



Legislation Details (With Text)

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On agenda: 7/16/2012 **Final action:** 7/18/2012

Title: To authorize the Director of Development to enter into a Tax Increment Financing and Cooperative Agreement with the Columbus-Franklin County Finance Authority, E.W. High Street, LLC and E.W. Hubbard High, LLC and a Tax Lien Agreement with the Franklin County Treasurer to provide for the construction of a 250 space public parking garage benefiting and serving the Short North Incentive District; and to declare an emergency.

Sponsors:

Indexes:

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Attachments:

Date	Ver.	Action By	Action	Result
7/18/2012	1	CITY CLERK	Attest	
7/17/2012	1	MAYOR	Signed	
7/16/2012	1	COUNCIL PRESIDENT	Signed	
7/16/2012	1	Columbus City Council	Approved	Pass

BACKGROUND: Council, by Ordinance 2172-2005 passed on December 12, 2005, approved the creation of the Short North Incentive District. Service payments in lieu of taxes made with respect to improvements within the Incentive District are diverted to the Short North Tax Equivalent Fund held by the City and are intended to finance public infrastructure improvements in and around the Short North area, including one or more public parking facilities.

This ordinance authorizes the Director of Development to enter into a Tax Increment Financing and Cooperative Agreement with the Columbus-Franklin County Finance Authority, E.W. High Street, LLC and E.W. Hubbard High, LLC to finance the acquisition and construction of a 250 space public parking facility. This agreement requires the City to pay a portion of the service payments in lieu of taxes and property tax rollback payments deposited into the Short North Tax Equivalent Fund to the Finance Authority in exchange for the Finance Authority's issuance of bonds to pay for the public parking facility. The ordinance also authorizes the Director of Development to enter into a Tax Lien Agreement with the Franklin County Treasurer to provide for the collection of delinquent service payments in lieu of taxes in the Incentive District. Both are pursuant to and in furtherance of an existing agreement between the City and E.W. High Street, LLC for the development of the public parking facility.

This legislation is requested to be considered as emergency in order to allow the entities involved to execute the Cooperative Agreement and begin construction as quickly as possible.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into a Tax Increment Financing and Cooperative Agreement with the Columbus-Franklin County Finance Authority, E.W. High Street, LLC and E.W. Hubbard High, LLC and a Tax Lien

Agreement with the Franklin County Treasurer to provide for the construction of a 250 space public parking garage benefiting and serving the Short North Incentive District; and to declare an emergency.

WHEREAS, pursuant to Ohio Revised Code Sections 5709.40, 5709.42, 5709.43, 5709.82 and 5709.83 (the “TIF Act”), this Council on December 12, 2005, adopted Ordinance No. 2172-2005 (the “TIF Ordinance”), authorizing the creation of the Short North Incentive District (the “Incentive District”), declaring improvements to parcels of real property located in the Incentive District to be a public purpose, exempting those improvements from real property taxation for a period of time, specifying certain public infrastructure improvements, including a 250 space public parking garage (the “Public Infrastructure Improvements”), to be made to benefit or serve those parcels, requiring owners of those parcels to make service payments in lieu of taxes (the “Service Payments”), providing for payments to the Columbus City School District in the amount of the real property taxes that School District would have been paid if the improvements had not been exempted from taxation pursuant to the TIF Ordinance, and establishing the Short North Tax Equivalent Fund (the “TIF Fund”) into which the remaining Service Payments and payments with respect to the improvements received by the City pursuant to Ohio Revised Code Sections 319.302, 321.24, 323.152 and 323.156 (the “Property Tax Rollback Payments” and together with the Service Payments, the “TIF Amounts”) are to be deposited; and

WHEREAS, the City desires to use the TIF Amounts to make certain of the Public Infrastructure Improvements, which improvements consist primarily of a 250 space public parking facility benefiting and serving the residents of, and the real property parcels located within, the Incentive District (the “Project”); and

WHEREAS, an efficient and effective way to implement the acquisition, construction, equipment, installation, improvement and financing of the Project is through a Tax Increment Financing and Cooperative Agreement (the “Cooperative Agreement”) with the Columbus-Franklin County Finance Authority (the “Finance Authority”), E.W. High Street, LLC and E.W. Hubbard High, LLC, providing for the issuance of bonds by the Authority (the “Bonds”), the proceeds of which would be available to the Finance Authority to pay costs of the Project, and payment to the Finance Authority of current and future TIF Amounts to the extent necessary to pay costs of the Project and the debt service on and costs of the Bonds; and

WHEREAS, to further secure the Service Payments and the Bonds, it may be necessary to enter into a Tax Lien Agreement (the “Tax Lien Agreement”) with the Franklin County Treasurer to provide for the collection of delinquent Service Payments; and

WHEREAS, an emergency exists in that this Ordinance is required to be immediately effective in order to facilitate the continuing development of the Incentive District and the provision of public parking for residents of and visitors to the Incentive District, such immediate action being necessary for the preservation of the public health, peace, property and safety; and **NOW, THEREFORE**,

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

Section 1. That the Director of Development, for and in the name of the City, is hereby authorized to execute and deliver the Cooperative Agreement and the Tax Lien Agreement in substantially those forms presently on file with the City Clerk along with any changes or completions thereto that are not substantially adverse to the City, provided that such changes and completions are approved by the Director and the City Attorney, and the character of those changes and completions as not being substantially adverse to the City shall be evidenced conclusively by the execution and delivery thereof by the Director.

Section 2. That the Director of Development or other appropriate officers of the City are each authorized to execute and deliver such other agreements and instruments and to take all actions as may be necessary or desirable to implement this Ordinance and the transactions contemplated by the Cooperative Agreement and the Tax Lien Agreement.

Section 3. That the Service Payments, Property Tax Rollback Payments and other money deposited into the TIF Fund is deemed appropriated for the purposes set forth in the Cooperative Agreement and authorized to be expended therefrom in accordance with the Cooperative Agreement, and the City Auditor is authorized to make payments to the Finance Authority or its designee from the TIF Fund in accordance with the Cooperative Agreement.

Section 4. 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 takes effect and is 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.