

2015 COLUMBUS TIRC SUMMARY OF RECOMMENDATIONS AUGUST 20, 2015

The Columbus Tax Incentive Review Council (TIRC) evaluated the compliance status of property tax related incentives – Enterprise Zone Agreements, Post-1994 Community Reinvestment Area Agreements, Pre-1994 Community Reinvestment Areas and Tax Increment Finance Districts – for Report Year 2014 in sessions held on August 20, 2015.

Ohio Revised Code Section 5709.85 (E): A legislative authority that receives from a tax incentive review council written recommendations under division (C)(1) or (D) of this section shall, within sixty days after receipt, hold a meeting and vote to accept, reject, or modify all or any portion of the recommendations. (*See Addendum final page.*)

ENTERPRISE ZONE & POST-1994 COMMUNITY REINVESTMENT AREA AGREEMENTS

The TIRC made recommendations on a total of 57 Enterprise Zone and Post-1994 Community Reinvestment Area Agreements.

The breakdown by school district of these 57 Agreements is as follows: 41 Agreements in the Columbus City School District, 1 Agreement jointly within the Columbus & Gahanna Jefferson City School Districts, 2 Agreements within the Gahanna Jefferson City School District, 2 Agreements within the Groveport Madison Local School District, 7 Agreements in the Hilliard City School District, 1 Agreement in the Olentangy Local School District, 2 Agreements in the South-Western City School District, and 1 Agreement within the Worthington City School District.

Depending on the status of the compliance of each project as per the terms of the Agreement, each project was assigned to either the Consent Agenda or the Review Agenda.

- 46 Agreements were assigned to the Consent Agenda with 43 recommended to be Continued, and 3 reported to have Expired.
- 11 Agreements were assigned to the Review Agenda with 8 agreements individually reviewed and recommended to Continue, 1 agreement individually reviewed which had Expired at the close of the reporting year, 1 agreement individually reviewed which had been Dissolved effective as of the end of the reporting year and 1 agreement individually reviewed and recommended to Amend.

Consent Agenda Summary – 46 Agreements

43 Agreements on the Consent Agenda were recommended to Continue

Columbus City School District (CCSD): ADS Alliance Data Systems, Inc. & NRFC Easton Holdings, LLC; Black Sapphire C Columbus University 2014 Inc. (fka Continental/Olentangy Hotel, LLC); Broad & High CRI LP; Carr Supply, Inc.; Columbus Equipment Company; DSW Inc. & 4300 Venture 3491 LLC; EMH&T and Wishbone Partners, LLC; Fireproof Partners, LLC; FlightSafety International, Inc.; Gowdy Partners II LLC; Gowdy Partners III LLC; Hirschvogel Incorporated; Jai Guru, LLC; King Lincoln Gateway, LLC; Knightsbridge Olentangy, LLC; Liberty Place, LLC (Phase I & Phase II); Menard, Inc.; Nationwide Arena LLC; Orange Barrel Media, LLC & OB Franklinton Development, LLC; Plaza Core Hotel LLC; Riverview Hotel, LLC; R. W. Setterlin Building Company; SPARC Holdings, LLC; Time Warner Cable Midwest LLC; Tower 10, LLC; Town Square LP & Heartland Bank; V&S Columbus Galvanizing LLC, et al; Whirlpool Corporation, et al. and Wood Real Estate LLC & Wood Operating Co.

Columbus & Gahanna Jefferson City School Districts (C&GJCSD): NetJets Inc. & Realty Income Properties 6 LLC.

Gahanna Jefferson City School District (GJCSD): AirSide One LLC.

Groveport Madison Local School District (GMLS D): Cloverleaf Cold Storage Co. & CCS Realty Co. #1 and Cloverleaf Cold Storage Co. & CCS Realty Co. #2.

Hilliard City School District (HCSD): Allied Mineral Products, Inc.; Boehringer Ingelheim Roxane, Inc. and Affiliates #2; Boehringer Ingelheim Roxane, Inc. and Affiliates #3; Boehringer Ingelheim Roxane, Inc. #4; PEDC Property Management, Inc. & Midwest Motor Supply Co. (aka Kimball Midwest); Simpson Strong-Tie Co.; and VNC Bearing, Inc. & VNAC Holdings Ltd.

South-Western City School District (SWCSD): Crafts Americana Group, Inc. and MSC Industrial Direct Co., Inc. et al.

Worthington City School District (WCSD): SEA, Ltd.

3 Agreements on the Consent Agenda were noted to have Expired in Good Standing

DSW Inc. & Taurus CD159 Columbus OH, LP (fka Retail Ventures et al); The Huntington National Bank; Town Square Limited Partnership; (CCSD).

Review Agenda Summary – 11 Agreements

8 Agreements were individually reviewed and recommended to Continue

Columbus City School District (CCSD): 1179 E. Main Redevelopment, LLC & Columbus Compact Corporation; Capital City Group, Inc.; Cassady Gateway Partners, LLC & Mid-Ohio Oncology/Hematology, Inc.; E.W. High Street LLC & E.W. Hubbard High LLC; Greater Linden Development Corporation & NLR Group Ltd.; MORSO Holding Co. and Pizzuti Short North Office LLC.

Olentangy Local School District (OLSD): Polaris Medical Office Development, LLC.

1 Agreement on the Review Agenda was reviewed and was noted to have Expired

American Bottling Company & DP Columbus Portfolio LP (CCSD).

1 Agreement on the Review Agenda was reviewed and was noted to have been Dissolved

NWD Investments & Columbia Gas of Ohio (CCSD).

1 Agreement was individually reviewed and recommended for staff follow-up or City Council Action

Amamata, LLC (GJCSD).

REVIEW AGENDA ACTION ITEMS – TIRC RECOMMENDATIONS

City Council may accept, reject or modify these TIRC recommendations within 60 days of September 1.

1 Agreement individually reviewed and recommended to AMEND

- Amamata, LLC (EZA 023-12-04; GJCSD): The 2014 TIRC recommendation was to CONTINUE the agreement and send Enterprise a letter via Certified Mail requesting full reporting and an update on the progress of the real estate improvements and contingent on Enterprise making payment of their delinquent property taxes, to AMEND the agreement to extend the construction window and the tax abatement application window. The City complied with the 2014 TIRC recommendation – a letter was sent requesting proof of tax payment and an update on real estate improvements. Discussion with Enterprise followed through telephone conversation and email related to compliance issues. Enterprise submitted a full annual report for Report Year 2014 and

the City was advised by the County Auditor on August 3 that the delinquent taxes had been paid. A Project Site visit was conducted by City Staff on August 6 with the status of the project being that portions of the building were currently being leased and occupied and that all improvements would be completed before the end of 2015. The TIRC Recommendation was to CONTINUE and amend the agreement to extend the construction window and the tax abatement application window.

TAX INCREMENT FINANCE DISTRICTS, RESIDENTIAL & PRE-1994 COMMUNITY REINVESTMENT AREAS

The TIRC reviewed 61 Tax Increment Finance (TIF) Districts, 2 Pre-1994 Community Reinvestment Areas (with active projects) and 18 Residential Community Reinvestment Areas

TIF Districts

Prior to the TIRC review, in August 2015, the Franklin County Auditor's office provided a list of tax delinquent parcels to City staff.

Based on this notification, as of the TIRC reviews held on August 20, 317 parcels in TIF districts were reported to have tax delinquencies: 9 parcels in the 3rd Olentangy .40(B) TIF, 23 parcels in the AC Humko I .41 TIF, 19 parcels in the AC Humko II .40(C) TIF, 7 parcels in the Alum Creek-Watkins Rd. .40(C) TIF, 2 parcels in the Blauser-Summerlyn .40(C) TIF, 10 parcels in the Brewery District II .40(C) TIF, 25 parcels in the Downtown Columbus .40(B) TIF; 10 parcels in the Hayden Run North .40(C) TIF, 19 parcels in the Hayden Run South .40(C) TIF, 59 parcels in the Italian Village (Jeffrey Place) .40(B) TIF, 3 parcels in the Miranova .41 TIF, 19 parcels in the Morse Road .40(B) TIF, 2 parcels in the Nationwide Arena District .40 TIF, 10 parcels in the Nationwide Pen Site .41 TIF, 1 parcel in the Nationwide Pen West-East .40(B) TIF, 37 parcels in the Northeast Albany Crossing .40(C) TIF, 1 parcel in the Northeast New Albany West-Central College .40(C) TIF, 2 parcels in the Northeast Ulry-Central .40(C) TIF, 11 parcels in the Northeast Upper Albany West .40(C) TIF, 2 parcels in the Northland .41 TIF, 4 parcels in the Ohio Health .40(B) TIF, 12 parcels in the Rocky Fork .40(C) TIF, 45 parcels in the Short North .40(C) TIF, 2 parcels in the Easton .40 TIF, 1 in the East Broad Commercial Improvement .40(B) TIF, 3 in the East Broad Lucent Incentive .40(C) TIF, 4 parcels in the Waggoner .40(C) TIF, 1 parcel in the East Broad Waggoner M/I .40(C) TIF, 3 parcels in the Northeast Preserve .40(C) and 3 parcels in the East Broad: East Broad Dominion .40(C) TIF.

- The TIRC voted to accept the City's TIF report and found the City's TIFs to be in order.

Pre-1994 CRAs and Residential CRAs

Prior to the TIRC review, in August 2014, the Franklin County Auditor's Office provided a list of tax delinquent parcels in the pre-1994 CRAs and the residential CRAs to City staff.

As of the TIRC reviews held on August 20, 115 parcels were reported to have tax delinquencies (data provided by the Franklin County Auditor): 2 parcels in the Residential A (Linden) CRA, 9 parcels in the Residential B (North of Broad) CRA, 5 in the Residential C (Southside) CRA, 4 parcels in the Residential E (South of Main) CRA, 2 parcels in the Residential F (Weinland Park) CRA, 28 parcels in the Residential AC Humko Harrison Park CRA, 4 parcels in the Residential Short North CRA, 60 parcels in the Columbus Downtown CRA and 1 parcel in the Stelzer-Stygler CRA.

- The TIRC voted to accept the City's Pre-1994 CRA and Residential CRA report and find the City's Pre-1994 CRAs and Residential CRAs in order.

ADDENDUM

Ohio Revised Code Section 5709.85 (C)(1):

Annually, the tax incentive review council shall review all agreements granting exemptions from property taxation under Chapter 725. or 1728. or under section 3735.671, 5709.28, 5709.62, 5709.63, or 5709.632 of the Revised Code, and any performance or audit reports required to be submitted pursuant to those agreements. The review shall include agreements granting such exemptions that were entered into prior to July 22, 1994, that continue to be in force and applicable to the current year's property taxes.

With respect to each agreement, other than an agreement entered into under section 5709.28 of the Revised Code, the council shall determine whether the owner of the exempted property has complied with the agreement, and may take into consideration any fluctuations in the business cycle unique to the owner's business.

With respect to an agreement entered into under section 5709.28 of the Revised Code, the council shall consist of the members described in division (A)(2) of this section and shall determine whether the agreement complies with the requirements of section 5709.28 of the Revised Code and whether a withdrawal, removal, or conversion of land from an agricultural security area established under Chapter 931. of the Revised Code has occurred in a manner that makes the exempted property no longer eligible for the exemption.

On the basis of the determinations, on or before the first day of September of each year, the council shall submit to the legislative authority written recommendations for continuation, modification, or cancellation of each agreement.

Ohio Revised Code Section 5709.85 (D):

Annually, the tax incentive review council shall review the compliance of each recipient of a tax exemption under Chapter 725. or 1728. or section 3735.67, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code with the nondiscriminatory hiring policies developed by the county, township, or municipal corporation under section 5709.832 of the Revised Code. Upon the request of the council, the recipient shall provide the council any information necessary to perform its review. On the basis of its review, the council may submit to the legislative authority written recommendations for enhancing compliance with the nondiscriminatory hiring policies.

Ohio Revised Code Section 5709.85 (E):

A legislative authority that receives from a tax incentive review council written recommendations under division (C)(1) or (D) of this section shall, within sixty days after receipt, hold a meeting and vote to accept, reject, or modify all or any portion of the recommendations.