



Legislation Details (With Text)

File #: 1855-2007 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 11/2/2007 **In control:** Development Committee

On agenda: 11/26/2007 **Final action:** 11/28/2007

Title: To authorize the Director of Development to enter into a Tax Increment Financing Cooperative Agreement with the Columbus-Franklin County Finance Authority and a Tax Lien Agreement with the Franklin County Treasurer to provide for the construction of public improvements, benefiting and serving the Harrison West Redevelopment Incentive District; and determining that such action is necessary pursuant to Section 55(b) of the Charter of the City of Columbus.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
11/28/2007	1	MAYOR	Signed	
11/28/2007	1	CITY CLERK	Attest	
11/26/2007	1	Columbus City Council	Waive the 2nd Reading	Pass
11/26/2007	1	Columbus City Council	Approved	Pass
11/26/2007	1	COUNCIL PRESIDENT	Signed	
11/15/2007	1	Atty Drafter	Sent for Approval	
11/15/2007	1	CITY ATTORNEY	Reviewed and Approved	
11/15/2007	1	Atty Drafter	Sent to Clerk's Office for Council	
11/14/2007	1	Atty Reviewer	Reviewed and Approved	
11/14/2007	1	Atty Drafter	Sent for Approval	
11/14/2007	1	Dev Drafter	Sent for Approval	
11/14/2007	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
11/2/2007	1	Atty Drafter	Sent for Approval	

Background: Council, by its Ordinance No. 0670-2004 passed on April 26, 2004, approved the creation of the Harrison West Redevelopment Incentive District. Service payments in lieu of taxes made with respect to improvements within the Incentive District are diverted to the Harrison West Municipal Public Improvement Tax Increment Equivalent Fund held by the City and are intended to finance public infrastructure improvements in and around the Harrison West neighborhood, including a public park.

The attached ordinance authorizes the Director of Development to enter into a Tax Increment Financing Cooperative Agreement with the Columbus-Franklin County Finance Authority to finance the construction of these public infrastructure improvements. This agreement requires the City to pay the service payments in lieu of taxes and property tax rollback payments deposited into the Harrison West Municipal Public Improvement Tax Increment Equivalent Fund to the Finance Authority in exchange for the Finance Authority's issuance of bonds to pay for the acquisition of park property and construction of the park improvements. The bond proceeds, after payment of issuance costs, will be deposited in the Harrison West Recreation Park Fund, Fund 788. 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.

Fiscal Impact: The City has foregone the real property tax revenue that it would have received with respect to development within the Incentive District. Instead, that revenue has been diverted to the Harrison West Municipal Public Improvement Tax Increment Equivalent Fund held by the City. That revenue will be paid to the Columbus-Franklin County Finance Authority to pay for bonds issued by that Authority to fund City specified public infrastructure improvements benefiting the Harrison West neighborhood.

To authorize the Director of Development to enter into a Tax Increment Financing Cooperative Agreement with the Columbus-Franklin County Finance Authority and a Tax Lien Agreement with the Franklin County Treasurer to provide for the construction of public improvements, benefiting and serving the Harrison West Redevelopment Incentive District; and determining that such action is necessary pursuant to Section 55(b) of the Charter of the City of Columbus.

WHEREAS, pursuant to Ohio Revised Code Sections 5709.40, 5709.42, 5709.43, 5709.82 and 5709.83 (the "*TIF Act*"), this Council on April 26, 2004, adopted Ordinance No. 0671-2004 (the "*TIF Ordinance*"), authorizing the creation of the Harrison West Redevelopment Incentive District (the "*Incentive District*"), declaring improvements to parcels of certain 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 (the "*Public Infrastructure Improvements*") to be made to benefit those parcels, providing for the making of service payments in lieu of taxes (the "*Service Payments*") by the owners thereof, 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 be exempted from taxation pursuant to the TIF Ordinance, and establishing the Harrison West Municipal Public Improvement Tax Increment Equivalent Fund (the "*TIF Fund*"), Fund no. 425, 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;

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

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 Cooperative Agreement (the "*Cooperative Agreement*") with the Columbus-Franklin County Finance Authority (the "*Authority*") providing for the issuance of bonds by the Authority (the "*Bonds*"), the proceeds of which would be available to the City to pay costs of the Project, and payment to the Authority of current and future TIF Amounts to the extent necessary to pay the debt service on and costs of the Bonds;

WHEREAS, to further secure the Service Payments and the Bonds, it is 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, this Ordinance to authorize the execution and delivery of the Cooperative Agreement and Tax Lien Agreement is another in a series of ordinances subsequent to the TIF Ordinance necessary to pay for the public infrastructure improvements set forth in the TIF Ordinance such that action hereunder is determined to be necessary pursuant to Section 55(b) of the Columbus City Charter;

NOW, THEREFORE,

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

Section 1. That the Director of Development be and hereby is, authorized and directed to execute the Cooperative Agreement and the Tax Lien Agreement in substantially those forms presently on file with the City Clerk along with any changes or amendments thereto, 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 execution thereof by the Director.

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

Section 3. That the Service Payments and Property Tax Rollback Payments deposited in the TIF Fund and interest earnings attributable to monies in the Harrison West Recreation Park Fund, Fund 788, which are to be deposited in the TIF Fund, shall be 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 hereby authorized to make payments to the Authority or its designee from the TIF Fund in accordance with the Cooperative Agreement.

Section 4. That for reasons set forth in the preamble hereto, which is hereby made a part hereof, and in accordance with Section 55(b) of the Charter of the City of Columbus, this ordinance shall take effect and be in force from and immediately after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.