



Legislation Details (With Text)

File #: 1713-2020 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 7/10/2020 **In control:** Economic Development Committee

On agenda: 7/20/2020 **Final action:** 7/23/2020

Title: To appropriate and authorize the expenditures of TIF revenues to be deposited in the Scioto Peninsula Municipal Public Improvement Tax Increment Equivalent Fund; to authorize the Director of the Department of Development to execute and deliver a Tax Increment Financing and Cooperative Agreement by and among the City, the Scioto Peninsula Community Authority, and Scioto Peninsula Holdings, Ltd., to provide for the financing of the construction of public infrastructure improvements on a portion of the Scioto Peninsula; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD1713-2020 208-20 Scioto Peninsula TIF and Cooperative Agreement Ordinance (7-10-20)

Date	Ver.	Action By	Action	Result
7/23/2020	1	CITY CLERK	Attest	
7/22/2020	1	MAYOR	Signed	
7/20/2020	1	COUNCIL PRESIDENT	Signed	
7/20/2020	1	Columbus City Council	Approved	Pass

Background: The City Department of Development has determined it is necessary to facilitate the urban redevelopment of property currently owned by the City on the Scioto Peninsula to the west of COSI into a mixed use development featuring office, hotel and multifamily (including workforce housing) components. In connection with that redevelopment, the City has entered into an Economic Development Agreement and long term lease with, and agreed to transfer certain property to, Scioto Peninsula Holdings, Ltd., a subsidiary of the Columbus Downtown Development Corporation, which is serving as master developer for the redevelopment.

In order to pay for costs of public infrastructure improvements necessary to implement the redevelopment plan for this property, this Council approved Resolution 0106X-2020 to create the Scioto Peninsula New Community Authority and Ordinance 1498-2020 to establish the Scioto Peninsula tax increment financing (“TIF”) area encompassing the redevelopment area bounded by West Capital Street, West Chapel Street, South Belle Street and Starling Street and providing for a 100% exemption from real property taxation on all improvements to the parcels within the TIF area for a period of not more than thirty (30) years for each parcel. Columbus City Schools will receive, in the same manner as usual, all amounts that it would have received in real property taxes had the tax exemption not been granted. Annual service payments in lieu of taxes will be made with respect to improvements to the TIF parcels. The applicable portion of those service payments will be distributed directly to Columbus City Schools, with the remaining non-school portion of those service payments paid to the City for deposit into the TIF Fund established in the TIF ordinance.

This Ordinance approves and authorizes a Tax Increment Financing and Cooperative Agreement by and among the City, Scioto Peninsula New Community Authority, and Scioto Peninsula Holdings, Ltd., whereby a portion of the TIF service payments will be made available to the Trustee of the Scioto Peninsula New Community Authority to provide for the financing of construction of public infrastructure improvements primarily consisting of roadway and streetscape improvements for the redevelopment area.

Emergency Justification: Emergency legislation is required to allow for immediate execution of the Tax Increment Financing and Cooperative Agreement, which is necessary to facilitate the timely completion of the above-described development.

Fiscal Impact: No funding is required for this legislation. The City is appropriating and authorizing the expenditure of TIF revenues to be deposited in the Scioto Peninsula Municipal Public Improvement Tax Increment Equivalent Fund in accordance with the Tax Increment Financing and Cooperative Agreement.

To appropriate and authorize the expenditures of TIF revenues to be deposited in the Scioto Peninsula Municipal Public Improvement Tax Increment Equivalent Fund; to authorize the Director of the Department of Development to execute and deliver a Tax Increment Financing and Cooperative Agreement by and among the City, the Scioto Peninsula Community Authority, and Scioto Peninsula Holdings, Ltd., to provide for the financing of the construction of public infrastructure improvements on a portion of the Scioto Peninsula; and to declare an emergency.

WHEREAS, the Department of Development has determined it is necessary to facilitate the redevelopment of property currently owned by the City on the Scioto Peninsula with a mix of uses, including office, hotel and multifamily residential (with workforce housing) components, and the City has entered into an economic development agreement, a long term lease agreement with, and agreed to transfer a certain portion of the property to, Scioto Peninsula Holdings, Ltd. (the “Developer”), a subsidiary of the Columbus Downtown Development Corporation, which is serving as master developer for the redevelopment, pursuant to Ordinances 3121-2016; 0193-2017; and 3212-2019, respectively; and

WHEREAS, this Council approved Resolution 0106X-2020 to create the Scioto Peninsula New Community District and the Scioto Peninsula New Community Authority (NCA) to issue NCA charges to support the financing of public infrastructure improvements; and

WHEREAS, this Council approved Ordinance 1498-2020 authorizing the creation of the non-school Scioto Peninsula TIF under 5709.40(B) of the Ohio Revised Code as the City desires to facilitate redevelopment by committing a portion of the tax increment financing service payments in lieu of taxes to be generated by the new redevelopment project in the Scioto Peninsula TIF to pay for a portion of the costs of public infrastructure improvements, which will help the City to enhance the growth and preservation of the community through planned development; and

WHEREAS, it is necessary to construct a number of public infrastructure improvements to enable the desired redevelopment, with the costs of a portion of those improvements to be funded by the City as part of its annual Capital Improvements Budget, and a portion to funded from service payments in lieu of taxes paid by owners of redeveloped parcels in the Scioto Peninsula TIF and community development charges to be collected by the Scioto Peninsula New Community Authority established by City Council; and

WHEREAS, it is now necessary to appropriate and authorize the expenditure of non-school TIF service payments and property tax rollback payments to be deposited into the Scioto Peninsula municipal public improvement tax increment equivalent fund established by Ordinance 1498-2020 to the Trustee of the Scioto Peninsula New Community Authority to finance the construction for public infrastructure improvements in accordance with the Tax Increment Financing and Cooperative Agreement; and

WHEREAS, an emergency exists in the usual daily operations of the Department of Development in that it is immediately necessary to authorize the Director to enter into said agreement in a timely manner in order to facilitate development of the property and create new job opportunities, for the public health, safety and welfare; **NOW, THEREFORE,**

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

SECTION 1. That the Director of Development (the “Director”), for and in the name of the City, is hereby authorized to execute the Tax Increment Financing and Cooperative Agreement (the “TIF Agreement”) presently on file with the Director along with any changes or amendments thereto not inconsistent with this Ordinance

and not substantially adverse to the City and which shall be approved by the Director and the City Attorney, provided that the approval of such changes and amendments thereto by the Director, and the character of those changes and amendments as not being substantially adverse to the City, shall be evidenced conclusively by the Director's execution and delivery thereof.

SECTION 2. That the Director or other appropriate officers of the City are authorized to execute such other agreements and instruments, subject to approval by the City Attorney, and to take all actions as may be necessary to implement this Ordinance and the transactions contemplated by the TIF Agreement.

SECTION 3. That the service payments in lieu of taxes and property tax rollback payments deposited into the Scioto Peninsula Municipal Public Improvement Tax Increment Equivalent Fund created by Ordinance No. 1498-2020 (the "TIF Fund") and generated from the parcels shown on Exhibit A to this Ordinance shall be deemed appropriated for the purposes set forth in the TIF Agreement and authorized to be expended therefrom in accordance with the TIF Agreement, and the City Auditor is authorized to make payments to the Trustee of the Scioto Peninsula New Community Authority from the TIF Fund in accordance with the TIF Agreement upon order of the Director of Development or his designee and that no order shall be drawn or money paid except by voucher, the form of which shall be approved by the City Auditor.

SECTION 4. That for reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in full 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.