



# City of Columbus

Office of City Clerk  
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## Legislation Text

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**File #: 0828-2015, Version: 1**

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**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 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 \$228,413.73 to the Gahanna-Jefferson City School District as the compensation due in 2015 for tax year 2014. This sum is calculated using the definitions in the Compensation Agreement and is based on one parcel (520-250983) in the Gahanna-Jefferson School District area of the Stelzer-Stygler CRA with building improvements and CRA tax abatements.

The abatement for parcel 520-250983 commenced with tax year 2009 and will terminate in tax year 2018. The portion of this payment attributable to this parcel being made in 2015 will be compensation for tax year 2014.

The total private investment subject to exemption in the new buildings constructed on parcel 520-250983 was approximately \$22,450,000 in 2014 and the total estimated number of new jobs created was approximately 620.

Emergency action is requested in order for the City to make the \$228,413.73 payment to the Gahanna-Jefferson City School District according to the schedule established in the Compensation Agreement.

**FISCAL IMPACT:** The 2015 General Fund budget (citywide account) includes funding for this payment to the Gahanna-Jefferson School District. A transfer equal to 25 percent (25%) of the payment will be transferred from the Special Income Tax Fund.

To authorize and direct the City Auditor to transfer \$228,413.73 within the General Fund; to authorize and direct the City Auditor to appropriate and transfer \$57,103.43 in cash from the Special Income Tax Fund to the General Fund; to authorize and direct the payment of \$228,413.73 to the Gahanna-Jefferson 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 \$228,413.78 from the General Fund; and to declare an emergency. (\$228,413.78)

**WHEREAS**, Ordinance 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 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 0629-02, passed April 15, 2002, authorized a Compensation Agreement with the Gahanna-Jefferson 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**, one parcel in the Gahanna-Jefferson School District area of the Stelzer-Stygler CRA has a CRA tax abatement that requires compensation for tax year 2014 in accordance with the Compensation Agreement; and

**WHEREAS**, the amount of compensation for tax year 2014, payable in 2015, is \$228,413.73 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, in that it is immediately necessary to make the 2015 payment to the Gahanna-Jefferson 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 be and is hereby authorized and directed to transfer \$228,413.73 within the General Fund, Fund 010 from the Department of Finance & Management, Department/Division 45-01, Object Level One 10, Object Level Three 5501, OCA 904508 to the Department of Development, Economic Development Division, Division 44-02, Object Level One 05, Object Level Three 5513, OCA 440314.

**SECTION 2.** That the sum of \$57,103.43 is hereby appropriated from the un-appropriated balance of the special income tax fund, fund 430, and from all monies estimated to come into said fund from any and all sources and un-appropriated for any other purpose during the fiscal year ending December 31, 2015 to the City Auditor Department 22-01, Object Level One 10, OCA Code 902023, Object Level Three 5501.

**SECTION 3.** That the City Auditor is hereby authorized to transfer \$57,103.43 in cash only to the General Fund, Economic Development Division, Division 44-02, Object Level One 05, Object Level Three 0886, OCA 440314.

**SECTION 4.** That the City Auditor is hereby authorized and directed to make payment to the Gahanna-Jefferson School District in the amount of \$228,413.73 to compensate for real property tax revenues forgone as a result of CRA tax abatements in the Stelzer-Stygler CRA.

**SECTION 5.** That the expenditure of \$228,413.73, or so much as may be necessary, be and is hereby authorized from the Development Department, Economic Development Division, Division 44-02, General Fund, Fund 010, Object Level Three 5513, OCA Code 440314.

**SECTION 6.** That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

**SECTION 7.** 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.