



City of Columbus

Office of City Clerk
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Legislation Text

File #: 1582-2013, **Version:** 1

Background: The Columbus City Council passed Ordinance 3106-96 on December 16, 1996 (the “Original TIF Ordinance”), to establish the Polaris Tax Increment Finance Area (TIF Area) benefiting parcels near Polaris Parkway and Interstate 71 pursuant to Section 5709.40(B) of the Ohio Revised Code. The Original TIF Ordinance was amended by Ordinance 0627-2004 passed by City Council on April 5, 2004, to add additional parcels, Ordinance 1560-2005 passed on December 14, 2005, to add additional parcels and Ordinance 1914-2008 passed on December 1, 2008, also to add additional parcels. Ordinance 2188-2011 passed December 5, 2011 approved and authorized a tax increment financing agreement between the City of Columbus and N.P. Limited Partnership (Developer) to provide for the construction and financing of certain improvements within and around the Polaris TIF area.

The purpose of this legislation is to amend the original Polaris TIF Ordinance Number 3106-96, enacted by Columbus City Council on December 16, 1996 by adding the parcels listed in Exhibit A (Parcel List & Map) to provide additional revenues necessary to fund the cost of the public improvements as set forth in Exhibit B.

Fiscal Impact: No City funding is required for this legislation.

To amend Ordinance 3106-96 establishing the Polaris Tax Increment Finance Area to declare improvements to certain additional parcels of real property to be a public purpose; to describe public improvements to be made to benefit those parcels; to require the owners thereof to make service payments in lieu of taxes used to pay for the costs of such public improvements; and to declare an emergency.

WHEREAS, Sections 5709.40(B), 5709.42 and 5709.43 of the Ohio Revised Code authorize this Council, by ordinance, to declare the improvements to certain parcels of real property located within the corporate boundaries of the City of Columbus, Ohio (the “City”), to be a public purpose and exempt from taxation, requires the owner of each parcel to make service payments in lieu of taxes, 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, pursuant to Ordinance 3106-96 passed on December 16, 1996, the Original TIF Ordinance, as amended by Ordinance 0627-2004 passed April 5, 2004, Ordinance 1560-2005 passed December 14, 2005 and Ordinance 1914-2008 passed December 1, 2008, this Council created a tax increment financing in the area of Polaris Parkway and Interstate 71; and

WHEREAS, it is desired to add additional parcels described in Exhibit A (Parcel List & Map) attached hereto to the Polaris TIF Area; and

WHEREAS, the City has determined that it is necessary and appropriate, and in the best interest of the City to exempt the additional parcels and proposed improvements from taxation as permitted and proved in O.R.C. Section 5709.40 (B); and

WHEREAS, in accordance with O.R.C. Sections 5709.42, the City has elected to direct and require the current and future owners of the New Property and any improvements thereon to make annual service payments in lieu of taxes to the Delaware County Treasurer on or before the final dates for payment of real taxes; and

WHEREAS, the City has created a municipal public improvement tax increment equivalent fund for receipt and deposit of its portion of the service payments in lieu of taxes; and

WHEREAS, O.R.C. Section 5709.40(B) provides that the ordinance shall designate specific public improvements made, to be made or in the process of being made by the municipal corporation that directly benefit or that once made will directly benefit the additional parcels and these improvements are described in Exhibit B of this Ordinance (the “Public Improvements”); and

WHEREAS, the City has determined that the proposed improvements to the additional parcels shall, during construction and upon completion, place a direct additional demand on the Public Improvements or, to the extent the Public Improvements have not been constructed, will place additional demand on the Public Improvement when completed; and

WHEREAS, the City has determined that the estimated percentage of the incremental demand placed on the Public Improvements that is or will be directly attributable to the proposed improvements on the Expanded Property is or will be one hundred percent (100%); and

WHEREAS, O.R.C. Section 5709.40(B) requires the legislative authority of a municipal corporation to specify, in the ordinance adopted pursuant to such Section, the percentage of the proposed improvements to be exempted from taxation; and

WHEREAS, the City has determined that it is appropriate and in the best interest of the City to exempt one hundred percent (100%) of the New Property and the proposed improvements on the New Property from taxation to the extent permitted by O.R.C 5709.40; and

WHEREAS, the City has determined that payment in lieu of real property taxes provided for in O.R.C. Section 5709.42 shall be paid to the Olentangy Local School District and the Delaware County Joint Vocational School District (collectively the “School District”) in the amount of the real property taxes that the School District would collectively have been paid if the improvements had not been exempted from taxation; and

WHEREAS, notice of this proposed Ordinance has been delivered to the Board of Education of the Olentangy Local School District and the Delaware County Joint Vocational School District (Vocational School) in accordance with and within the time period prescribed in O.R.C. Section 5709.40 (B)(2) and O.R.C. 5907.83; and

WHEREAS, the current and future owners of the additional parcels shall be required to make service payments in lieu of real property tax payments they would have made except for the exemption; and

WHEREAS, (i) current and future owner(s) shall be required to make service payments in lieu of the property tax payments they would have made except for the exemptions provided by this Ordinance, (ii) N.P. Limited Partnership shall prepare and file with the Delaware County Recorder a declaration against new property owned by it which shall be covenants running with the property and which shall require the current and future owner(s) will agree, pursuant to such declaration, that the service payments in lieu of real property taxes shall constitute a lien on the property having the same force and effect as a lien on real property taxes; and

WHEREAS, an emergency exists in that this Ordinance is required to be immediately effective in order to facilitate the continuing development of the Polaris TIF Area, 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. In accordance with O.R.C. Section 5709.40 (B), the City hereby finds and determines that the increase in

the assessed value of the parcels listed in Exhibit A and improvements thereto subsequent to the effective date of this Ordinance is and shall be a public purpose, which increase in assessed value of is added to the definition of Improvements in the Original Ordinance.

Section 2. The City hereby exempts one hundred percent (100%) of the increased real property valuation and the value of the improvements on the additional parcels from taxation, as and when the improvements are made and the exemption claimed and allowed in a manner provided by law for the period set forth in this Ordinance.

Section 3. Subject to any real property tax abatement in effect as of the effective date of this Ordinance or granted hereafter, and as provided in Section 5709.42, the City hereby directs and requires the current and future property owners of the additional parcels to make, on or before the final date for payment of real property taxes, annual service payments in lieu of real property taxes which were abated under this Ordinance.

Section 4. The City hereby declares and requires N.P. Limited Partnership to prepare and file with the Delaware County Recorder a declaration against such property owned by it, constituting part of the new property, which shall be a covenant running with such property and shall which shall (i) require the current and future owner(s) of such property to make service payments in lieu of the real property tax payments they would have made except for the exemptions provided by this Ordinance, and (ii) make the current and future owner(s) acknowledge and agree that the service payments are payments in lieu of the real property taxes and shall constitute a lien on such property having the same priority and effect as the lien of real property taxes.

Section 5. In accordance with O.R.C. Section 5709.40 and O.R.C. 5709.42 and this Ordinance, the Delaware County Treasurer shall make payments in lieu of real property taxes to the Olentangy Local School District and the Delaware County Joint Vocational School District because of the exemptions provided in this Ordinance.

Section 6. In accordance with O.R.C. Section 5709.42 and this Ordinance, after making each payment in lieu of real property taxes to the School Districts, the Delaware County Treasurer shall distribute the remainder of the service payments in lieu of these taxes to the City for deposit in the City's municipal public improvement tax increment equivalent fund.

Section 7. The public improvements described in Exhibit B hereto made, to be made, or in the process of being made by the City or the Developer are hereby designated as part of the public improvements described in the Ordinance that directly benefits or that once made will directly benefit the Polaris TIF Area; and that the service payments in lieu of real property taxes paid to the Delaware County Treasurer less the School Districts' share, on the additional parcels, shall be distributed to the City and paid into the Municipal Public Improvement Tax Equivalent Fund established in the Original Ordinance (the "TIF Fund") for the purposes described in the Original Ordinance and Exhibit B hereto.

Section 8. That portion of the payments in lieu of real property taxes to be paid to the School Districts on the additional parcels pursuant to this Ordinance and O.R.C. Sections 5709.40 and O.R.C. 5709.42 shall be paid directly to the Delaware County Treasurer.

Section 9. The exemption granted in this Ordinance shall commence on the effective date of this Ordinance, and shall end on the date provided in the Original Ordinance.

Section 10. Pursuant to O.R.C. Section 5709.40(G) (I), the City's Department of Development is hereby directed to deliver a copy of this Ordinance to the Director of Development of the State of Ohio, within fifteen days after the effective date of this Ordinance.

Section 11. For the reasons stated in the preamble hereto, which is hereby made a part hereof, this Ordinance is 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 (10) days after passage if the Mayor neither approves nor vetoes the Ordinance.