



Legislation Text

File #: 2657-2021, **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.

Due to delays in PROJECT commencement and based on the recommendations of the 2019 Columbus Tax Incentive Review Council ("TIRC"), the AGREEMENT was subsequently amended to state that the PROJECT was expected to begin March 2020, that all improvements were expected to be completed by December 31, 2020, that no real property exemption would commence after 2021 nor extend beyond 2030, and that the job creation timeline was adjusted accordingly.

The CITY reported the status of the PROJECT to the 2021 TIRC on August 20, 2021, in that per ENTERPRISE, the PROJECT had yet to begin per the amended timeframe and that ENTERPRISE had again requested that the AGREEMENT be amended to again revise the construction and abatement windows. The CITY advised the TIRC that it was not amenable to amending the AGREEMENT, with the TIRC then recommending that the AGREEMENT be dissolved and that ENTERPRISE should come back to the CITY when they are ready to undertake the project.

COUNCIL, by Resolution 0145X-2021, passed September 20, 2021, accepted the written recommendations presented by the 2021 TIRC.

This legislation is presented as an emergency measure in order for this dissolution to be legislated in the most expedient manner as possible so that this dissolution of the AGREEMENT can be reported to the necessary local and state agencies prior to the end of calendar year 2021.

FISCAL IMPACT: No funding is required for this legislation.

To dissolve the Enterprise Zone Agreement with 93 OHRPT, LLC; Ronald Benderson 1995 Trust & Benderson 85-1 Trust dba Benderson Development Company (ENTERPRISE), and to direct the Director of the Department of Development to notify as necessary the local and state tax authorities, 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, due to delays in PROJECT commencement and based on the recommendations of the 2019 Columbus Tax Incentive Review Council ("TIRC"), the AGREEMENT was subsequently amended to state that the PROJECT was expected to begin March 2020, that all improvements were expected to be completed by December 31, 2020, that no real property exemption would commence after 2021 nor extend beyond 2030, and that the job creation timeline was adjusted accordingly; and

WHEREAS, the CITY reported the status of the PROJECT to the 2021 TIRC on August 20, 2021, in that per ENTERPRISE, the PROJECT had yet to begin per the amended timeframe and that ENTERPRISE had again requested that the AGREEMENT be amended to again revise the construction and abatement windows. The CITY advised the TIRC that it was not amenable to amending the AGREEMENT, with the TIRC then recommending that the AGREEMENT be dissolved and that ENTERPRISE should come back to the CITY when they are ready to undertake the project; and

WHEREAS, COUNCIL, by Resolution 0145X-2021, passed September 20, 2021, accepted the written recommendations presented by the 2021 TIRC; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to take action on this agreement in order for this dissolution to be legislated in the most expedient manner as possible so that this dissolution of the AGREEMENT can be reported to the necessary local and state agencies prior to the end of calendar year 2021, and to preserve the public health, property, safety and welfare;

NOW, THEREFORE BE IT ORDAINED BY THE COUNCIL OF COLUMBUS

SECTION 1. That Columbus City Council hereby dissolves the 93 OHRPT, LLC; Ronald Benderson 1995 Trust & Benderson 85-1 Trust dba Benderson Development Company Enterprise Zone Agreement (EZA# 392-17-01) as of December 31, 2020, which was to apply a 75%/10-year real property tax abatement to the value of real property improvements made to parcel numbers 010-200001, 010-007362 and 010-238624 within the Columbus Southeast Enterprise Zone.

SECTION 2. That the Director of Development is hereby directed to notify the necessary local and state agencies of any changes to the 93 OHRPT, LLC; Ronald Benderson 1995 Trust & Benderson 85-1 Trust dba Benderson Development Company Enterprise Zone Agreement.

SECTION 3. For the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is 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 (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.