



Legislation Text

File #: 1917-2021, **Version:** 1

BACKGROUND: Columbus City Council (“**COUNCIL**”), by Ordinance No. 1836-2019, passed July 22, 2019, authorized the City of Columbus (“**CITY**”) to enter into an Enterprise Zone Agreement (the “**AGREEMENT**”) with Airside Five LLC (the “**ENTERPRISE**”) for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed total capital investment of roughly \$8,000,000 in real property improvements and the creation of ten (10) net new permanent full-time positions with an associated annual payroll of approximately \$350,000 related to the construction of a new speculative office and distribution center consisting of approximately 140,000 square feet +/- (the “**PROJECT**”) at Bridgeway Avenue, Columbus Ohio 43137, parcel numbers 520-164536, 520-263243, 520-263245, 520-263244, 520-164555, and 520-287806 (the “**PROJECT SITE**”), within the City of Columbus Enterprise Zone. The **AGREEMENT** was made and entered into effective October 31, 2019 (Agreement #023-19-13) with this **PROJECT** expected to begin September 2019 with all real property improvements expected to be completed by March 2021, with the abatement to begin no later than 2022 nor extend beyond 2031.

In a letter received by the Department of Development dated May 24, 2021, and through ensuing correspondence, it was requested that the proposed **PROJECT** be amended. Unfortunately, due to the COVID-19 pandemic all ongoing leasing and development activities for the **PROJECT** were terminated April 2020. As the various COVID-19 State of Ohio public health orders have recently begun to be lifted, the **ENTERPRISE** has recommenced construction activities. However, due to the shortage of construction laborers and necessary building materials the **ENTERPRISE** will not have a building constructed upon the **PROJECT SITE** until 2023. Therefore, the **ENTERPRISE** is requesting that the **AGREEMENT** be amended to revise the construction window for the **PROJECT** to be completed and to revise the associated allowable abatement term window.

This legislation is to authorize the Director of the Department of Development to amend the **AGREEMENT** for the first time to (i) revise the construction window of the **PROJECT** from expected to begin September 2019 with all real property improvements are expected to be completed by March 2021 to the **PROJECT** is expected to begin summer of 2021 with all real property improvements are expected to be completed by December 2023, and (ii) to revise the allowable abatement term window from no real property exemption shall commence after 2022 nor extend beyond 2031 to no real property exemption shall commence after 2024 nor extend beyond 2033 thereby giving the **ENTERPRISE** another year to complete the proposed **PROJECT**.

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** can be executed and ensure that **ENTERPRISE** remains in compliance with the terms and conditions of the Enterprise Zone Agreement.

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 Airside Five LLC for the first time to (i) revise the construction window of the **PROJECT** from expected to begin September 2019 with all real property improvements are expected to be completed by March 2021 to the **PROJECT** is expected to begin summer of 2021 with all real property improvements are expected to be completed by December 2023, and (ii) to revise the allowable abatement term window from no real property exemption shall commence after 2022 nor extend beyond 2031 to no real property exemption shall commence after 2024 nor extend beyond 2033, and to declare an emergency.

WHEREAS, the City of Columbus (“**CITY**”) entered into an Enterprise Zone Agreement (the “**AGREEMENT**”) with Airside Five LLC and was approved by Columbus City Council (“**COUNCIL**”) on July 22, 2019 by Ordinance No. 1836-2019 with this **AGREEMENT** made and entered into effective October 31, 2019; and

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

WHEREAS, the incentive was granted in consideration of a total capital investment of approximately \$8,000,000 in real property improvements and the creation of ten (10) net new full-time permanent positions with an annual payroll of approximately \$350,000 related to the construction of a new speculative office and distribution center consisting of approximately 140,000 square feet +/- (the “**PROJECT**”) located at Bridgeway Avenue, Columbus Ohio 43137, parcel numbers 520-164536, 520-263243, 520-263245, 520-263244, 520-164555, and 520-287806 (the “**PROJECT SITE**”), within the City of Columbus Enterprise Zone. The **AGREEMENT** was made and entered into effective October 31, 2019 (Agreement #023-19-13) with this **PROJECT** expected to begin September 2019 with all real property improvements expected to be completed by March 2021, with the abatement to begin no later than 2022 nor extend beyond 2031; and

WHEREAS, in a letter received by the Department of Development dated May 24, 2021, and through ensuing correspondence, it was requested that the proposed **PROJECT** be amended. Unfortunately, due to the COVID-19 pandemic all ongoing leasing and development activities for the **PROJECT** were terminated April 2020. As the various COVID-19 State of Ohio public health orders have recently begun to be lifted, the **ENTERPRISE** has recommenced construction activities. However, due to the shortage of construction laborers and necessary building materials the **ENTERPRISE** will not have a building constructed upon the **PROJECT SITE** until 2023. Therefore, the **ENTERPRISE** is requesting that the **AGREEMENT** be amended to revise the construction window for the **PROJECT** to be completed and to revise the associated allowable abatement term window; and

WHEREAS, an amendment to the **AGREEMENT** is now needed to (i) revise the construction window of the **PROJECT** from expected to begin September 2019 with all real property improvements are expected to be completed by March 2021 to the **PROJECT** is expected to begin summer of 2021 with all real property improvements are expected to be completed by December 2023, and (ii) to revise the allowable abatement term window from no real property exemption shall commence after 2022 nor extend beyond 2031 to no real property exemption shall commence after 2024 nor extend beyond 2033; and

WHEREAS, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to seek a First Amendment to the **AGREEMENT** with Airside Five LLC for the purpose of revising the construction window of the **PROJECT** from expected to begin September 2019 with all real property improvements are expected to be completed by March 2021 to the **PROJECT** is expected to begin summer of 2021 with all real property improvements are expected to be completed by December 2023, and (ii) to revise allowable abatement term window from no real property exemption shall commence after 2022 nor extend beyond 2031 to no real property exemption shall commence after 2024 nor extend beyond 2033; 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 Development is hereby authorized to amend the Enterprise Zone Agreement with Airside Five LLC to revise the construction window of the **PROJECT** from expected to begin September 2019 with all real property improvements are expected to be completed by March 2021 to the **PROJECT** is expected to begin summer of 2021 with all real property improvements are expected to be completed by December 2023.

Section 2. That the Director of the Department of Development is hereby authorized to amend the Enterprise Zone Agreement with Airside Five LLC to revise the exemption period from no real property exemption shall commence after 2022 nor extend beyond 2031 to no real property exemption shall commence after 2024 nor extend beyond 2033.

Section 3. That this **FIRST AMENDMENT** to the City of Columbus Enterprise Zone Agreement be signed by Airside Five 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.