



## Legislation Details (With Text)

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

**File created:** 12/7/2012      **In control:** Development Committee

**On agenda:** 12/17/2012      **Final action:** 12/19/2012

**Title:** To consent to the priority of a use-based property tax exemption over a TIF exemption in connection with the leasing of certain property located in the South Campus Development Gateway TIF Area by The Ohio State University; and to declare an emergency.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
12/19/2012	1	CITY CLERK	Attest	
12/18/2012	1	MAYOR	Signed	
12/17/2012	1	COUNCIL PRESIDENT	Signed	
12/17/2012	1	Columbus City Council	Approved	Pass

**BACKGROUND:** This Council passed Ordinance 3064-99 on December 13, 1999 (the TIF Ordinance) declaring as a public purpose increases in assessed value of parcels of certain real property located within the City's Gateway Area (the TIF Area, as described and depicted in the TIF Ordinance), which has been redeveloped by Campus Partners for Community Urban Redevelopment (Campus Partners). The TIF Ordinance provides for a 100% exemption on all increases in assessed value within the TIF Area for a period of not more than 30 years. The TIF Ordinance also specifies that the annual service payments in lieu of taxes paid in respect of the TIF Area are first used to make payments to the Columbus City School District in the amount of real property taxes that the School District would have received without that exemption. Pursuant to a TIF Agreement by and between the City and Campus Partners, approved pursuant to Ordinance 1367-2005, passed on September 28, 2005, the remaining annual service payments in lieu of taxes received in respect of the TIF Area are used to reimburse Campus Partners for costs of public improvements constructed in the Gateway Area. The City is not obligated to reimburse Campus Partners from any other funds for costs of the public improvements constructed in the Gateway Area.

The Ohio State University (OSU) plans to move the OSU Technology Commercialization and Knowledge Transfer office to approximately 14,288 square feet (the Subject Property) of rentable space in the South Campus Gateway development, which is within the TIF Area. The Subject Property would normally qualify for an exemption from real property taxation because of its use in support of OSU, but the TIF exemption provided by the TIF Ordinance currently takes priority over all other property tax exemptions. By statute, in order for a use-based property tax exemption, such as the one for the Subject Property, to take priority over a TIF exemption that has been established as one with priority over other exemptions, the political subdivision's legislative authority must pass a resolution or ordinance consenting to the priority of the use-based exemption over the TIF exemption.

This ordinance, which has been requested by Campus Partners, consents to the priority of the use-based exemption over the TIF exemption for the Subject Property. Emergency action is being requested in that it is immediately necessary to consent to the OSU use-based exemption for the preservation of public health, peace, property and safety, that preservation being related to OSU's need to secure exemptions for the Subject Property as soon as possible.

**Fiscal Impact:** No funding is necessary for this legislation.

To consent to the priority of a use-based property tax exemption over a TIF exemption in connection with the leasing of certain property located in the South Campus Development Gateway TIF Area by The Ohio State University; and to declare an emergency.

**WHEREAS**, the City, by Ordinance 3064-99 on December 13, 1999 (the TIF Ordinance) declared as a public purpose improvements to parcels of certain real property located within the City's Gateway Area (the TIF Area, as described and depicted in the TIF Ordinance), which has been redeveloped by Campus Partners for Community Urban Redevelopment (Campus Partners); and

**WHEREAS**, the TIF Ordinance provides for a 100% exemption on all increases in assessed value within the TIF Area for a period of not more than 30 years, and for payments to the Columbus City School District in the amount of real property taxes that the School District would have received without that exemption; and

**WHEREAS**, pursuant to a TIF Agreement by and between the City and Campus Partners, approved pursuant to Ordinance 1367-2005, passed on September 28, 2005, the remaining annual service payments in lieu of taxes received in respect of the TIF Area are used to reimburse Campus Partners for costs of public improvements constructed in the Gateway Area; and

**WHEREAS**, the City is not obligated to reimburse Campus Partners from any other funds for costs of the public improvements constructed in the Gateway Area; and

**WHEREAS**, The Ohio State University (OSU) plans to move the OSU Technology Commercialization and Knowledge Transfer office to approximately 14,288 square feet (the Subject Property) of rentable space in the South Campus Gateway development, which is within the TIF Area, and which is located on parcel number 010-269253 and identified on the attached Exhibit A as OSU University Communications Office; and

**WHEREAS**, the Subject Property would normally qualify for an exemption from real property taxation because of its use in support of OSU, but the TIF exemption provided by the TIF Ordinance currently takes priority over all other property tax exemptions; and

**WHEREAS**, pursuant to Ohio Revised Code Section 5709.911, in order for a use-based property tax exemption, such as the one for the Subject Property, to take priority over a TIF exemption that has been established as one with priority over other exemptions, the political subdivision's legislative authority must pass a resolution or ordinance consenting to the priority of the use-based exemption over the TIF exemption; and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to consent to the OSU use-based exemption for the Subject Property as soon as possible, thereby preserving the public health, peace, property, safety and welfare; **Now, Therefore,**

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

**Section 1.** Pursuant to Division (B) of Ohio Revised Code Section 5709.911, Council hereby consents to the priority of any use-based exemption for the Subject Property attributable to the use of the Subject Property in support of OSU, including, but not limited to, the exemptions set forth in Ohio Revised Code Sections 5709.07 and 3345.17, over any TIF exemption for the Subject Property, beginning for tax year 2012.

**Section 2.** Council hereby authorizes and directs the Director of Development, the City Auditor, the City Attorney, the Clerk of Council, or other appropriate officers of the City to make such arrangements as are necessary and proper,

including, but not limited to, signing any documents that are necessary and proper, for the use-based exemption to take priority over the TIF exemption for the Subject Property.

**Section 3.** That all formal actions relative to the passage of this Ordinance were taken in an open meeting of the Council, and that all deliberations of the Council and of its committees, if any, which resulted in formal action, were taken in meetings open to the public, in full compliance with applicable legal requirements, including R.C. Section 121.22.

**Section 4.** That for reasons stated in the preamble hereto, which is hereby made a part hereof, the Ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.