



## Legislation Text

**File #:** 2511-2020, **Version:** 1

**BACKGROUND:** The need exists to enter into an Enterprise Zone Agreement with Marble Cliff Canyon, 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.

Headquartered in Columbus, Ohio, Marble Cliff Canyon, LCC ("MCC") is a real estate holding company that is a subsidiary of Thrive Companies, previously known as Wagenbrenner Development. Wagenbrenner Development was a real estate development and construction company, which recently re-branded its name and is now known as Thrive Companies. The company specializes in acquiring blighted and underutilized properties and redeveloping them to their highest and best use. The company's primary business is to own, develop, and lease mixed-use properties including office, multi-family, retail, and parking structures.

MCC is proposing to invest a total project cost of approximately \$10,845,000 which includes \$9,200,000 in real property improvements, \$145,000 in acquisition cost, and \$1,500,000 in furniture and fixtures to construct a new 3-story speculative commercial office structure consisting of approximately 43,000 square feet on roughly 70 +/- acres of undeveloped land located at 2130 Quarry Trails, Columbus, Ohio 43204, parcel number 560-298029 (the "**Project Site**"). The company anticipates that the development of the proposed project will lead to the creation of 5 net new full-time permanent positions with an estimated new annual payroll of approximately \$175,000 at the **Project Site**, and since it is a speculative office project, may lead to the retention or relocation of an unknown number of positions from within the City of Columbus or surrounding communities.

MCC is requesting an Enterprise Zone property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years on real property improvements to assist in the development of this project.

The Department of Development recommends an Enterprise Zone property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years on real property improvements for the purpose of constructing a new commercial office structure consisting of approximately 43,000 square-feet on parcel number 560-298209 located in close proximity to the Quarry Trails.

Contingent upon the successful expansion of the City of Columbus Enterprise Zone (Zone 023), which would include the proposed parcel comprising the **Project Site**, the Department of Development recommends a 75%/10-year Enterprise Zone tax abatement on real property improvements.

The Hilliard City School District and Tolles Career & Technical Center Schools have both 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 Marble Cliff Canyon, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed capital investment of approximately \$9,200,000.00 in real property improvements and the creation of 5 net new full-time permanent positions with an estimated annual payroll of approximately \$175,000.00. (AMENDED BY ORD. 1561-2021; PASSED 7/19/2021)

**WHEREAS**, the Columbus City Council ("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; 0032-2012 in 2012 and 1442-2020 in 2020; 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 April 3, 2012 and most recently on September 18, 2020 as an “urban jobs and enterprise zone” under Chapter 5709 of the Ohio Revised Code; and

**WHEREAS**, headquartered in Columbus, Ohio, Marble Cliff Canyon, LCC (“MCC”) is a real estate holding company that is a subsidiary of Thrive Companies, previously known as Wagenbrenner Development; and

**WHEREAS**, Wagenbrenner Development was a real estate development and construction company, which recently re-branded its name and is now known as Thrive Companies. The company specializes in acquiring blighted and underutilized properties and redeveloping them to their highest and best use. The company’s primary business is to own, develop, and lease mixed-use properties including office, multi-family, retail, and parking structures; and

**WHEREAS**, MCC is proposing to invest a total project cost of approximately \$10,845,000, which includes \$9,200,000 in real property improvements, \$145,000 in acquisition costs, and \$1,500,000 in furniture and fixtures to construct a new 3-story speculative commercial office structure consisting of approximately 43,000 square feet on roughly 70 +/- acres of undeveloped land located at 2130 Quarry Trails, Columbus, Ohio 43204, parcel number 560-298029 (the “**Project Site**”); and

**WHEREAS**, MCC anticipates that the development of the aforementioned project will lead to the relocation of an unknown number of positions from within the City of Columbus and the creation of 5 net new full-time permanent positions with an estimated new annual payroll of approximately \$175,000 at the **Project Site**; and

**WHEREAS**, authorization by Council of the agreement will be contingent upon the successful expansion of the City of Columbus Enterprise Zone (Zone 023), which would include the proposed parcel comprising the **Project Site**; and

**WHEREAS**, the City is encouraging this project because of plans to construct a new speculative 3-story commercial office on an undeveloped land parcel in Quarry Trails; and

**WHEREAS**, the City desires to increase employment opportunities and encourage the creation of new jobs in the City 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 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 Marble Cliff Canyon, LLC to move forward with the proposed project.

**SECTION 2.** Contingent upon the successful expansion of the City of Columbus Enterprise Zone (Zone 023), which would include the proposed parcel comprising the Project Site, that the Director of the Department of Development is hereby authorized to enter into an Enterprise Zone Agreement with Marble Cliff Canyon, 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 \$9,200,000 in real property improvements and the creation of 5 net new full-time permanent positions with an estimated annual payroll of approximately \$175,000.

**SECTION 3.** That the City of Columbus Enterprise Zone Agreement is signed by Marble Cliff Canyon, LLC within one-hundred eighty (180) 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.