



City of Columbus

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

Legislation Text

File #: 2649-2013, **Version:** 1

BACKGROUND: This ordinance authorizes the Director of the Columbus Department of Development to submit to the Director of the Ohio Development Services Agency, through this ordinance, an amendment to the certification of an area designated within the City of Columbus (City) as a Community Reinvestment Area (CRA). CRAs have been designated by Columbus City Council (Council) under the guidelines of Ordinance 1698-78. Such areas allow for the granting of real property tax incentives to encourage industrial, commercial and residential growth. This designated area, currently known as the Downtown Residential CRA number 049-18000-22, was authorized by Council by Resolution 170X-92, passed on September 28, 1992, certified by the State of Ohio also on September 28, 1992 and amended by Council by Ordinance 1345-2002 on July 29, 2002.

This ordinance will amend the existing Downtown Residential CRA to rename the CRA to be the Columbus Downtown CRA, to revise the terms of project applicability within the CRA to include not only the renovation of existing structures or construction of new structures for residential purposes but the renovation of existing structures or construction of new structures for commercial and industrial purposes as well, to eliminate any requirements for payments in lieu of taxes (PILOTS) and to eliminate "Targeted Action Areas" all within the existing boundaries of the CRA.

Emergency action is requested to facilitate further development of real estate within the Columbus Downtown CRA.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to submit to the Director of the Ohio Development Services Agency an amendment to the certification of the Columbus Downtown Residential Community Reinvestment Area; and to declare an emergency.

WHEREAS, Council desires to pursue all reasonable and legitimate incentive measures to assist and encourage residential and commercial development and redevelopment within the downtown areas of the City that have not enjoyed sufficient investment or reinvestment in residential and commercial remodeling, renovation or new construction; and

WHEREAS, Ordinance 1698-78, approved by Council on August 3, 1978, authorized the Columbus Department of Development to carry out a Community Reinvestment Program pursuant to Sections 3735.65 to 3735.70 of the Ohio Revised Code, and established certain administrative procedures for the program; and

WHEREAS, on September 28, 1992, Council approved Resolution 170X-92 designating the Seneca Towers CRA as a community reinvestment area as established by Sections 3735.65 to 3735.70 of the Ohio Revised Code; and

WHEREAS, on July 29, 2002, Council approved Ordinance 1345-2002 which adjusted the boundaries of the Seneca Towers CRA, modified the classes of residential improvements eligible for tax exemptions and the periods and amounts of exemptions applicable to those improvements, and to rename the Seneca Towers CRA as the Columbus Downtown Residential CRA; and

WHEREAS, Council by this ordinance intends to, among other things, amend the existing Downtown Residential CRA

to rename the CRA to be the Columbus Downtown CRA, to revise the terms of project applicability within the CRA to include not only the renovation of existing structures or construction of new structures for residential purposes but the renovation of existing structures or construction of new structures for commercial and industrial purposes as well, to eliminate any requirements for payments in lieu of taxes (PILOTS) and to eliminate “Targeted Action Areas” all within the existing boundaries of the CRA; and

WHEREAS, the maintenance of existing and construction of new residential and commercial structures in the Columbus Downtown CRA will serve to encourage economic stability, maintain real property values and generate new employment opportunities; and

WHEREAS, the remodeling or renovation of existing structures or the construction of new structures for residential or commercial purposes in the Columbus Downtown CRA constitutes a public purpose for which real property exemptions may be granted; and

WHEREAS, it is the policy of the City to encourage the construction, remodeling and renovation of mixed-use structures downtown which contain a mix of commercial and residential uses, typically on the lower floors and upper floors respectively, as well as structures which are fully residential or fully commercial in nature, and provision for tax exemption with respect to these types of structures will support and encourage residential and commercial development and redevelopment downtown in furtherance of such policy; and

WHEREAS, an emergency exists in that it is immediately necessary to amend the Columbus Downtown Residential CRA in order to preserve the public health, peace, property, safety and welfare; **now therefore**,

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

Section 1. That, as to the original designation of the Seneca Towers Community Reinvestment Area, reference is made to Resolution 170X-92 passed by City Council on September 28, 1992, and amended by Ordinance 1345-2002 passed by City Council on July 29, 2002 which among other things renamed the Seneca Towers Community Reinvestment Area to be the Columbus Downtown Residential Community Reinvestment Area which as amended by this ordinance is hereby renamed the Columbus Downtown Community Reinvestment Area.

Section 2. That Section 2 of Resolution 170X-92, passed by City Council on September 28, 1992, amended as per Section 3 of Ordinance 1345-2002, passed by City Council on July 29, 2002, shall hereby be amended to read in its entirety as follows:

“**Section 2.** That based upon the Survey and on City Council’s own knowledge of the facts and conditions existing in the Columbus Downtown Community Reinvestment Area, City Council hereby finds and determines that this area constitutes an area in which housing and commercial facilities or structures of historical significance are located and construction of new housing and commercial facilities and repair of existing facilities or structures are discouraged.”

Existing Section 2 of Resolution 170X-92 (as amended by existing Section 3 of Ordinance 1345-2002) is hereby repealed.

Section 3. That Section 3 of Resolution 170X-92, passed by City Council on September 28, 1992, amended as per Section 4 of Ordinance 1345-2002, passed by City Council on July 29, 2002, shall hereby be amended to read in its entirety as follows:

“**Section 3.** That pursuant to Section 3735.66 of the Ohio Revised Code, the Columbus Downtown Community Reinvestment Area is described and depicted as such in Exhibit A attached to this ordinance.”

Existing Section 3 of Resolution 170X-92 (as amended by existing Section 4 of Ordinance 1345-2002) is hereby repealed.

Section 4. That Section 5, Section 6, Section 7 and Section 8 of existing Ordinance 1345-2002, passed by City Council on July 29, 2002, are hereby repealed, and that the Housing Officer is hereby authorized and directed to enter into amendments to any Agreements entered into under former Section 6 of Ordinance 1345-2002 passed by City Council on July 29, 2002, to reflect and implement the repeal by this Section 4 of Section 5(b) of that Ordinance 1345-2002.

Section 5. That within the Columbus Downtown Community Reinvestment Area tax exemptions on the increase in the assessed valuation from improvements of or to real property as described in Ohio Revised Code Section 3735.67 (the "Improvements or "Improvement") shall be granted upon proper application (the "Applications") by the property owner and certification thereof by the designated Housing Officer. Applications for tax exemptions hereunder must be filed with the Housing Officer no later than twelve (12) months after completion of the project. Tax exemptions on Improvements will be granted as per the following:

- A. 15 years for nonretail commercial and industrial new construction as described in Ohio Revised Code Section 3735.67(D)(4). For purposes of clarification, eleemosynary structures are not considered to be commercial or industrial. All exemptions granted pursuant to this Section shall be for one hundred percent (100%) of the Improvement.
- B. 12 years for the remodeling or renovation of existing nonretail commercial and industrial structures, upon which the cost or remodeling or renovation is at least five thousand dollars (\$5,000.00), all as described in Ohio Revised Code Section 3735.67(D)(2). For purposes of clarification, eleemosynary structures are not considered to be commercial or industrial. All exemptions granted pursuant to this Section shall be for one hundred percent (100%) of the Improvement.
- C. 10 years for the remodeling or renovation of existing residential dwellings containing not more than two (2) housing units, and upon which the cost of remodeling or renovation is at least two thousand five hundred dollars (\$2,500.00), as described in Ohio Revised Code Section 3735.67(D)(1). All exemptions granted pursuant to this Section shall be for one hundred percent (100%) of the Improvement.
- D. 12 years for the remodeling or renovation of existing residential dwellings containing more than two (2) housing units, upon which the cost of remodeling or renovation is at least five thousand dollars (\$5,000.00), all as described in Ohio Revised Code Section 3735.67(D)(2). All exemptions granted pursuant to this Section shall be for one hundred percent (100%) of the Improvement.
- E. 15 years for residential new construction as described in Ohio Revised Code Section 3735.67(D)(4). All exemptions granted pursuant to this Section shall be for one hundred percent (100%) of the Improvement.
- F. 15 years for the remodeling or renovation of existing residential dwellings containing not more than two (2) housing units, and upon which the cost of remodeling or renovation is at least two thousand five hundred dollars (\$2,500.00) or for the remodeling or renovation of existing residential dwellings containing more than two (2) housing units, upon which the cost of remodeling or renovation is at least five thousand dollars (\$5,000.00) or for the remodeling or renovation of existing nonretail commercial and industrial structures, upon which the cost or remodeling or renovation is at least five thousand dollars (\$5,000.00) if the structure is of historical or architectural significance, is a certified historic structure that has been subject to federal tax treatment under 26 U.S.C. 47 and 170(h), and units within the structure have been leased to individual tenants for five consecutive years, all as described in Ohio Revised Code Section 3735.67(D)(3). All exemptions granted pursuant to this Section shall be for one hundred percent (100%) of the Improvement.
- G. Tax abatements may be granted for projects entailing new construction and/or renovation both prior to or

following the effective date of this ordinance.

Other than as specified in Sections 5(A) through 5(F) hereof, no community reinvestment area tax exemption shall be granted in the Columbus Downtown Community Reinvestment Area.

Section 6. That any property with an active abatement in place under the terms of Ordinance 1345-2002 hereby assume the terms according to this ordinance going forward.

Section 7. That Section 4 of Resolution 170X-92, passed by City Council on September 28, 1992, shall hereby be amended to read in its entirety as follows:

“**Section 4.** That reference is hereby made to Resolution 1698-78 adopted by City Council on August 3, 1978, as to designation of the Housing Officer and establishment of a Community Reinvestment Area Housing Council for the Columbus Downtown Community Reinvestment Area.”

Existing Section 4 of Resolution 170X-92 is hereby repealed.

Section 8. That a copy of this ordinance shall be forwarded by the Housing Officer to the Director of the Ohio Development Services Agency within fifteen (15) days of its passage and to the Franklin County Auditor, and a copy of this ordinance shall be published in a newspaper of general circulation in the City once a week for two consecutive weeks immediately following its passage as described in Section 3735.66 of the Ohio Revised Code.

Section 9. That for 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 adoption and approval by the Mayor or ten (10) days after its adoption and approval if the Mayor neither approves nor vetoes the same.