



## Legislation Details (With Text)

**File #:** 0274-2011      **Version:** 1

**Type:** Ordinance      **Status:** Passed

**File created:** 2/9/2011      **In control:** Development Committee

**On agenda:** 2/28/2011      **Final action:** 3/2/2011

**Title:** To authorize and direct the City Auditor to transfer \$663,298.30 within the General Fund; to authorize and direct the City Auditor to appropriate and transfer \$165,824.58 in cash from the Special Income Tax Fund to the General Fund; to authorize and direct the payment of \$663,298.30 to the Gahanna-Jefferson School District to compensate for real property tax revenues forgone as a result of CRA tax abatements in the Stelzer-Stygler CRA; to authorize the expenditure of \$663,298.30 from the General Fund; and to declare an emergency. (\$663,298.30)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

| Date      | Ver. | Action By             | Action                             | Result |
|-----------|------|-----------------------|------------------------------------|--------|
| 3/2/2011  | 1    | MAYOR                 | Signed                             |        |
| 3/2/2011  | 1    | CITY CLERK            | Attest                             |        |
| 2/28/2011 | 1    | Columbus City Council | Approved                           | Pass   |
| 2/28/2011 | 1    | COUNCIL PRESIDENT     | Signed                             |        |
| 2/17/2011 | 1    | CITY ATTORNEY         | Reviewed and Approved              |        |
| 2/17/2011 | 1    | Dev Drafter           | Sent to Clerk's Office for Council |        |
| 2/16/2011 | 1    | CITY AUDITOR          | Reviewed and Approved              |        |
| 2/16/2011 | 1    | CITY AUDITOR          | Reviewed and Approved              |        |
| 2/16/2011 | 1    | Dev Drafter           | Sent for Approval                  |        |
| 2/15/2011 | 1    | Finance Reviewer      | Reviewed and Approved              |        |
| 2/15/2011 | 1    | FINANCE DIRECTOR      | Reviewed and Approved              |        |
| 2/15/2011 | 1    | Dev Drafter           | Sent for Approval                  |        |
| 2/14/2011 | 1    | Finance Reviewer      | Reviewed and Approved              |        |
| 2/10/2011 | 1    | Dev Drafter           | Sent for Approval                  |        |
| 2/10/2011 | 1    | Finance Reviewer      | Reviewed and Approved              |        |
| 2/9/2011  | 1    | Dev Drafter           | Sent for Approval                  |        |
| 2/9/2011  | 1    | DEVELOPMENT DIRECTOR  | Reviewed and Approved              |        |

**BACKGROUND:** The City established the Stelzer-Stygler Community Reinvestment Area (CRA) in 1986 to stimulate private investment and job creation. In 1994, changes in the CRA law placed additional obligations on municipalities to compensate school districts for lost revenues arising from tax abatements. In May 2002 the City entered into a Compensation Agreement with the Gahanna-Jefferson School District to compensate the District for revenues from real property taxes forgone due to abatements on parcels in the Stelzer-Stygler CRA.

The present legislation authorizes the payment of \$663,298.30 to the Gahanna-Jefferson School District as the compensation due in 2011 for previous tax years. This sum is calculated using the definitions in the Compensation Agreement and is based on four parcels (520-250980, 520-250982, 520-250983, 520-250985) in the Gahanna-Jefferson School District area of the Stelzer-Stygler CRA with building improvements and CRA tax abatements.

The abatement for parcel 520-250982 commenced with tax year 1997 and terminated in tax year 2006; compensation was paid by the City commencing for tax year 2001, but compensation for the first four years - 1997 through 2000 - was deferred and was to be payable 2008 through 2011 (following tax years 2007 through 2010). The portion of this payment attributable to this parcel being made in 2011 will be compensation for tax year 2000.

The abatement for parcels 520-250980 and 520-250985 commenced with tax year 1999 and terminated in tax year 2008; compensation was paid by the City commencing for tax year 2001, but compensation for the first two years - 1999 and 2000 - was deferred and was to be payable 2010 and 2011 (following tax years 2009 and 2010). The portion of this payment attributable to these parcels being made in 2011 will be compensation for tax year 2000.

The abatement for parcel 520-250983 commenced with tax year 2009 and will terminate in tax year 2018. The portion of this payment attributable to this parcel being made in 2011 will be compensation for tax year 2010.

The total private investment subject to exemption in the new buildings constructed on the four parcels was approximately \$91,575,500 in 2010 and the total estimated number of new jobs created was over 3,300.

Emergency action is requested in order for the City to make the \$663,298.30 payment to the Gahanna-Jefferson School District according to the schedule established in the Compensation Agreement.

**FISCAL IMPACT:** The 2011 General Fund budget (citywide account) includes funding for this payment to the Gahanna-Jefferson School District. A transfer equal to 25 percent (25%) of the payment will be transferred from the Special Income Tax Fund.

To authorize and direct the City Auditor to transfer \$663,298.30 within the General Fund; to authorize and direct the City Auditor to appropriate and transfer \$165,824.58 in cash from the Special Income Tax Fund to the General Fund; to authorize and direct the payment of \$663,298.30 to the Gahanna-Jefferson School District to compensate for real property tax revenues forgone as a result of CRA tax abatements in the Stelzer-Stygler CRA; to authorize the expenditure of \$663,298.30 from the General Fund; and to declare an emergency. (\$663,298.30)

**WHEREAS,** Ordinance No. 1698-78, approved August 3, 1978, authorized the Development Department to carry out a Community Reinvestment Program (CRA) pursuant to Sections 3735.65 to 3735.70 of the Ohio Revised Code, to stimulate job creation and growth in the area; and

**WHEREAS,** the Stelzer-Stygler CRA was established by Resolution No. 140x-86, approved July 14, 1986 and subsequently amended by Resolutions 253x-86, 62x-87, 172x-92 and 97x-96; and

**WHEREAS,** changes in the CRA law in 1994 placed additional obligations on municipalities to compensate school districts for lost revenues arising from tax abatements; and

**WHEREAS,** Ordinance No. 0629-02, passed April 15, 2002, authorized a Compensation Agreement with the Gahanna-Jefferson School District to compensate the District for real property tax revenues forgone due to CRA tax abatements on parcels in the Stelzer-Stygler CRA; and

**WHEREAS,** four parcels in the Gahanna-Jefferson School District area of the Stelzer-Stygler CRA have or did have CRA tax abatements that require compensation for tax year 2010 or for a previous year in accordance with the Compensation Agreement; and

**WHEREAS,** the amount of compensation for tax year 2010, payable in 2011, is \$663,298.30 based on the formulas and procedures defined in the Compensation Agreement; and

**WHEREAS,** an emergency exists in the usual daily operation of the Department of Development, is that it is immediately necessary to make the 2011 payment to the Gahanna-Jefferson School District pursuant to the Compensation Agreement in order to

preserve the public peace, health, property, safety and welfare; **NOW, THEREFORE,**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

- Section 1.** That the City Auditor be and is hereby authorized and directed to transfer \$663,298.30 within the General Fund, Fund No. 010 from the Department of Finance & Management, Department/Division 45-01, Object Level One 10, Object Level Three 5501, OCA 904508 to the Department of Development, Economic Development Division, Division No. 44-02, Object Level One 05, Object Level Three 5513, OCA 440314.
- Section 2.** That the sum of \$165,824.58 is hereby appropriated from the un-appropriated balance of the Special Income Tax Fund, Fund 430, and from all monies estimated to come into said fund from any and all sources and un-appropriated for any other purpose during the fiscal year ending December 31, 2011 to the City Auditor, Department 22-01, Object Level One 10, Object Level Three 5501, OCA Code 902023.
- Section 3.** That the City Auditor is hereby authorized to transfer \$165,824.58 in cash only to the General Fund, Economic Development Division, Division 44-02, Object Level One 05, Object Level Three 5513, OCA 440314.
- Section 4.** That the City Auditor is hereby authorized and directed to make payment to the Gahanna-Jefferson School District in the amount of \$663,298.30.
- Section 5.** That the expenditure of \$663,298.30, or so much as may be necessary, be and is hereby authorized from the Development Department, Economic Development Division, Division No. 44-02, General Fund, Fund 010, Object Level Three 5513, OCA Code 440314.
- Section 6.** That for the reasons stated in the preamble hereto, this ordinance is hereby declared to be an emergency and shall take effect and be in force from and after its passage and approval by the Mayor or ten days if the Mayor neither approves nor vetoes the same.