



Legislation Details (With Text)

File #: 0231-2005 **Version:** 1
Type: Ordinance **Status:** Passed
File created: 1/28/2005 **In control:** Jobs and Economic Development Committee
On agenda: 2/14/2005 **Final action:** 2/16/2005
Title: To authorize and direct the payment of \$548,725.98 to the Gahanna-Jefferson City School District to compensate for real property tax revenues forgone as a result of CRA tax abatements in the Stelzer-Stygler CRA; to authorize the expenditure of \$548,725.98 from the General Fund; and to declare an emergency. (\$548,725.98)

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
2/16/2005	1	CITY CLERK	Attest	
2/15/2005	1	MAYOR	Signed	
2/14/2005	1	Columbus City Council	Approved	Pass
2/14/2005	1	COUNCIL PRESIDENT	Signed	
2/4/2005	1	CITY ATTORNEY	Reviewed and Approved	
2/4/2005	1	Dev Drafter	Sent to Clerk's Office for Council	
2/3/2005	1	Dev Drafter	Sent for Approval	
2/3/2005	1	Auditor Reviewer	Contingent	
2/3/2005	1	CITY AUDITOR	Reviewed and Approved	
2/3/2005	1	Dev Drafter	Sent for Approval	
2/2/2005	1	Finance Reviewer	Reviewed and Approved	
2/2/2005	1	FINANCE DIRECTOR	Reviewed and Approved	
2/1/2005	1	Dev Drafter	Sent for Approval	
2/1/2005	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
2/1/2005	1	Dev Drafter	Sent for Approval	

BACKGROUND: The City established the Stelzer-Stygler Community Reinvestment Area (CRA) in 1986 to stimulate private investment and job creation. In 1994, changes in the CRA law placed additional obligations on municipalities to compensate school districts for lost revenues arising from tax abatements. In May 2002 the City entered into a Compensation Agreement with the Gahanna-Jefferson City School District to compensate the District for revenues from real property taxes forgone due to abatements on parcels in the Stelzer-Stygler CRA.

The present legislation authorizes the payment of \$548,725.98 to the Gahanna-Jefferson City School District as the compensation for tax year 2004. This sum is calculated using the definitions in the Compensation Agreement and is based on four parcels in the Gahanna-Jefferson City School District area of the Stelzer-Stygler CRA with building improvements and CRA tax abatements.

The total private investment in the new buildings constructed on the four parcels was approximately \$87 million in 2004 and the total estimated number of jobs was 2,972 (764 new 2,208 retained).

Emergency action is requested in order for the City to make the \$548,725.98 payment to the Gahanna-Jefferson City School District according to the schedule established in the Compensation Agreement.

FISCAL IMPACT: The 2005 General Fund budget includes funding for this payment to the Gahanna-Jefferson City School District.

To authorize and direct the payment of \$548,725.98 to the Gahanna-Jefferson City School District to compensate for real property tax revenues forgone as a result of CRA tax abatements in the Stelzer-Stygler CRA; to authorize the expenditure of \$548,725.98 from the General Fund; and to declare an emergency. (\$548,725.98)

WHEREAS, Ordinance No. 1698-78, approved August 3, 1978, authorized the Development Department to carry out a Community Reinvestment Program (CRA) pursuant to Sections 3735.65 to 3735.70 of the Ohio Revised Code, to stimulate job creation and growth in the area; and

WHEREAS, the Stelzer-Stygler CRA was established by Resolution No. 140x-86, approved July 14, 1986 and subsequently amended by Resolutions 253x-86, 62x-87, 172x-92 and 97x-96; and

WHEREAS, changes in the CRA law in 1994 placed additional obligations on municipalities to compensate school districts for lost revenues arising from tax abatements; and

WHEREAS, Ordinance No. 0629-02, passed April 15, 2002, authorized a Compensation Agreement with the Gahanna-Jefferson City School District to compensate the District for real property tax revenues forgone due to CRA tax abatements on parcels in the Stelzer-Stygler CRA; and

WHEREAS, four parcels in the Gahanna-Jefferson City School District area of the Stelzer-Stygler CRA have CRA tax abatements that require compensation for tax year 2004 in accordance with the Compensation Agreement; and

WHEREAS, the amount of compensation for tax year 2004, payable in 2005, is \$548,725.98 based on the formulas and procedures defined in the Compensation Agreement; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, is that it is immediately necessary to make the 2005 payment to the Gahanna-Jefferson City School District pursuant to the Compensation Agreement in order to preserve the public peace, health, property, safety and welfare; **NOW, THEREFORE,**

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

Section 1. That the City Auditor is hereby authorized and directed to make payment to the Gahanna-Jefferson City School District in the amount of \$548,725.98.

Section 2. That the expenditure of \$548,725.98, or so much as may be necessary, be and is hereby authorized from the Development Department, Economic Development Division, Division No. 44-02, General Fund, Fund 010, Object Level Three 5513, OCA Code 440314.

Section 3. That for the reasons stated in the preamble hereto, this ordinance is hereby declared to be an emergency and shall take effect and be in force from and after its passage and approval by the Mayor or ten days if the Mayor neither approves nor vetoes the same.

