



Legislation Text

File #: 0842-2020, Version: 1

BACKGROUND: Columbus City Council (“**COUNCIL**”), by Ordinance No. 0852-2014, passed April 28, 2014, authorized the City of Columbus (“**CITY**”) to enter into an Enterprise Zone Agreement (the “**AGREEMENT**”) with FlightSafety International Inc. (hereinafter also referred to as “**ENTERPRISE**”), for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of the **ENTERPRISE**’s total proposed capital investment of approximately \$113 million, which included \$22.5 million in real property improvements, \$88 million in machinery and equipment, and \$2.5 million in furniture and fixtures to construct a learning center office facility at 4010 Bridgeway Avenue, Columbus, Ohio 43219, Parcel Number 010-254179. Additionally, the **ENTERPRISE** agreed to retain one hundred and thirty-seven (137) full-time employees with an estimated annual payroll of \$9.17 million and create eighteen (18) new full-time permanent positions with an estimated annual payroll of approximately \$1.19 million, within the City of Columbus Central Enterprise Zone. The **AGREEMENT** was made and entered into effective June 16, 2014 with the abatement currently effective from 2018-2027 applied to parcel number 010-254179.

In a letter from the **ENTERPRISE** dated March 5, 2020, received by the **CITY** and through additional correspondence, the **ENTERPRISE** indicated and subsequently confirmed that a new joint venture with FlightSafety Textron Aviation Training LLC will be an additional employer of record, and some of the retained and newly created jobs will be associated with this new entity. The **ENTERPRISE** has requested that FlightSafety Textron Aviation Training LLC be added as an additional party to the **AGREEMENT**. As such, an amendment to the **AGREEMENT** is now needed to add FlightSafety Textron Aviation Training LLC as an additional party to the **AGREEMENT**.

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 project costs associated with administering Department programs with one of those fees being an Amendment Fee.

This legislation is requested to be considered as an emergency in order to (1) authorize the Director of the Department of Development to amend the **AGREEMENT** for the first time to add FlightSafety Textron Aviation Training LLC as an additional entity and party to the **AGREEMENT**, whereby FlightSafety Textron Aviation Training LLC will assume the terms and commitments of the **AGREEMENT** and for this amendment to be legislated in as expedient a manner as possible so as to allow for the inclusion of the employees located at the additional entity for the reporting and compliance purposes, and (2) add language requiring an Amendment Fee for future Grantee-initiated Amendments.

FISCAL IMPACT:

No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the Enterprise Zone Agreement with FlightSafety International Inc. to add FlightSafety Textron Aviation Training, LLC as an additional entity and party to the Agreement; and to declare an emergency.

WHEREAS, the City of Columbus entered into an Enterprise Zone Agreement (the “**AGREEMENT**”) with FlightSafety International Inc. (“**ENTERPRISE**”) approved by Columbus City Council on April 28, 2014 by Ordinance No. 0852-2014; and

WHEREAS, the **AGREEMENT**, made and entered into effective June 16, 2014, granted a 75%/10-Year tax abatement on real property improvements; and

WHEREAS, in the **AGREEMENT**, **ENTERPRISE** committed to invest total capital expenditures of approximately \$113 million, which included \$22.5 million in real property improvements, \$88 million in machinery and equipment, and \$2.5 million in furniture and fixtures to construct a learning center office facility at 4010 Bridgeway Avenue, Columbus, Ohio 43219, Parcel Number 010-254179; and

WHEREAS, in a letter from the **ENTERPRISE** dated March 5, 2020, received by the **CITY** and through additional correspondence, the **ENTERPRISE** indicated and subsequently confirmed that the joint venture FlightSafety Textron Aviation Training, LLC will be an additional employer of record, and some of the retained and newly created jobs will be associated with this new entity; 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 being an Amendment Fee; and

WHEREAS, an amendment is needed to add an additional party to the agreement and to add language regarding Amendment Fees for future Grantee-initiated Amendments and an amendment to the **AGREEMENT** is now needed to add FlightSafety Textron Aviation Training, LLC as an additional entity 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 authorize the Director to amend the **AGREEMENT** with FlightSafety International Inc. to (1) add FlightSafety Textron Aviation Training, LLC as an additional entity and party to the **AGREEMENT** and (2) to add language requiring an Amendment Fee for future Grantee-initiated Amendments so as to allow for the inclusion of the employees located at the additional entity for the reporting and compliance purposes, all for the public health, safety and welfare;

NOW, THEREFORE

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS

Section 1. That the Director of the Department of Development is hereby authorized to amend the Enterprise Zone Agreement with FlightSafety International Inc., to add FlightSafety Textron Aviation Training LLC as an additional entity and party to the **AGREEMENT**, whereby FlightSafety Textron Aviation Training LLC will assume the terms and commitments of the **AGREEMENT**.

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 and **AMENDMENT FEE** in the amount of \$500.

Section 3. That the **FIRST AMENDMENT** to the City of Columbus Enterprise Zone Agreement be signed by The Zimmerman Companies, LLC, 1201 Dublin Road, LLC, and Versa, LLC within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void

Section 4. 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.