



Legislation Text

File #: 3098-2019, **Version:** 1

BACKGROUND: Columbus City Council (COUNCIL), by Ordinance No. 2252-2017, passed September 18, 2017, authorized the City of Columbus (CITY) to enter into an Enterprise Zone Agreement (the AGREEMENT) with 93 OHRPT, LLC; Ronald Benderson 1995 Trust & Benderson 85-1 Trust dba Benderson Development Company (ENTERPRISE) for a tax abatement of seventy-five percent (75%) for a period of ten (10) years in consideration of an \$8.032 million investment in real property improvements and the creation of twenty (20) new full-time permanent positions with an annual payroll of approximately \$700,000 related to the construction of two separate speculative Class A light industrial/flex facilities totaling approximately 267,750 square feet at 6380-6492 and 6530 Tussing Road on parcel numbers 010-200001, 010-007362 and 010-238624 (the PROJECT SITE), in Columbus Ohio, within the Columbus City School District and within the Columbus Southeast Enterprise Zone. The AGREEMENT was made and entered into effective December 11, 2017 (EZA #392-17-01). The AGREEMENT stated that construction on the improvements (the PROJECT) was expected to begin Spring 2018 with all real property improvements expected to be completed by Summer 2019, and that no real property exemption was to commence after 2020 nor extend beyond 2029.

Following a meeting with ENTERPRISE, on August 13, 2019 the CITY received a letter from ENTERPRISE advising of the delay in PROJECT commencement, indicating that they “were now ready to move forward with the redevelopment and plan to prepare the site for the commencement of construction...in March of 2020” and that “the plan is to have these two buildings...completed by December 31, 2020” and so requested that the project commencement date be adjusted to March 2020 and the project completion date be adjusted to December 2020 and to “adjust the effective dates for the tax abatement to run from 2021 to 2030 to meet our new time frames.”

The CITY reported the status of the PROJECT to the 2019 Tax Incentive Review Council (“TIRC”) on August 21, 2019 and the TIRC recommended that the CITY was to “work with ENTERPRISE to establish revised PROJECT completion, job creation and abatement term windows per the letter received from ENTERPRISE and to amend the AGREEMENT.”

COUNCIL, by Resolution 0255X-2019, passed October 7, 2019, accepted the written recommendations presented by the 2019 TIRC.

Additionally, COUNCIL, by Ordinance No. 3221-2018, passed March 13, 2019, authorized the Director of Development to establish a fee schedule that supports the Department’s administrative and project costs associated with administering Department programs with one of those fees being an Amendment Fee.

This legislation is to authorize the Director of Development to amend the AGREEMENT for the first time to (1) state that the PROJECT is expected to begin March 2020 and that all improvements are expected to be completed by December 31, 2020, (2) that no real property exemption would commence after 2021 nor extend beyond 2030, (3) that the job creation timeline would be adjusted accordingly and (4) to add language requiring an Amendment Fee for future Grantee-initiated Amendments.

This legislation is presented as an emergency measure in order for this amendment to be legislated prior to the end of 2019 so that this amendment to the AGREEMENT can be reported to the necessary local and state agencies in as expedient manner as possible to ensure that ENTERPRISE remains in compliance with the terms of the AGREEMENT.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to amend the Enterprise Zone Agreement with 93 OHRPT, LLC; Ronald Benderson 1995 Trust & Benderson 85-1 Trust dba Benderson Development Company for the first time to (1) state that

the project is expected to begin March 2020 and that all improvements are expected to be completed by December 31, 2020, (2) that no real property exemption would commence after 2021 nor extend beyond 2030, (3) to adjust the job creation timeline accordingly and (4) to add language requiring an Amendment Fee for future Grantee-initiated Amendments; and to declare an emergency.

WHEREAS, the City of Columbus (CITY) entered into an Enterprise Zone Agreement (the “AGREEMENT”) with 93 OHRPT, LLC; Ronald Benderson 1995 Trust & Benderson 85-1 Trust dba Benderson Development Company (ENTERPRISE), approved by Columbus City Council (COUNCIL) on September 18, 2017 by Ordinance No. 2252-2017 with this AGREEMENT made and entered into effective December 11, 2017; and

WHEREAS, the AGREEMENT granted a 75%/10-Year abatement on real property improvements; and

WHEREAS, the incentive was granted in consideration of an \$8.032 million investment in real property improvements, and the creation of twenty (20) new full-time permanent positions with an annual payroll of approximately \$700,000 related to the construction of two separate speculative Class A light industrial/flex facilities totaling approximately 267,750 square feet at 6380-6492 and 6530 Tussing Road on parcel numbers 010-200001, 010-007362 and 010-238624 (the PROJECT SITE), in Columbus Ohio, within the Columbus City School District and within the Columbus Southeast Enterprise Zone; and

WHEREAS, the AGREEMENT stated that construction on the improvements (the PROJECT) was expected to begin Spring 2018 with all real property improvements expected to be completed by Summer 2019, and that no real property exemption was to commence after 2020 nor extend beyond 2029; and

WHEREAS, Following a meeting with ENTERPRISE, on August 13, 2019 the CITY received a letter from ENTERPRISE advising of the delay in PROJECT commencement, indicating that they “were now ready to move forward with the redevelopment and plan to prepare the site for the commencement of construction...in March of 2020” and that “the plan is to have these two buildings...completed by December 31, 2020” and so requested that the project commencement date be adjusted to March 2020 and the project completion date be adjusted to December 2020 and to “adjust the effective dates for the tax abatement to run from 2021 to 2030 to meet our new time frames;” and

WHEREAS, the CITY reported the status of the PROJECT to the 2019 Tax Incentive Review Council (“TIRC”) on August 21, 2019 and the TIRC recommended that the CITY was to “work with ENTERPRISE to establish revised PROJECT completion, job creation and abatement term windows per the letter received from ENTERPRISE and to amend the AGREEMENT;” and

WHEREAS, COUNCIL, by Resolution 0255X-2019, passed October 7, 2019, accepted the written recommendations presented by the 2019 TIRC; and

WHEREAS, COUNCIL, by Ordinance No. 3221-2018, passed March 13, 2019, authorized the Director of Development to establish a fee schedule that supports the Department’s administrative and project costs associated with administering Department programs with one of those fees being an Amendment Fee; and

WHEREAS, an amendment is needed to revise the PROJECT commencement and completion dates, to revise the dates for which the abatement would begin and end, to adjust the job creation timeline and to add language regarding Amendment Fees for future Grantee-initiated Amendments; 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 to the AGREEMENT with 93 OHRPT, LLC; Ronald Benderson 1995 Trust & Benderson 85-1 Trust dba Benderson Development Company so that this amendment to the AGREEMENT can be reported to the necessary local and state agencies in as expedient manner as possible to ensure that ENTERPRISE remains in compliance with the terms of the AGREEMENT, thereby preserving the public health, peace, property and safety; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS

SECTION 1. That the Director of Development is hereby authorized to amend the Enterprise Zone Agreement with 93 OHRPT, LLC; Ronald Benderson 1995 Trust & Benderson 85-1 Trust dba Benderson Development Company to (1) state that the PROJECT is expected to begin March 2020 and that all improvements are expected to be completed by December 31, 2020, (2) that no real property exemption would commence after 2021 nor extend beyond 2030 and (3) to adjust the job creation timeline accordingly.

SECTION 2. That the Director of Development is hereby authorized to amend the final paragraph of Section 6 (Program Compliance, modification provision paragraph) of the AGREEMENT to state that “Any request from the ENTERPRISE to modify any of the terms of this AGREEMENT must be received by the CITY at least 90 days prior to the expiration date of the AGREEMENT and shall require the payment to the CITY by the ENTERPRISE or any other potential Grantee an AMENDMENT FEE in the amount of \$500.”

SECTION 2. That this FIRST AMENDMENT to the City of Columbus Enterprise Zone Agreement be signed by 93 OHRPT, LLC; Ronald Benderson 1995 Trust & Benderson 85-1 Trust dba Benderson Development Company 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.