



# City of Columbus

Office of City Clerk  
90 West Broad Street  
Columbus OH 43215-9015  
columbuscitycouncil.org

## Legislation Text

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**File #:** 1237-2015, **Version:** 1

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**BACKGROUND:** The Department of Development is proposing the establishment of a tax increment financing (TIF) area pursuant to Section 5709.40(B) of the Ohio Revised Code in the area of Old Dublin Road to be known as the Old Dublin Road TIF. This ordinance establishes that TIF and provides for a 100% exemption from real property taxation on all nonresidential development on the TIF parcels for a period of not more than thirty (30) years. The TIF money will be used to finance a sanitary sewer line connecting Trabue Road to the parcels estimated to cost \$1.9 million. The new sanitary sewer line will provide seven parcels currently on septic systems with the ability to connect to City sewer. This supports the Department of Public Utilities' and Department of Public Health's objective of eliminating onsite sewage treatment systems and requiring property owners to connect to the sanitary sewer system as new lines are constructed. The Hilliard City School District and the Tolles Career & Technical School District ("collectively the School Districts") will receive, in the same manner as usual, all amounts that they would have received in real property taxes had the tax exemption not been granted. Annual service payments in lieu of taxes will be made with respect to new private nonresidential development on the TIF parcel. The applicable portion of those service payments will be distributed directly to the School Districts, with the remaining non-school portion of those service payments paid to the City for deposit into the TIF fund established in the Ordinance to be used to fund public improvements benefiting the TIF parcel.

**FISCAL IMPACT:** No funding is required for this legislation. The City is foregoing real property tax revenue that it would have received with respect to development on the TIF parcels. Instead, the non-school portion of that revenue will be diverted to the specified TIF fund to be used for public infrastructure improvements benefiting the TIF parcel.

To create a tax increment financing area on certain parcels of real property in the area of Old Dublin Road to be known as the Old Dublin Road TIF; and to declare an emergency. **(AMENDED BY ORD. 3168-2019; PASSED 12/16/2019)**

**WHEREAS**, Sections 5709.40(B), 5709.42 and 5709.43 of the Ohio Revised Code (collectively, the "TIF Statutes") authorize the legislative authority of a municipal corporation, by ordinance, to declare the improvement to certain parcels of real property located within the municipal corporation to be a public purpose and exempt from taxation, require the owner of each parcel to make service payments in lieu of taxes, provide for the distribution of the applicable portion of such service payments to the city, local or exempted village school district, establish a municipal public improvement tax increment equivalent fund for the deposit of the remainder of such service payments and specify public infrastructure improvements made, to be made or in the process of being made that directly benefit, or that once made will directly benefit, those parcels; and

**WHEREAS**, certain parcels of real property located in the City of Columbus, Ohio (the "City"), as identified and depicted in Exhibit A (Parcel I.D. & Map) attached hereto (with each current or future parcel(s) of such real property referred to herein individually as the "Parcels"; and

**WHEREAS**, this Council has determined that it is necessary and appropriate and in the best interest of the City to exempt from taxation one hundred percent (100%) of the Improvement to said Parcels as permitted and provided in Section 5709.40(B) of the Ohio Revised Code for up to thirty (30) years (the "TIF Exemption") and to simultaneously direct and require the current and future owner(s) of the Parcels (each such owner individually, an "Owner," and collectively, the "Owners") to make annual Service Payments (as defined in Section 2 of this Ordinance) in lieu of real property tax

payments, in the same amount as they would have made real property tax payments except for the exemption provided by this Ordinance; provided that the TIF Exemption and the obligation to make Service Payments are subject and subordinate to any tax exemption applicable to the Improvement pursuant to Section 140.08 or Sections 5709.12 and 5709.121 or under Sections 3735.65 through 3735.70 or 5709.61 through 5709.69 of the Ohio Revised Code; and

**WHEREAS**, the City has determined that a portion of the Service Payments shall be paid directly to the School Districts in an amount equal to the real property taxes that School Districts would have been paid if the Improvement to the Parcels located within that School Districts had not been exempt from taxation pursuant to this Ordinance; and

**WHEREAS**, pursuant to Section 5709.43(A) of the Ohio Revised Code, this Council has determined to establish a municipal public improvement tax increment equivalent fund in which there shall be deposited the remaining Service Payments distributed to the City as provided herein; and

**WHEREAS**, this Council has determined to provide for the construction of the public infrastructure improvements described in Exhibit B attached hereto (the “Public Infrastructure Improvements”), which Public Infrastructure Improvements, once made, will directly benefit the Parcels; and

**WHEREAS**, this Council has determined to provide for the execution and delivery of a tax increment financing agreement to provide for the development of the Parcels; and

**WHEREAS**, notice of this proposed Ordinance has been delivered to the Board of Education of the Hilliard City School District and the Tolles Career & Technical Center in accordance with and within the time periods prescribed in Sections 5709.40 and 5709.83 of the Ohio Revised Code;

**WHEREAS**, an emergency exists in that this Ordinance is required to be immediately effective in order to facilitate the development of the Parcels, such immediate action being necessary for the preservation of the public health, peace, property and safety; **NOW THEREFORE**,

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

**SECTION 1.** Pursuant to and in accordance with the provisions of Section 5709.40(B) of the Ohio Revised Code, this Council hereby finds and determines that one hundred percent (100%) of the increase in assessed value of the Parcels subsequent to the effective date of this Ordinance (which increase in assessed value is hereinafter referred to as the “Improvement,” as defined in Section 5709.40(A) of the Ohio Revised Code) is hereby declared to be a public purpose and shall be exempt from taxation for a period commencing with the first tax year that begins after the effective date of this Ordinance and in which an Improvement first appears on the tax list and duplicate of real and public utility property and ending on the earlier of (a) thirty (30) years after such commencement or (b) the date on which the City can no longer require service payments in lieu of taxes, all in accordance with the requirements of the TIF Statutes.

The TIF Exemption granted pursuant to this Section 1 and the payment obligations established pursuant to Section 2 of this Ordinance are subject and subordinate to any tax exemption applicable to the Improvement pursuant to Section 140.08 or Sections 5709.12 and 5709.121 or under Sections 3735.65 through 3735.70 or 5709.61 through 5709.69 of the Ohio Revised Code.

**SECTION 2.** Subject to any tax exemption applicable to the Improvement pursuant to Section 5709.12 or under Sections 3735.65 through 3735.70 or 5709.61 through 5709.69 of the Ohio Revised Code, and pursuant to Section 5709.42 of the Ohio Revised Code, this Council hereby directs and requires the Owners of the Parcels to make annual Service Payments (as defined herein) in lieu of taxes with respect to the Improvement allocable thereto to the Franklin County Treasurer (the “County Treasurer”) on or before the final dates for payment of real property taxes. Each service payment in lieu of taxes, including any penalties and interest at the then current rate established under Sections 323.121

(B) (1) and 5703.47 of the Ohio Revised Code (collectively, the “Service Payments”), shall be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and payable against the Improvement if it were not exempt from taxation pursuant to Section 1 of this Ordinance. This Council further hereby authorizes and directs appropriate officers of the City to make such arrangements as are necessary and proper for collection of the Service Payments from the Owners, including the preparation and filing of any necessary exemption applications.

**SECTION 3.** This Council hereby establishes, pursuant to and in accordance with the provisions of Section 5709.43 of the Ohio Revised Code, the Old Dublin Road Public Improvement Tax Increment Equivalent Fund (the “TIF Fund”), into which the County Treasurer shall deposit the Service Payments collected from the Parcels not required to be distributed to the School District pursuant to Section 4 of this Ordinance. That TIF Fund shall be maintained in the custody of the City and shall receive the distributions to be made to the City pursuant to Section 4 of this Ordinance. Those Service Payments received by the City with respect to the Improvement of the Parcels and so deposited pursuant to Sections 5709.42 and 5709.43 of the Ohio Revised Code shall be used solely for the purposes authorized in the TIF Statutes and this Ordinance. The TIF Fund shall remain in existence so long as such Service Payments are collected and used for the aforesaid purposes, after which time the TIF Fund shall be dissolved and any surplus funds remaining therein transferred to the City’s General Fund, all in accordance with Section 5709.43 of the Ohio Revised Code.

**SECTION 4.** Pursuant to the TIF Statutes, the County Treasurer is requested to distribute the Service Payments as follows:

- (i) to the School Districts, an amount equal to the amount that School Districts would otherwise have received as real property tax payments derived from the Improvement to the Parcels located within those School Districts if the Improvement had not been exempt from taxation pursuant to this Ordinance; and
- (ii) to the City, all remaining amounts for further deposit into the TIF Fund for payment of costs of the Public Infrastructure Improvements by reimbursing such party as may be authorized by a TIF Agreement, for those costs.

All distributions required under this Section 4 are requested to be made at the same time and in the same manner as real property tax distributions.

**SECTION 5.** This Council hereby designates the Public Infrastructure Improvements described in Exhibit B attached hereto, and any other public infrastructure improvements hereafter designated by ordinance as public infrastructure improvements, as public infrastructure improvements made, to be made or in the process of being made by the City that directly benefit, or that once made will directly benefit the Parcels.

**SECTION 6.** In accordance with Section 5709.832 of the Ohio Revised Code, this Council has established the City’s nondiscriminatory hiring policy as set forth in Columbus City Code Chapter 2331, which ensures that any employer located upon the Parcels shall practice nondiscriminatory hiring in its operations.

**SECTION 7.** This Council ratifies the delivery of the notice of this Ordinance to the School Districts and hereby authorizes and directs the Director, the City Clerk or other appropriate officers of the City to make such arrangements as are necessary and proper for collection from the Owners of the Service Payments. This Council further authorizes that the Director or other appropriate officers of the City are authorized to execute such other agreements and instruments and to take all actions necessary to implement this Ordinance and the transactions contemplated by the TIF Agreement.

**SECTION 8.** Pursuant to Section 5709.40(I) of the Ohio Revised Code, the Department of Development is hereby directed to deliver a copy of this Ordinance to the Director of Ohio Development Services Agency within fifteen (15) days after its effective date. Further, on or before March 31 of each year the exemption set forth in Section 1 of this Ordinance remains in effect, the Clerk of Council or other authorized officer of the City shall prepare and submit to the Director of Ohio Development Services Agency the status report required under Section 5709.40(I) of the Ohio Revised Code.

**SECTION 9.** The City's Tax Incentive Review Council shall review annually all exemptions from taxation resulting from the declarations set forth in this Ordinance and any other matters as may properly come before that Council, all in accordance with Section 5709.85 of the Ohio Revised Code.

**SECTION 10.** 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 the passage if the Mayor neither approves nor vetoes the same.