



Legislation Details (With Text)

File #: 1581-2012 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 7/6/2012 **In control:** Development Committee

On agenda: 7/16/2012 **Final action:** 7/18/2012

Title: To authorize the provision of certain tax exemptions within the Short North Community Reinvestment Area for the purpose of encouraging economic development and development of a 250 space public parking garage within the area; to authorize the execution of a Community Reinvestment Area Agreement necessary to grant those exemptions; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD1581-2012 Northeast corner of Hubbard High

Date	Ver.	Action By	Action	Result
7/18/2012	1	CITY CLERK	Attest	
7/17/2012	1	MAYOR	Signed	
7/16/2012	1	COUNCIL PRESIDENT	Signed	
7/16/2012	1	Columbus City Council	Approved	Pass

Background: Community Reinvestment Areas (CRAs) have been designated by the Columbus City Council under the General Policy guidelines of Ordinance 1698-78. Such areas allow for the granting of real property tax abatements to encourage industrial and commercial development.

The Columbus City Council by Ordinance 1292-2012, as adopted on June 18, 2012, created the Short North Community Reinvestment Area to offer 15-year, 100% real-property tax exemptions for improvements to certain parcels within the area, including new commercial structures. The attached ordinance authorizes the Columbus City Council to enter into a CRA Agreement to govern the terms by which the tax exemptions will be offered to the retail and parking garage project (including 250 public parking spaces) to be located at the northeast corner of High Street and Hubbard Avenue. Payments in lieu of taxes will be collected from owners of the abated property and used to fund a portion of the costs of the parking garage.

Emergency action is necessary to provide for these incentives so the Exempt Facility may proceed thereby providing for the creation of jobs and employment opportunities and improving the economic welfare of the people of the City.

Fiscal Impact: No funding is required for this ordinance.

To authorize the provision of certain tax exemptions within the Short North Community Reinvestment Area for the purpose of encouraging economic development and development of a 250 space public parking garage within the area; to authorize the execution of a Community Reinvestment Area Agreement necessary to grant those exemptions; and to declare an emergency.

WHEREAS, E.W. High Street, LLC and E.W. Hubbard High, LLC (together, the “Owner”) are commonly owned and

controlled and expect to develop a mixed use building on the real property (the “Property”) generally located on the northeast corner of High Street and Hubbard Avenue, as more particularly described and depicted on Exhibit A to the form of Community Reinvestment Area Agreement between the City and the Owner now on file with the City Clerk (the “CRA Agreement”), which building is expected to consist of 72 apartments and approximately 13,100 square feet of retail space; and

WHEREAS, the City has requested that the Owner develop a parking garage, including at least 250 public parking spaces, on the Property in addition to the mixed use building; and

WHEREAS, the Owner has agreed to develop the parking garage on the Property provided that appropriate development incentives are available to support, among other things, the economic viability of the retail portion of the mixed use building and the parking garage (together, the “Exempt Facility”) and the public financing of the public parking spaces located within the parking garage, which public financing will be provided by bonds issued by the Columbus-Franklin County Finance Authority (the “Finance Authority”) and other money contributed by the City, all pursuant to a Tax Increment Financing and Cooperative Agreement by and among the City, the Finance Authority and the Owner; and

WHEREAS, the City by Ordinance 1292-2012 adopted June 18, 2012 (the “CRA Ordinance”), has created the Short North Community Reinvestment Area (the “Short North CRA”), a “Community Reinvestment Area” pursuant to Ohio Revised Code Section 3735.66, and provided for 100% real-property tax exemptions for up to fifteen (15) years in the Short North CRA for certain structures, including new commercial structures; and

WHEREAS, the City has determined to provide a 15-year, 100% real property tax exemption for the Exempt Facility in order to support the economic viability of the Exempt Facility; and

WHEREAS, the Owner has submitted to the City a proposed agreement application (the “Agreement Application”) for the Exempt Facility and the required State application fee of \$750.00 made payable to the Ohio Department of Development to be forwarded to that Department with a copy of the final executed CRA Agreement; and

WHEREAS, the Housing Officer has reviewed the Agreement Application and has recommended its approval to this Council on the basis that the Owner is qualified by financial responsibility and business experience to create and preserve employment opportunities in the Short North CRA, construct the mixed use building and parking garage, and improve the economic climate of the City; and

WHEREAS, the Property is located in the Columbus City School District and the City has heretofore determined in good faith, which determination has been certified to the Board of Education of the Columbus City School District (the “Board”), that the requirement of Ohio Revised Code Section 3735.671(A)(2) has been satisfied and approval by the Board of the CRA Agreement and the real-property tax exemption provided for in the CRA Agreement is not required; and

WHEREAS, notice of the CRA Agreement has been delivered to the Board in accordance with Ohio Revised Code Section 5709.83; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to authorize the granting of the tax exemptions and the execution of the CRA Agreement so that the City can immediately offer tax incentives as soon as possible in order to attract a business development project to this City and provide for the public parking needs of the Short North Area, all for the preservation of the public health, property, safety and welfare; **NOW, THEREFORE**,

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

Section 1. The City, assuming continuing compliance by the Owner or its successors with the CRA Agreement, grants a tax exemption for real property improvements made to the Exempt Facility site pursuant to Ohio Revised Code Section 3735.67, which exemption for each portion of the Exempt Facility will be in the amount of 100% for a period of

15 years commencing in the first year for which that structure would first be taxable were that property not exempted from taxation. In accordance with the terms of the CRA Ordinance, this tax exemption will take precedence over any tax increment financing exemptions provided for in Ordinance 2172-2005.

This City has heretofore determined in good faith, which determination has heretofore been certified to the Board, that the requirement of Ohio Revised Code Section 3735.671(A)(2) has been satisfied and approval from the Board to grant the real property tax exemption provided for herein is not required. This Council hereby ratifies that determination and certification. This Council further ratifies the giving of notice of the CRA Agreement to the Board.

Section 2. That the Director of Development, for and in the name of the City, is hereby authorized to execute and deliver the CRA Agreement in substantially the form presently on file with the Director along with any changes or completions thereto that are not substantially adverse to the City, provided that such changes and completions are approved by the Director and the City Attorney, and the character of those changes and completions as not being substantially adverse to the City shall be evidenced conclusively by the execution and delivery thereof by the Director.

Section 3. This Council agrees that, with respect to the Exempt Facility described herein for which the real property tax exemption has been granted, the City will comply, to the extent required, with Ohio Revised Code Section 5709.82.

Section 4. The Director of Development is directed to forward an executed copy of the CRA Agreement to the Director of the Ohio Department of Development within 15 days following the execution of the CRA Agreement.

Section 5. This Council finds and determines that all formal actions of this Council concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council and any of its committees and that all deliberations of this Council or any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law, including Ohio Revised Code Section 121.22.

Section 6. That for the 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 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.