



Legislation Details (With Text)

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On agenda: 7/25/2022 **Final action:** 7/27/2022

Title: To authorize the Director of the Department of Development to enter into an Economic Development Agreement with New Albany for the purpose of planning for future growth and development and working cooperatively to establish an area to be called the “2022 New Revenue/Equity Sharing Area”; and to declare an emergency.

Sponsors:

Indexes:

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Attachments:

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------------|----------|--------|
| 7/27/2022 | 1 | CITY CLERK | Attest | |
| 7/26/2022 | 1 | ACTING MAYOR | Signed | |
| 7/25/2022 | 1 | COUNCIL PRESIDENT | Signed | |
| 7/25/2022 | 1 | Columbus City Council | Approved | Pass |

Background: This legislation authorizes the Director of the Department of Development to enter into an Economic Development Agreement with the City of New Albany.

Columbus and New Albany recognize the importance of planning for future growth of their two communities and of working cooperatively on issues relating to economic development as well as utilizing community resources for responsible growth, and development opportunities beneficial to both Columbus and New Albany.

In recognition of the importance of planning for their future growth and working cooperatively, Columbus and New Albany previously entered into Economic Development Agreements dated October 12, 2001 (the “**2001 EDA**”) and January 26, 2012 (the “**2012 EDA**”) with that EDA having been amended on August 28, 2015 (the “**2015 EDA Amendment**”) and collectively with the 2001 EDA and the 2012 EDA, the “**Prior EDAs**”), which Prior EDAs remain in effect.

Columbus and New Albany are currently parties to the following agreements for the provision of water and sanitary sewer infrastructure and services: (1) for water service, that certain contract between Columbus and New Albany, originally entered into on January 26, 2012, as the same was amended on September 3, 2015 (as amended the “**Water Service Contract**”) and (ii) for sewage disposal services, that certain contract between Columbus and New Albany originally entered into on September 14, 1988, as the same was amended on May 11, 1995, November 10, 1999, October 12, 2001, February 28, 2012, and September 3, 2015 (as amended, the “**Sewer Service Contract**”).

In further recognition of the importance of planning for their future growth and working cooperatively to assure that regional growth and development is served properly and in an environmentally responsible way to the extent practicable by centralized water and sewer systems, Columbus and New Albany have agreed to replace that Water Service Contract and that Sewer Service Contract with new water and sewer service agreements (the “**2022 Sewer Service Contract**”).

In furtherance of the recognition of the importance of planning for their future growth and working cooperatively,

Columbus and New Albany desire to enter into an additional Economic Development Agreement to establish an area to be called the “**2022 New Revenue/Equity Sharing Area**” wherein New Albany will have the right to annex the property, the Parties will share net municipal income tax generated within the 2022 New Revenue/Equity Sharing Area and New Albany will pay or cause to be paid to Columbus certain equity share payments for future development in the 2022 New Revenue/Equity Sharing Area.

The Economic Development Agreement includes the following covenants:

A. SHARED REVENUE

1. Annexation by New Albany of 2022 New Revenue/Equity Sharing Area. The parties agree that the area designated as the 2022 New Revenue/Equity Sharing Area will be annexed to New Albany in phases through multiple annexation petitions and New Albany intends to cooperate with the petitioners for annexation under terms acceptable to New Albany and as permitted by applicable law after petitioners file any petition for annexation.
2. Columbus to provide water and sewer services to New Albany to serve within the 2022 New Revenue/Equity Sharing Area.
3. New Albany Income Tax Sharing with Columbus from Commercial Development in 2022 New Revenue/Equity Sharing Area. New Albany will share with Columbus an amount equal to twenty-six percent (26%) of the net municipal income tax revenue received by New Albany from each commercial, industrial, and office building located within the 2022 New Revenue/Equity Sharing Area for forty years. (“**Income Tax Sharing Payments**”).

B. EQUITY SHARE PAYMENTS

1. Per Acre Equity Share Payment for Commercial Development with 2022 New Revenue/Equity Sharing Area. New Albany will pay or cause to be paid to Columbus the amount of \$3,610 per acre (the “**Equity Share Payment**”), up to a total maximum payment not to exceed \$6,500,000, for acreage within the 2022 New Revenue/Equity Sharing Area that is privately developed for projects classified as commercial/industrial office for real property tax purposes (“**Commercial Development**”).
2. Equity Share Payment Advance. New Albany will pay or cause to be paid to the City of Columbus an upfront payment in the amount of \$4,000,000 dollars (the “**Equity Share Payment Advance**”), which shall be due thirty (30) days after the authorization and execution of the Agreement, the 2022 Water Service Contract and the 2022 Sewer Service Contract.
3. Exception to Equity Share Payment for Affordable Rental Housing. In order to support and encourage an appropriate housing mix, both for the workforce that will be employed within the New Revenue/Equity Share Area as well as residents of the broader Central Ohio region, the Parties agree that no Equity Share Payment will be required for parcels on which new multi-family residential housing, classified as Commercial, are developed within the New Revenue/Equity Share Area.

Emergency Justification: To authorize the Director of the Department of Development to enter into an Economic Development Agreement with New Albany for the purpose of planning for future growth and development and working cooperatively to establish an area to be called the “**2022 New Revenue/Equity Sharing Area**”, and to declare an emergency.

Fiscal Impact: There is no fiscal impact on the 2022 General Fund Budget.

Contract Compliance:

To authorize the Director of the Department of Development to enter into an Economic Development Agreement with New Albany for the purpose of planning for future growth and development and working cooperatively to establish an area to be called the “2022 New Revenue/Equity Sharing Area”; and to declare an emergency.

WHEREAS, Columbus and New Albany recognize the importance of planning for future growth of their two communities and of working cooperatively on issues relating to economic development as well as utilizing community resources for responsible growth, and development opportunities beneficial to both Columbus and New Albany.

WHEREAS, Columbus and New Albany are currently parties to the following agreements for the provision of water and sanitary sewer infrastructure and services: (1) for water service, that certain contract between Columbus and New Albany, originally entered into on January 26, 2012, as the same was amended on September 3, 2015 (as amended the **“Water Service Contract”**) and (ii) for sewage disposal services, that certain contract between Columbus and New Albany originally entered into on September 14, 1988, as the same was amended on May 11, 1995, November 10, 1999, October 12, 2001, February 28, 2012, and September 3, 2015 (as amended, the **“Sewer Service Contract”**).

WHEREAS, In furtherance of the recognition of the importance of planning for their future growth and working cooperatively, Columbus and New Albany desire to enter into an additional Economic Development Agreement to establish an area to be called the **“2022 New Revenue/Equity Sharing Area”** wherein New Albany will have the right to annex the property, the Parties will share net municipal income tax generated within the 2022 New Revenue/Equity Sharing Area and New Albany will pay or cause to be paid to Columbus certain equity share payments for future development in the 2022 New Revenue/Equity Sharing Area.

WHEREAS, the City of Columbus would like to continue working with the City of New Albany to plan future growth and development; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to authorize the Director of the Department of Development to enter into an Economic Development Agreement with the City of New Albany in order to facilitate the resulting creation and retention of jobs, such immediate action being necessary for the preservation of 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 authorized to enter into an Economic Development Agreement with the City of New Albany, Ohio to provide for the sharing of income tax revenue and certain equity share payments generated from property located in the New Revenue/Equity Sharing Area by New Albany.

SECTION 2. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is declared to be an emergency measure and will take effect and be in force from and after its approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.