



Legislation Details (With Text)

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Type: Ordinance **Status:** Passed

File created: 5/14/2024 **In control:** Economic Development & Small and Minority Business Committee

On agenda: 6/10/2024 **Final action:** 6/13/2024

Title: To appropriate and authorize the expenditure of service payments in lieu of taxes from the Hayden Run North TIF Fund; and to authorize the Director of the Department of Development, on behalf of the City, to enter into a Tax Increment Financing Agreement with Hilliard 853, LLC to reimburse the developer for soft and hard costs related to certain public infrastructure improvements required for its project located near Hayden Run Road and Leppert Road.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
6/13/2024	1	CITY CLERK	Attest	
6/12/2024	1	MAYOR	Signed	
6/10/2024	1	COUNCIL PRESIDENT PRO-TEM	Signed	
6/10/2024	1	Columbus City Council	Approved	Pass
6/3/2024	1	Columbus City Council	Read for the First Time	

Background: Due to increasing development pressure along Hayden Run in northwest Columbus during the early 2000's, City Council adopted the *Interim Hayden Run Corridor Plan* pursuant to Ordinance 0662-2004. Next, City Council authorized the City to enter into a Memorandum of Understanding dated November 22, 2004 (the "NW MOU") with MI Homes of Central Ohio, LLC, Dominion Homes, Inc., Huntington Tower Associates, LLC, Lifestyle Communities Ltd., and Franklin County pursuant to Ordinance 1433-2004. Then, City Council adopted the *Hayden Run Corridor Economic Development Plan* pursuant to Ordinance 1959-2004. Finally, City Council passed Ordinance 0349-2005 (as amended by Ordinance 2592-2014, the "TIF Ordinance") to establish two tax increment financing (TIF) incentive districts on the south and north sides of Hayden Run Boulevard (with the northern TIF being, the "Hayden Run North TIF") to provide funding for public infrastructure improvements in accordance with the plans and NW MOU.

A successor of and subsequent developer who acquired property of Huntington Tower Associates, LLC, Hilliard 853, LLC (the "Developer"), is causing the design and construction of a daycare / preschool within approximately ±1.00 acre of real property near the southeast corner of Hayden Run Road and Leppert Road and the Hayden Run North TIF. The City and the Developer have determined, in relation to the NW MOU, to have the Developer cause the design and construction of certain public infrastructure improvements near the property serving the Hayden Run North TIF. This legislation will authorize the Director of the Department of Development to enter into a Tax Increment Financing Agreement (the "TIF Agreement") with the Developer to reimburse it for the soft costs and hard costs of those public infrastructure improvements. This legislation will also appropriate and authorize the expenditure of the service payments from the Hayden Run North TIF for remittance to the Developer pursuant to the terms of the TIF Agreement.

Fiscal Impact: The City is appropriating and authorizing the expenditure of service payments in lieu of taxes and property tax rollback payments deposited into the Hayden Run North TIF Fund (7426) to reimburse the Developer for

constructing public infrastructure improvements, in accordance with the tax increment financing agreement between the City and Hilliard 853, LLC.

To appropriate and authorize the expenditure of service payments in lieu of taxes from the Hayden Run North TIF Fund; and to authorize the Director of the Department of Development, on behalf of the City, to enter into a Tax Increment Financing Agreement with Hilliard 853, LLC to reimburse the developer for soft and hard costs related to certain public infrastructure improvements required for its project located near Hayden Run Road and Leppert Road.

WHEREAS, due to increasing development pressure along Hayden Run in northwest Columbus during the early 2000's, City Council passed Ordinances 0662-2004 and 1959-2004 to respectively adopt the *Interim Hayden Run Corridor Plan* and *Hayden Run Corridor Economic Development Plan*; and

WHEREAS, City Council also authorized the City, pursuant to Ordinance 1433-2004, to enter into a memorandum of understanding dated November 22, 2004 (the "NW MOU") with MI Homes of Central Ohio, LLC, Dominion Homes, Inc., Huntington Tower Associates, LLC, Lifestyle Communities Ltd., and Franklin County in order to implement those plans; and

WHEREAS, in accordance with those plans, the NW MOU, and Sections 5709.40, 5709.42 and 5709.43 of the Ohio Revised Code, City Council passed Ordinance 0349-2005 (as amended by Ordinance 2592-2014, the "TIF Ordinance") that established two tax increment financing (TIF) incentive districts on the south and north sides of Hayden Run Boulevard (with the northern TIF being the "Hayden Run North TIF"); and

WHEREAS, the TIF Ordinance (i) declared the improvement to certain parcels of real property to be a public purpose and exempt one-hundred percent of the improvements thereon for a period of thirty years, (ii) required the owner of each parcel to make service payments in lieu of taxes to the County Treasurer who then will respectively distribute to the schools and the City their appropriate shares, (iii) established TIF funds for deposit of those non-school service payments to the City and (iv) specified the public infrastructure improvements made, to be made or in the process of being made that benefit or serve, or that once made will benefit or serve, the two TIF incentive districts; and

WHEREAS, Hilliard 853, LLC (the "Developer"), a subsequent developer to a portion of the property owned by and a successor to Huntington Tower Associates, LLC, plans to cause the construction of a daycare / preschool within approximately ±1.00 acre of real property comprised of Franklin County Auditor Tax Parcel ID Number 010-318695 (the "Site") near the southeast corner of Hayden Run Road and Leppert Road; and

WHEREAS, the City and the Developer have determined, in relation to the NW MOU, it is in the best interest of the parties for the Developer to cause the design and construction of certain public infrastructure improvements near the Site that will serve the Hayden Run North TIF; and

WHEREAS, the City desires to authorize the Director of the Department of Development (the "Director") to enter into a Tax Increment Financing Agreement (the "TIF Agreement") with the Developer for the reimbursement of eligible costs of those public infrastructure improvements therein; and

WHEREAS, in order to provide that reimbursement, it is now also necessary to appropriate and authorize the expenditure of the non-school service payments in lieu of taxes and property tax rollback payments deposited into the Hayden Run North TIF Fund (7426) in accordance with the TIF Agreement; **NOW, THEREFORE**,

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

Section 1. That the Director, or his or her designee, for and in the name of the City, is authorized to execute the TIF

Agreement presently on file with the Director, along with any changes or amendments thereto that are 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/or amendments thereto, and the character of those changes and amendments, as not being substantially adverse to the City, as evidenced conclusively by the execution and delivery thereof, and to pay for the costs of certain public infrastructure improvements incurred as identified in the TIF Agreement.

Section 2. That the Director, and/or other appropriate officers of the City, are authorized to execute subsequent amendments to the TIF Agreement to extend the deadline thereunder; add additional work related to the public infrastructure improvements thereunder; or to increase the maximum reimbursement provided thereunder (provided such increase does not exceed the amount of service payments in lieu of taxes and property tax rollback payments derived from the Hayden Run North TIF), and to execute such other agreements, modifications, and instruments, subject to approval by the City Attorney's Office, 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 Hayden Run North Tax Equivalent Fund (Fund 7426, the "Hayden Run North TIF Fund") created by the TIF 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; provided, however, the Director is authorized to amend the amount of the authorized maximum obligation provided thereunder if it is determined by the Director that additional financing is required for the public infrastructure improvements, provided that such increased amount does not exceed the amount of service payments in lieu of taxes and property tax rollback payments derived from the Hayden Run North TIF; and the City Auditor is authorized to make payments to the Developer, or its authorized designee, from the Hayden Run North TIF Fund in accordance with the TIF Agreement, upon order of the Director or his or her 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 funds are deemed appropriated and expenditures are authorized to carry out the purposes of this ordinance; the City Auditor is authorized to establish such accounting codes as necessary, to make any accounting changes to revise the funding source for all agreements, contracts, amendments, or modifications associated with this Ordinance and the transactions contemplated by the TIF Agreement or its amendments.

Section 5. That the City Auditor is hereby authorized to transfer the unencumbered balance in a project account or subfund to the unallocated balance account within the same fund upon receipt of certification by the Director of the Department administering said project that the project has been completed and the monies are no longer required for said project.

Section 6. That this ordinance shall take effect and be in force from and after the earliest date permitted by law.