



## Legislation Details (With Text)

**File #:** 2600-2020      **Version:** 2

**Type:** Ordinance      **Status:** Passed

**File created:** 11/9/2020      **In control:** Economic Development Committee

**On agenda:** 11/23/2020      **Final action:** 11/25/2020

**Title:** Amending Ordinance No. 3106-96 to extend the exemption from taxation of improvements provided for by Ohio Revised Code 5709.40 for certain parcels comprising the Polaris development in the City pursuant to Ohio Revised Code Section 5709.51.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. ORD2600-2020 Polaris TIFs I-II-III\_11\_5\_2020

Date	Ver.	Action By	Action	Result
11/25/2020	2	CITY CLERK	Attest	
11/24/2020	2	MAYOR	Signed	
11/23/2020	2	COUNCIL PRESIDENT	Signed	
11/23/2020	1	Columbus City Council	Amended as submitted to the Clerk	Pass
11/23/2020	1	Columbus City Council	Approved as Amended	Pass
11/16/2020	1	Columbus City Council	Read for the First Time	

### Background

City Council established the original Polaris tax increment financing (TIF) area in 1996 by Ordinance No. 3106-96 passed by City Council on December 16, 1996 to provide for a 30 year tax increment financing exemption beginning for tax year 1997 and ending in tax year 2026 in order to fund infrastructure improvements necessary for the development of Polaris. The TIF area was subsequently expanded by Ordinance No. 0627-2004 passed by City Council on April 5, 2004, Ordinance No. 1560-2005 passed by its City Council on December 12, 2005, Ordinance No. 1914-2008 passed by City Council on December 1, 2008, and Ordinance 1582-2013 passed by City Council July 1, 2013. Then, the TIF area was reduced in size by Ordinance No. 1847-2015 passed by City Council on July 13, 2015 to establish the Polaris II TIF and Ordinance 3313-2018 passed December 10, 2018 to establish the Polaris III TIF and now the Polaris TIF area encompasses its present boundaries, as shown on Exhibit A to the attached ordinance. The Polaris TIF currently generates approximately \$4.2 million per year in non-school TIF Revenue after providing for compensation payment to the Olentangy Local School District, which receives all real property taxes it would otherwise receive absent the TIF exemption. In 2019, the Ohio General Assembly adopted Section 5709.51 of the Revised Code, which allows City Council to extend the term of the exemption for certain TIFs generating in excess of \$1.5 million per calendar year in service payments made pursuant to Ohio Revised Code Section 5709.42 like the Polaris TIF for a period of up to 30 additional years. The attached ordinance extends the Polaris TIF for an additional 30 year period, through tax year 2056, in order to provide funding for the additional public infrastructure anticipated to be necessary to enable additional business expansion and real estate development of the Polaris area during that timeframe. The Olentangy Local School District will continue to receive all real property taxes they would otherwise receive absent the TIF exemption extension.

### Fiscal Impact

No funding is required for this legislation. The City will continue to forego real property tax revenue that it would have received from the development of the Polaris TIF parcels. Instead, the non-school portion of that revenue will be diverted

to a TIF fund.

Amending Ordinance No. 3106-96 to extend the exemption from taxation of improvements provided for by Ohio Revised Code 5709.40 for certain parcels comprising the Polaris development in the City pursuant to Ohio Revised Code Section 5709.51.

**WHEREAS**, Ordinance 3106-96, passed by this Council on December 16, 1996 pursuant to Ohio Revised Code (“ORC”) Section 5709.40 (as subsequently amended to add additional territory to the TIF area by Ordinance No. 0627-2004 passed by City Council on April 5, 2004, Ordinance No. 1560-2005 passed by its City Council on December 12, 2005, Ordinance No. 1914-2008 passed by City Council on December 1, 2008, and Ordinance 1582-2013 passed by City Council July 1, 2013 and to remove territory from the TIF area by Ordinance No. 1847-2015 passed by City Council on July 13, 2015 and Ordinance 3313-2018 passed December 10, 2018, as amended, the “1996 Polaris TIF Ordinance”), declared improvements to certain parcels of real property that are part of the Polaris development (as identified on Exhibit A to the 1996 Polaris TIF Ordinance and shown on Exhibit A attached hereto, the “Parcels”) to be a public purpose, required the owners of such parcels to make service payments in lieu of taxes and otherwise established a tax increment financing program for those parcels and the Polaris development; and

**WHEREAS**, pursuant to ORC Section 5709.51 this Council may amend the 1996 Polaris TIF Ordinance to extend, for up to 30 additional years, the exemption from taxation of improvements to the Parcels granted pursuant to the TIF Ordinance if certain conditions are met; and

**WHEREAS**, the City desires to extend the Polaris tax increment financing program for the Parcels pursuant to ORC Section 5709.51 to enable the City to make public infrastructure improvements that will directly benefit the Parcels and continue the job creation and retention activities at Polaris, all for the welfare and benefit of the citizens of the City; and

**WHEREAS**, notice has been provided to the Board of Educations of the Olentangy City School District and the Delaware Area Career Center School District of the City’s intent to pass this ordinance; and

**WHEREAS**, the Olentangy City School District will continue to receive service payments in the amount of the real property taxes that it would have received but for the extension of the TIF exemption; and

**WHEREAS**, prior to 2011, O.R.C. § 5709.40 did not require municipalities creating non-school TIFs to divert any service payments to impacted joint vocational school districts; however, in 2011, the 129<sup>th</sup> General Assembly passed House Bill 153, amending O.R.C. § 5709.40 such that, for any non-school TIF created after September 29, 2011, the TIF creation ordinance must specify that any impacted joint vocational school district will receive compensation in the amount of the real property taxes that it would have received but for the TIF exemption; and

**WHEREAS**, in 2013, Council passed Ordinance 1582-2013, expanding the Polaris TIF to include the additional parcels identified on Exhibit A thereto, and in accordance with HB 153, provided that the Delaware County Joint Vocational School District (the “Career Center”) would receive service payments in the amount of the real property taxes that it would have received had the improvements to the parcels identified on Exhibit A thereto not been exempt from taxation; and

**WHEREAS**, some of the parcels identified on Exhibit A to Ordinance 1582-2013 were subsequently removed from the 1996 TIF pursuant to Ordinance 1847-2015; and

**WHEREAS**, the parcels added to the Polaris TIF pursuant to Ordinance 1582-2013 and that were not subsequently removed from the Polaris TIF by Ordinances 1847-2015 shall be referred to herein as the “2013 Parcels”; and

**WHEREAS**, the Career Center shall continue to receive service payments in the amount of real property taxes it would

have received from the 2013 Parcels (and only the 2013 Parcels) but for the extension of the TIF exemption; NOW, THEREFORE,

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

**Section 1.** As required by ORC Section 5709.51, this Council finds and determines that service payments made by owners of the Parcels pursuant to the 1996 Polaris TIF Ordinance exceeded one million five hundred thousand dollars in calendar year 2019.

**Section 2.** The 1996 Polaris TIF Ordinance is hereby amended to extend the exemption from taxation of improvements to the Parcels for a period of thirty (30) years from the end of the exemption as determined by Section 8 of Ordinance 3106-96 (the "Extension Period"), such that the final tax year of the exemption for all Parcels is tax year 2056.

**Section 3.** Pursuant to ORC 5709.51(A)(3), ~~each~~ of the Olentangy Local School District shall continue to receive compensation equal in value to the amount of taxes that would be payable to those school districts if the improvements to the Parcels had not been exempted from taxation for the Extension Period. The Career Center shall continue to receive compensation equal in value to the amount of taxes that would have been payable to the Career Center if the improvements to the 2013 Parcels had not been exempted from taxation for the Extension Period.

**Section 4.** City Council expressly reserves the right to repeal this Ordinance should the City and NP Capital Management Corp. fail to enter into the Second Amendment to the Amended and Restated Tax Increment Financing Agreement authorized by Ordinance 2622-2020, governing the terms and conditions relating to the use and distribution of the service payments generated during the Extension Period.

**Section 5.** Except as provided herein, all other provisions of the 1996 Polaris TIF Ordinance shall remain in full force and effect. City officials are further authorized to provide such information and to execute, certify or furnish such other documents, and to do all of the things as are necessary for and incidental to carrying out the provisions of this ordinance.

**Section 56.** This ordinance shall take effect and be in force from and after the earliest date permitted by law.