



## Legislation Text

---

**File #:** 1283-2009, **Version:** 1

---

**Background:** The Department of Development has determined to facilitate the urban redevelopment of certain parcels of real property in the City known as the former Columbus Coated Fabrics Site and adjacent properties and, in connection with that redevelopment, the City has entered into an Economic Development Agreement with Wagenbrenner Development, Inc., by which the City agreed to establish certain tax increment financing (TIF) areas on certain redevelopment parcels pursuant to Sections 5709.40 and 5709.41 of the Ohio Revised Code. The City has previously by its Ordinance No. 1966-2008 passed January 26, 2009, found those redevelopment parcels to be a "blighted area" within the meaning of Sections 1728.01 and 1.08 of the Ohio Revised Code and certified that the City is an "impacted city" within the meaning of Section 1728.01 of the Ohio Revised Code.

In order to implement that urban redevelopment under the Economic Development Agreement, the attached Ordinance establishes two TIF areas and provides for a 100% exemption from real property taxation on all improvements to the parcels within the TIF areas for a period of not more than thirty (30) years. The Columbus City School District will receive, in the same manner as usual, all amounts that it 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 improvements to the TIF parcels. The applicable portion of those service payments will be distributed directly to the Columbus City School District, with the remaining non-school portion of those service payments paid to the City for deposit into the applicable TIF fund established in the Ordinance to be used to fund public improvements benefiting the TIF parcels.

As contemplated in the Economic Development Agreement, the attached Ordinance also authorizes the Director of the City Department of Development to accept title to certain real property in and around the former Columbus Coated Fabrics site and to transfer that property back to the current owners for the purpose of subsequently incorporating that real property in the TIF area to be established by this Ordinance pursuant to Section 5709.41 of the Ohio Revised Code.

**Fiscal Impact:** No funding is required for this legislation. The City is foregoing real property tax revenue that it would have received from development on the TIF parcels. Instead, the non-school portion of that revenue will be diverted to the specified TIF funds.

To create tax increment financing areas encompassing certain parcels of real property in the area known as Weinland Park; to declare improvements to those parcels to be a public purpose and exempt from real property taxation; to require the owners of those parcels to make service payments in lieu of taxes; to require the distribution of the applicable portion of those service payments to the Columbus City School District; to establish a municipal public improvement tax increment equivalent fund and an urban redevelopment tax increment equivalent fund for the deposit of the remainder of those service payments; to authorize the Director of the City Department of Development to accept title to certain real property in and around the former Columbus Coated Fabrics site and to transfer that property back to the current owners; and to declare an emergency. **AMENDED BY ORD. 0939-2017 PASSED 4/17/2017**

**WHEREAS**, Sections 5709.40 through 5709.43 of the Ohio Revised Code (collectively, the "TIF Statutes") 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, 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 Columbus City School District, and establish tax increment equivalent funds for the deposit of the remainder of such service payments; and

**WHEREAS**, the City Department of Development has determined to facilitate the urban redevelopment of the parcels of real property generally known as the former Columbus Coated Fabrics site and other properties in the area (collectively, the "Project"), all located in the City, and has entered into an Economic Development Agreement with Wagenbrenner Development, Inc. (the "Developer"), by which the City agreed to establish tax increment financing ("TIF") areas on those parcels pursuant to Sections 5709.40(B) and 5709.41 of the Ohio Revised Code; and

**WHEREAS**, in support of urban redevelopment, the City Department of Development desires to establish a TIF area under Section 5709.41 of the Ohio Revised Code which shall include the parcels of real property specifically identified and depicted in Exhibit A-1 attached hereto (each a ".41 Parcel" and collectively the ".41 Parcels") and a TIF area under Section 5709.40(B) of the Ohio Revised Code which shall include the parcels of real property specifically identified and depicted in Exhibit A-2 attached hereto (each a ".40 (B) Parcel" and collectively the ".40(B) Parcels" and, together with the .41 Parcels, referred to herein individually as a "Parcel" and collectively as the "Parcels"); and

**WHEREAS**, Section 5709.41 of the Ohio Revised Code requires the City to have held title to the .41 Parcels prior to the passage of an ordinance declaring the improvements to those parcels to be a public purpose, and the City held title to the .41 Parcels prior to the passage of this Ordinance; and

**WHEREAS**, it is necessary for the City to execute certain documents to accomplish the acceptance and subsequent transfer back to the current owner of title to certain parcels of real property (the "Transferred Property") contained within the areas shown on Exhibit A-3 attached hereto for the purpose of subsequently incorporating that Transferred Property in the TIF area established by this Ordinance pursuant to Section 5709.41 of the Ohio Revised Code in furtherance of urban redevelopment; and

**WHEREAS**, a portion of the improvements to the Parcels will be used for residential purposes, and to declare those improvements to be a public purpose under Sections 5709.40(B) and 5709.41 of the Ohio Revised Code, those improvements must be in a "blighted area" of an "impacted city" as both of those terms are defined in Section 1728.01 of the Ohio Revised Code; and

**WHEREAS**, by Ordinance No. 1966-2008 passed January 26, 2009, this Council found the Parcels to be in a "blighted area" within the meaning of Sections 1728.01 and 1.08 of the Ohio Revised Code and the Director of the Ohio Department of Development has certified the City is an "impacted city" within the meaning of Section 1728.01 of the Ohio Revised Code; 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 each Parcel as permitted and provided in Sections 5709.40(B) and 5709.41 of the Ohio Revised Code, as applicable, for up to thirty (30) years (each, a "TIF Exemption" and together, the "TIF Exemptions") and to simultaneously direct and require the current and future owners of each Parcel (each individually an "Owner" and collectively the "Owners") to make annual Service Payments (as defined in Section 3 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 each TIF Exemption and the obligation to make Service Payments are subject and subordinate to any tax exemption applicable to the improvement pursuant to Sections 3735.65 through 3735.70 or 5709.61 through 5709.69 of the Ohio Revised Code (each, a "Tax Abatement"); and

**WHEREAS**, the City has determined that a portion of the Service Payments shall be paid directly to the Columbus City School District (the "School District") in an amount equal to the real property taxes that School District would have been paid if the improvement to each Parcel located within that School District had not been exempt from taxation pursuant to this Ordinance; and

**WHEREAS**, pursuant to Section 5709.43 of the Ohio Revised Code, this Council has determined to establish a municipal public improvement tax increment equivalent fund into which there shall be deposited the remaining Service Payments distributed to the City pursuant to Section 5709.40(B) of the Ohio Revised Code and an urban redevelopment tax increment equivalent fund into which there shall be deposited the remaining Service Payments distributed to the City pursuant to Section 5709.41 of the Ohio Revised Code; and

**WHEREAS**, notice of this proposed Ordinance has been delivered to the Board of Education of the School District in accordance with and within the time periods prescribed in Sections 5709.40, 5709.41 and 5709.83 of the Ohio Revised Code, as applicable; and

**WHEREAS**, an emergency exists in that this Ordinance is required to be immediately effective in order to facilitate the redevelopment 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.** Chain of Title of and Urban Redevelopment for .41 Parcels. This Council hereby finds and determines that the City held fee title to the .41 Parcels prior to the passage of this Ordinance and the City is engaged in urban redevelopment of those .41 Parcels within the meaning of Section 5709.41 of the Ohio Revised

Code.

**Section 2. Authorization of TIF Exemptions.** 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 each .40(B) Parcel subsequent to the effective date of this Ordinance (which increase in assessed value is hereinafter referred to as the ".40(B) Improvement" and is the "improvement" as defined in Sections 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 the first tax year that begins after the effective date of this Ordinance and in which a .40(B) Improvement would first appear on the tax list and duplicate of real and public utility property for that .40(B) Parcel (as specified in Sections 13 and 14 hereof) were it not for the TIF Exemption or Tax Abatement 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. Pursuant to and in accordance with the provisions of Section 5709.41 of the Ohio Revised Code, this Council hereby finds and determines that one hundred percent (100%) of the increase in assessed value of each .41 Parcel subsequent to the acquisition of that Parcel by the City (which increase in assessed value is hereinafter referred to as the ".41 Improvement" and is the "improvement" as defined in Section 5709.41(A) of the Ohio Revised Code), is hereby declared to be a public purpose and shall be exempt from taxation for a period commencing the first tax year that begins after the effective date of this Ordinance and in which a .41 Improvement due to the construction of a new structure would first appear on the tax list and duplicate of real and public utility property for that .41 Parcel were it not for the TIF Exemption or Tax Abatement (as specified in Sections 13 and 14 hereof) 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.

Notwithstanding any other provision of this Ordinance, the TIF Exemptions granted pursuant to this Section 2 and the service payment obligations established pursuant to Section 3 of this Ordinance are subject and subordinate to any Tax Abatement.

**Section 3. Service Payments and Property Tax Rollback Payments.** Subject to any Tax Abatement, and pursuant to Section 5709.42 of the Ohio Revised Code, this Council hereby directs and requires the Owner of each Parcel to make annual service payments in lieu of taxes with respect to the .40(B) Improvement or .41 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 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 .40(B) Improvement or the .41 Improvement as if it were not exempt from taxation pursuant to Section 2 of this Ordinance. The Service Payments, and any other payments with respect to each .40(B) Improvement or .41 Improvement that are received by the County Treasurer in connection with the reduction required by Sections 319.302, 321.24, 323.152 and 323.156 of the Ohio Revised Code, as the same may be amended from time to time, or any successor provisions thereto as the same may be amended from time to time (the "Property Tax Rollback Payments"), shall be allocated and distributed in accordance with Section 5 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 4. Tax Increment Equivalent Funds.** This Council hereby establishes, pursuant to and in accordance with the provisions of Section 5709.43 of the Ohio Revised Code, an urban redevelopment tax increment equivalent fund (the "Weinland Park .41 Fund"), into which the County Treasurer shall deposit the Service Payments and Property Tax Rollback Payments collected from the .41 Parcels that are not required to be distributed to the School District pursuant to Section 5 of this Ordinance, and a municipal public improvement tax increment equivalent fund (the "Weinland Park .40(B) Fund" and, together with the .41 Fund, individually a "TIF Fund and collectively the "TIF Funds"), into which the County Treasurer shall deposit the Service Payments and Property Tax Rollback Payments collected from the .40(B) Parcels that are not required to be distributed to the School District pursuant to Section 5 of this Ordinance. The TIF Funds shall be

maintained in the custody of the City and shall receive the distributions to be made to the City pursuant to Section 5 of this Ordinance. Those Service Payments and Property Tax Rollback Payments received by the City with respect to the .41 Parcels and deposited in the .41 Fund pursuant to Sections 5709.42 and 5709.43 of the Ohio Revised Code shall be used solely for paying for or financing the costs of improvements to or on, or servicing, the .41 Parcels or the Project, including but not limited to water, sewer and storm sewer improvements; road, sidewalk and streetscape improvements; parks and recreation improvements; the acquisition of real estate and interests in real estate and site preparation for those improvements and for the Project, together with all necessary appurtenances and related costs, including but not limited to construction of private improvements on the .41 Parcels and all costs enumerated in Section 133.15(B) of the Ohio Revised Code. Those Service Payments and Property Tax Rollback Payments received by the City with respect to the .40(B) Parcels and deposited into the .40(B) Fund pursuant to Sections 5709.42 and 5709.43 of the Ohio Revised Code shall be used to pay costs of public infrastructure improvements designated in Section 6 of this Ordinance. Each TIF Fund shall remain in existence so long as the applicable Service Payments and Property Tax Rollback Payments are collected and used for the aforesaid purposes, after which time each 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 5. Distribution of Service Payments.** Pursuant to the TIF Statutes, the County Treasurer is requested to distribute the Service Payments and the Property Tax Rollback Payments as follows:

- (i) to the School District, an amount equal to the amount the School District would otherwise have received as real property tax payments (including the applicable portion of any Property Tax Rollback Payments) derived from the .40(B) Improvement or .41 Improvement to the Parcels if the .40(B) Improvement or .41 Improvement had not been exempt from taxation pursuant to this Ordinance; and
- (ii) to the City, all remaining amounts for further deposit into the applicable TIF Fund.

All distributions required under this Section 5 are requested to be made at the same time and in the same manner as real property tax distributions.

**Section 6. Public Infrastructure Improvements.** 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 .40(B) Parcels.

**Section 7. Authorization to Transfer Property.** The Director is hereby authorized and directed to accept on behalf of the City title to the Transferred Property and cause such ownership interest to be recorded according to State of Ohio law; provided, however, that no interest in that Transferred Property shall be accepted without execution of an agreement providing indemnification on terms acceptable to the City for any liability that may arise from the City holding title to that Transferred Property.

The Director is further authorized and directed to execute in accordance with this Ordinance all documents necessary, and to take any other required measures, to transfer the City's ownership interest in the Transferred Property back to the current owner, which transfer shall occur immediately following the City's acceptance of the fee simple interest in that Transferred Property.

**Section 8. Additional TIF Parcels.** The City and the Developer acknowledge and agree that future legislation may be enacted by the City to expand the area to which a TIF Exemption applies.

**Section 9. Non-Discriminatory Hiring Policy.** In accordance with Section 5709.832 of the Ohio Revised Code, this Council hereby determines that no employer located on any Parcel shall deny any individual employment based solely on the basis of race, religion, sex, disability, color, national origin or ancestry.

**Section 10. Further Authorizations.** This Council ratifies the delivery of the notice of this Ordinance to the School District 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 of the Service Payments from the Owners. This Council further authorizes and directs the Director, the City Clerk or other appropriate officers of the City to prepare and sign all agreements and instruments and to take any other actions as may be appropriate to implement this Ordinance.

**Section 11. Filings with Ohio Department of Development.** Pursuant to Sections 5709.40(I) and 5709.41(E) of the Ohio Revised Code, the Clerk of Council is hereby directed to deliver a copy of this Ordinance to the Director of Development of the State of Ohio within fifteen (15) days after its effective date. Further, on or before March 31 of each year the TIF Exemption remains in effect, the Director, Clerk of Council or other authorized officer of the City shall prepare and submit to the Director of Development of the State of Ohio the status report required under Sections 5709.40(I) and 5709.41(E) of the Ohio Revised Code.

**Section 12. Tax Incentive Review Council.** 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 13. Consolidated Ordinance.** This Council hereby determines that it is in the best interests of the City, in lieu of passing a separate ordinance applicable to each .40(B) Parcel under Section 5709.40(B) of the Ohio Revised Code and each .41 Parcel under Section 5709.41 of the Ohio Revised Code, to combine all of those separate ordinances into this single consolidated tax increment financing ordinance. Consistent with that determination, this Ordinance shall be applied and interpreted to apply to the .40 Improvement to each .40 Parcel as if applicable only to that .40 Parcel and to the .41 Improvement to each .41 Parcel as if applicable only to that .41 Parcel, and otherwise will be implemented in the manner provided herein.

**Section 14. Effective Date.** 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; *provided, however*, that Section 2 of this Ordinance shall be in full force and take effect as to each .40(B) Parcel commencing with the year prior to the first year a .40(B) Improvement to that .40(B) Parcel would first be taxable were that .40(B) Parcel not exempt from taxation pursuant to this Ordinance or the Tax Abatement, so that the TIF Exemption first applies to that .40(B) Parcel the first year there is a .40(B) Improvement to that .40(B) Parcel; and *provided further* that Section 2 of this Ordinance shall be in full force and take effect as to each .41 Parcel commencing with the first year prior to the first year a .41 Improvement due to the construction of a new structure on that .41 Parcel would first be taxable were that .41 Parcel not exempt from taxation pursuant to this Ordinance or the Tax Abatement, so that the TIF Exemption first applies to that .41 Parcel the first year there is a .41 Improvement due to the construction of a new structure on that .41 Parcel.