



Legislation Text

File #: 2913-2022, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Cologix US, Inc. and Cologix Services Company, LLC (collectively, and hereinafter referred to as “Cologix”). 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.

Cologix was founded in 2010 and is headquartered in Denver, Colorado. Cologix is North America’s leading network-neutral interconnection and hyperscale edge data center company with a carrier-dense ecosystem of 700+ networks, 350+ cloud service providers and 30+ onramps across its platform. The company provides co-location and connectivity solutions to more than 1,600+ customers through its operations that span 40+ digital edge and Scalelogix hyperscale edge data centers in 11 North American markets.

Cologix is proposing to invest a total project cost of approximately \$160,500,000.00, which includes \$61,000,000.00 in real property improvements, and \$99,500,000.00 in machinery and equipment to expand its Columbus offices to accommodate increased sales growth, consumer demands and strategic growth initiative. With this expansion, the company proposes to construct a new data center consisting of approximately 250,000 square feet on an undeveloped land consisting of approximately 7.49 +/- acres at 7500 & 7474 Alta View Boulevard, Columbus, Ohio 43085, parcel number 610-207094. Additionally, the company is proposing to create 15 net new full-time permanent positions with a cumulative estimated annual payroll of approximately \$1.5 million and retain 24 full-time jobs with an annual payroll of approximately \$1.4 million at two separate locations, 7500 & 7474 Alta View Boulevard and 555-585 Scherers Court, parcel number 610-210593, which are adjacent from one another and owned by Cologix, with both parcels comprising the **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 250,000 +/- square feet of a new data center at 7500 & 7474 Alta View Boulevard, Columbus, Ohio 43085, parcel number 610-207094.

The Worthington City School District has been advised of this project as required by law.

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 Cologix US, Inc. and Cologix Services Company, 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 \$160.5 million, which includes \$61 million in real property improvements, the creation of fifteen (15) net new full-time permanent positions with an estimated new annual payroll of approximately \$1.5 million and the retention of twenty-four (24) full-time jobs.

WHEREAS, by City Council Ordinance No. 0427-03 passed March 31, 2003 the City designated the area the Columbus North Enterprise Zone as an "MSA principal city non-distressed based jobs and enterprise zone" pursuant to Chapter 5709 of the Ohio Revised Code and declared that incentives for business offered by such zones will enhance efforts to promote the viable and diverse economic activity necessary for rejuvenation of the zone; and

WHEREAS, effective January 8, 2004, the Director of the Department of Development of the State of Ohio determined that the aforementioned area designated in said Ordinance No. 0427-03 contains the characteristics set forth in Section 5709.61(A) of the Ohio Revised Code, and certified said area (the "Columbus North Enterprise Zone") as an "MSA principal city non-distressed based jobs and enterprise zone" (limited authority) under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Cologix US, Inc. and Cologix Services Company, LLC. (collectively, and hereinafter referred to as "Cologix") was founded in 2010 and is headquartered in Denver, Colorado. Cologix is North America's leading network-neutral interconnection and hyperscale edge data center company with a carrier-dense ecosystem of 700+ networks, 350+ cloud service providers and 30+ onramps across its platform. The company provides colocation and connectivity solutions to more than 1,600+ customers through its operations that span 40+ digital edge and Scalelogix hyperscale edge data centers in 11 North American markets; and

WHEREAS, Cologix is proposing to invest a total project cost of approximately \$160,500,000, which includes \$61,000,000.00 in real property improvements, and \$99,500,000.00 in machinery and equipment to expand its existing Columbus campus by constructing a new data center consisting of approximately 250,000 square feet on an undeveloped land consisting of approximately 7.49 acres at 7500 & 7474 Alta View Boulevard, Columbus, Ohio 43085, parcel number 610-207094; and

WHEREAS, the company is proposing to create 15 net new full-time permanent positions with a cumulative estimated annual payroll of approximately \$1.5 million and retain 24 full-time jobs with an annual payroll of approximately \$1.4 million at two separate locations, 7500 & 7474 Alta View Boulevard, parcel number 610-207094 and 555-585 Scherers Court, parcel number 610-210593, which are adjacent from one another and owned by Cologix, with both parcel comprising the **Project Site**; and

WHEREAS, after reviewing and investigating the Proposal submitted by the Enterprise, the Director of the Department of Development believes that the Enterprise has demonstrated that it is qualified by financial responsibility and business experience to create and preserve employment opportunities in the Columbus Enterprise Zone and improve the City's economic climate; and

WHEREAS, the Director of the Department of Development is recommending that City Council approve a ten (10) year, seventy-five percent (75%) abatement on the assessed valuation of the **Project Site** due to construction of the \$61million Facility, to incentivize the Enterprise to construct a new state-of-the art data facility in the City's north corridor; and

WHEREAS, the City is encouraging this project because of plans to develop a vacant lot parcel in the Northside of the City into an income producing property; 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. **NOW, THEREFORE:**

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

SECTION 1. That Columbus City Council, having reviewed the proposal, finds that the Enterprise is qualified by financial responsibility and business experience to create and preserve employment opportunities in the City of Columbus Enterprise Zone and improve the City's economic climate pursuant to Revised Code Section 5709.62(C).

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 Cologix US Inc. and Cologix Services Company, LLC, collectively, the Enterprise hereunder, to move forward with the constructing the aforementioned project.

SECTION 3. Based on this determination, City Council approves and authorizes a 10-year, 75% abatement on the increase in assessed valuation of real property related to the new construction on parcel number 610-207094 at the **Project Site**, contingent upon the Enterprise investing approximately \$61 million in real property improvements by constructing an approximately 250,000 square-foot data center at 7500 & 7474 Alta View Boulevard, Columbus, Ohio 43085, identified as parcel number 610-207094, the retention of twenty-four (24) full-time jobs with an estimated annual payroll of approximately \$1.4 million and the creation fifteen (15) net new full-time permanent positions with an estimated annual payroll of approximately \$1.5 million at the **Project Site**.

SECTION 4. The Director of the Department of Development, for and in the name of the City, is authorized to enter into an Enterprise Zone Agreement with the Enterprise in a form substantially similar to the one attached hereto as Exhibit "A" with such changes, amendments or edits thereto, that are not inconsistent with the terms of this Ordinance, or adverse to the City. Such authorized amendment includes assignment of the Agreement from the Enterprise to a Related Member as defined in R.C. Section 5709.61(W), or to a Successor Enterprise as defined by R.C. Section 5709.61(Y). The Director of the Department of Development also is authorized to execute any other agreements or sign any documents necessary to effectuate the Agreement and the Exemption provided therein, and approved as to Form by the City Attorney, if required.

SECTION 5. That the City of Columbus Enterprise Zone Agreement is signed by Cologix US, Inc. and Cologix Services Company, 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 6. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.