



Legislation Text

File #: 1277-2022, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Parkside on Pearl, 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.

Parkside on Pearl, LLC is a real estate holding company that is partially owned by five separate entities: Wood's High Street Ltd, Wood Real Estate LLC, Wood Legacy Holdings LLC, Wood Partners LLC, and Wood SNP LLC. All of these entities specialize in the ownership and development of real estate and are headquartered in the city of Columbus. While the ownership members differ between the entities, Mark Wood is the managing member of all entities. Through the years, Mark Wood and companies has led the way in transforming the Short North from the dilapidated area it once was into the lively, eclectic district it is today. In partnership with their tenants, shopkeepers, startups and restaurateurs. The Wood Companies remains devoted to supporting and fostering the Short North to ensure it remains one of the great Midwest neighborhoods to live, work, and play.

Parkside on Pearl LLC proposes to invest a total capital expenditure of approximately \$22,000,000, related to the construction of a new 7-story, 88,563-square-foot mixed-use development at 35 E. Hubbard Avenue, Columbus, Ohio 43201, parcel number 010-010941 (the "**Project Site**"), in the Short North District. The proposed mixed-use development will consist of approximately 780 square feet of retail space on the first floor, 12,534 square feet of commercial office space on the second floor, and roughly 75,249 square feet of residential units on the remaining floors. The company anticipates that the construction of the commercial office portion of this new mixed-use development will lead to the relocation of an unknown number of positions from within the City of Columbus and the creation of 10 net new full-time permanent positions with an estimated annual payroll of approximately \$416,000 at the proposed **Project Site**.

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 related to the construction of approximately 12,534 +/- square feet of new Class A office space at the proposed **Project Site**.

The Columbus City School District has 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 Parkside on Pearl, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a total proposed capital investment of approximately \$22,000,000.00, of which approximately \$2,275,797.00 will be related to the construction of approximately 12,534 +/- square feet of new Class A office space and the creation of 10 net new full-time permanent positions with an estimated annual payroll of approximately \$416,000.00.

WHEREAS, the Columbus City 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; and 0032-2012 in 2012; 1442-2020 in 2020 and 0279-2021 in 2021; 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, September 18, 2020 and most recently on May 20, 2021 as an “urban jobs and enterprise zone” under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Parkside on Pearl, LLC (“Parkside on Pearl”), a real estate holding company that is partially owned by five separate entities: Wood’s High Street Ltd, Wood Real Estate LLC, Wood Legacy Holdings LLC, Wood Partners LLC, and Wood SNP LLC and headquartered in the city of Columbus; and

WHEREAS, Wood’s High Street Ltd, Wood Real Estate LLC, Wood Legacy Holdings LLC, Wood Partners LLC, and Wood SNP LLC specialize in the ownership and development of real estate. While the ownership members differ between the entities, Mark Wood is the managing member of all entities; and

WHEREAS, Parkside on Pearl is proposing to invest a total project cost of approximately \$22,000,000, including \$2,275,797 in commercial real property improvements to construct a 7-story, 88,563-square-foot mixed-use development at 35 E. Hubbard Avenue, Columbus, Ohio 43201, parcel number 010-010941 (the “**Project Site**”), in the Short North District. The proposed mixed-use development will consist of approximately 780 square feet of retail space on the first floor, 12,534 square feet of commercial office space on the second floor, and roughly 75,249 square feet of residential units on the remaining floors; and

WHEREAS, Parkside on Pearl anticipates that the development of the proposed project will lead to the creation of ten (10) net new full-time permanent positions with an estimated new annual payroll of approximately \$416,000 at the proposed **Project Site**; and

WHEREAS, the Director of the Department of Development of the **CITY** has investigated the Economic Development Application of Parkside on Pearl, LLC and concurs with the Columbus City Council on the basis that Parkside on Pearl, LLC is qualified by financial responsibility and business experience to create and preserve employment opportunities in the Columbus Enterprise Zone and improve the economic climate of the **CITY**; and

WHEREAS, the City is encouraging this project because of plans to develop a vacant lot parcel into an income producing property located in the Short North District near the Central City; and

WHEREAS, the City desires to increase employment opportunities and encourage the creation of new jobs in the City in order 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 in order to foster economic growth for the preservation of public health, peace, property and safety; and **NOW, THEREFORE:**

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

SECTION 1. That the Council of Columbus finds that the enterprise submitting this 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.

SECTION 2. That City hereby finds and determines that the project will (1) create jobs in the State and City (2) the project is economically sound and will benefit the people of the State and City by increasing opportunities for employment and strengthening the economy of the State and City; and (3) receiving this

tax incentive is a critical factor in the decision by Parkside on Pearl, LLC to move forward with the proposed project.

SECTION 3. That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with Parkside on Pearl, LLC to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) consecutive taxable years related to the approximately \$2,275,979 in real property improvements to the develop roughly 12,534 square feet of new Class A commercial office space and the creation of ten (10) net new full-time permanent positions with an estimated annual payroll of approximately \$416,000 in association with the overall proposed total project investment of approximately \$22,000,000 to construct the 7-story, 88,563 mixed-use project at 35 E. Hubbard Avenue, Columbus, Ohio 43201, parcel number 010-010941 (the “**Project Site**”), in the Short North District.

SECTION 4. That the City of Columbus Enterprise Zone Agreement is signed by Parkside on Pearl, LLC within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credit authorized herein are null and void.

SECTION 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.