



Legislation Text

File #: 3017-2019, **Version:** 1

BACKGROUND: Columbus City Council (“**COUNCIL**”), by Ordinance No. 1838-2019, passed July 22, 2019, authorized the City of Columbus (“**CITY**”) to enter into a Community Reinvestment Area Agreement (the “**AGREEMENT**”) with Pizzuti Land LLC (the “**ENTERPRISE**”) and Columbus-Franklin County Finance Authority for a tax abatement of one hundred percent (100%) for a period of fifteen (15) years in consideration of a proposed investment of approximately \$16,514,749 in real property improvements and the creation of 10 full-time jobs with an associated annual payroll of approximately \$312,000 related to the construction of a new 261,402-square-foot speculative industrial warehouse facility on parcel number 495-234526 located at 1675 Beggrow Street, Columbus, 43035, within the City of Columbus Community Reinvestment Area. The **AGREEMENT** was made and entered into effective August 29, 2019, with the abatement to begin no later than 2022 nor extend beyond 2036 to be applied to parcel number 495-300107 (having been split from parent parcel 495-234526 on September 3, 2019).

In a letter from the **ENTERPRISE** dated September 5, 2019, received by the **CITY** and through ensuing correspondence, the **ENTERPRISE** confirmed that Rickenbacker West Owner 2-3, LLC had acquired ownership of parcel number 495-300107 from Pizzuti Land LLC on September 3, 2019. Due diligence has been undertaken by the **CITY** in that Rickenbacker West Owner 2-3, LLC has agreed to fully assume the terms and commitments of the **ENTERPRISE** pursuant to the **AGREEMENT**, has submitted an updated Economic Development Incentive Application and that this application and all other pertinent information has been reviewed and vetted.

This legislation is to authorize the Director of the Department of Development to amend the **AGREEMENT** for the first time to remove Pizzuti Land LLC as **ENTERPRISE** and party to the **AGREEMENT** and to be replaced with Rickenbacker West Owner 2-3, LLC as **ENTERPRISE** and party to the **AGREEMENT**, whereby Rickenbacker West Owner 2-3, LLC will assume the terms and commitments of the **AGREEMENT**.

This legislation is being presented as an emergency measure in order for this amendment to be legislated in as expedient a manner as possible so that this amendment to the **AGREEMENT** might be fully executed with the current property owner, which will allow the **ENTERPRISE** to remain in compliance and receive any future tax savings from the proposed abatement.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the Community Reinvestment Area Agreement on parcel 495-300107 with Pizzuti Land LLC and Columbus-Franklin County Finance Authority to remove Pizzuti Land LLC as a party, to be replaced with Rickenbacker West Owner 2-3, LLC for purposes of assignment and assumption of the agreement; and to declare an emergency.

WHEREAS, the City of Columbus (“**CITY**”) entered into a Community Reinvestment Area Agreement (the “**AGREEMENT**”) with Pizzuti Land LLC and Columbus-Franklin County Finance Authority approved by Columbus City Council (“**COUNCIL**”) on July 22, 2019 by Ordinance No. 1838-2019 with this **AGREEMENT** made and entered into effective August 29, 2019; and

WHEREAS, the **AGREEMENT** granted a 100%/15-Year tax abatement on real property improvements; and

WHEREAS, the incentive was granted in consideration of a capital investment of approximately \$16,514,749 in real property improvements and the creation of 10 full-time jobs with an annual payroll of approximately \$312,000 related to the construction of a new 261,402-square-foot speculative industrial warehouse facility on parcel number 495-234526

located at 1675 Beggrow St., Columbus Ohio 43035, and within the City of Columbus Community Reinvestment Area with the abatement to begin no later than 2022 nor extend beyond 2036 to be applied to parcel number 495-300107 (having been split from parent parcel 495-234526 on September 3, 2019); and

WHEREAS, in a letter to the **CITY** from Pizzuti Land LLC, dated September 5, 2019 and received September 6, 2019 confirmed that Pizzuti Land LLC has transferred its real estate ownership interest in the project to Rickenbacker West Owner 2-3, LLC with the transfer having occurred on September 3, 2019; and

WHEREAS, due diligence has been undertaken by the **CITY** in that Rickenbacker West Owner 2-3, LLC has agreed to fully assume the terms and commitments of the **ENTERPRISE** pursuant to the **AGREEMENT**, has submitted an updated Economic Development Incentive Application and that this application and all other pertinent information has been reviewed and vetted; and

WHEREAS, an amendment for assignment and assumption is needed to remove Pizzuti Land LLC as **ENTERPRISE** and party to the **AGREEMENT** and to be replaced with Rickenbacker West Owner 2-3, LLC as **ENTERPRISE** and party to the **AGREEMENT**; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to seek an Amendment for Assignment and Assumption to the **AGREEMENT** with Pizzuti Land LLC for the purpose of removing Pizzuti Land LLC as **ENTERPRISE** and party to the **AGREEMENT** to be replaced by Rickenbacker West Owner 2-3, LLC as **ENTERPRISE** and party to the **AGREEMENT**; thereby preserving the public health, peace, property and safety; **NOW, THEREFORE**,

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

Section 1. That the Director of the Department of the Department of Development is hereby authorized to amend the Community Reinvestment Area Agreement for Assignment and Assumption with Pizzuti Land LLC and Columbus-Franklin County Finance Authority, to remove Pizutti Land LLC as **ENTERPRISE** and party to the **AGREEMENT** to be replaced by Rickenbacker West Owner 2-3, LLC as **ENTERPRISE** and party to the **AGREEMENT**, whereby Rickenbacker West Owner 2-3, LLC will assume the terms and commitments of the **AGREEMENT**.

Section 2. That this **FIRST AMENDMENT** for Assignment and Assumption to the City of Columbus Community Reinvestment Area Agreement be signed by Rickenbacker West Owner 2-3, LLC and Columbus-Franklin County Finance Authority within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

Section 3. That for reasons stated in the preamble hereto, which is hereby made a part hereof, the ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after the passage if the Mayor neither approves nor vetoes the same.