The Columbus Department of Development is proposing to enter into a Columbus Downtown Office Incentive Agreement with Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, LLC.

Founded in 2013, Coastal Ridge Real Estate Partners, LLC (“**CRRE**”), is a full-service investment management firm focused on the multifamily real estate sector. **CRRE** concentrates on acquiring niche multifamily real estate assets, including student housing, senior housing, and market rate housing located throughout the United States. Coastal Ridge Management, LLC (“**CRM**”) is the common paymaster for **CRRE**. Founded in 2009, Peak Property Group LLC is a full-service private real estate investment and management company specializing in residential properties in Columbus and Cincinnati, Ohio areas. PPG Management, LLC (“**PPG**”) is the common paymaster for Peak Property Group LLC. In 2017, Foxen Insurance Company, LLC (“**Foxen**”) was established to provide risk management products and solutions for the benefit of renters, landlords and property owners. The aforementioned entities were co-founded by and share common owners, Jay Harkrider and Andrew Lallathin.

**CRRE, CRM, PPG, and Foxen** are proposing to invest a total project cost of approximately \$300,000, which includes \$156,000 in machinery and equipment, \$120,000 in stand-alone computers, and \$24,000 in furniture and fixtures to relocate and expand its corporate headquarters (HQ) into the newly constructed commercial office facility known as “80 on the Commons.” The aforementioned companies propose to enter into a new lease agreement on an office space consisting of approximately 60,000 square feet at 80 E. Rich Street, Columbus, Ohio 43215, parcel number 010-296465 (the “Project Site”), to accommodate its increased sales growth and to meet its consumer demands. Additionally, and collectively, the aforementioned companies will create 80 net new full-time permanent positions with an annual payroll of approximately \$6,138,700, retain and relocate 75 full-time positions with an estimated annual payroll of approximately \$5,793,200, which will be new jobs to the City but not incentivized.

Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, LLC are requesting a Downtown Office Incentive from the City of Columbus to assist in the relocation and 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 Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, LLC.

**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 Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, LLC; and

**WHEREAS**, founded in 2013, Coastal Ridge Real Estate Partners, LLC (“**CRRE**”), is a full-service investment management firm focused on the multifamily real estate sector. **CRRE** concentrates on acquiring niche multifamily real estate assets, including student housing, senior housing, and market rate housing located throughout the United States. Coastal Ridge Management, LLC is the common paymaster for **CRRE**; and

**WHEREAS**, founded in 2009, Peak Property Group LLC is a full-service private real estate investment and management company specializing in residential properties in Columbus and Cincinnati, Ohio areas. PPG Management, LLC is the common paymaster for Peak Property Group LLC; and

**WHEREAS**, founded in 2017 by the principals of **CRRE**, Foxen Insurance Company, LLC provides risk management products and solutions for the benefit of renters, landlords and property owners; and

**WHEREAS**, the aforementioned entities were co-founded by and share common owners, Jay Harkrider and Andrew Lallathin; and

**WHEREAS**, Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, LLC are proposing to invest a total project cost of approximately \$300,000, which includes \$156,000 in machinery and equipment, \$120,000 in stand-alone computers, and \$24,000 in furniture and fixtures to relocate and expand its existing corporate headquarters (HQ) into the newly constructed commercial office facility known as “80 on the Commons” located at 80 E. Rich Street, Columbus, Ohio 43215, (the “**Project Site**”), in the Central Business District; and

**WHEREAS**, with this expansion, Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, LLC will collectively retain and relocate 75 full-time jobs with an annual payroll of approximately \$5,793,200, which will be new jobs to the City but not incentivized, and create 80 net new full-time permanent positions with a cumulative estimated annual payroll of approximately \$6,138,700 at the **Project Site**; and

**WHEREAS**, the entities have indicated that a Downtown Office Incentive is crucial to its decision to move forward with the expansion of its corporate HQ within the City; and

**WHEREAS**, the City of Columbus desires to facilitate the future growth of the aforementioned entities at the **Project Site** by providing a Downtown Office Incentive; and **NOW THEREFORE**,

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

**SECTION 1.** Columbus City Council authorizes the Director of the Department of Development to enter into a Columbus Downtown Office Incentive Agreement with Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, LLC 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 80 net new full-time permanent positions with an annual payroll of approximately \$6,138,700 to be located at 80 E. Rich Street, Columbus, Ohio 43215.

**SECTION 2.** Each year of the term of the agreement with Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, LLC 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 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 Coastal Ridge Real Estate Partners, LLC, Coastal Ridge Management, LLC, PPG Management, LLC and Foxen Insurance Company, LLC 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 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.