



# City of Columbus

Office of City Clerk  
90 West Broad Street  
Columbus OH 43215-9015  
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## Legislation Text

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**File #:** 0923-2012, **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 5709.41 of the Ohio Revised Code, in the RiverSouth Area known as Columbus Commons. This ordinance establishes that TIF and provides for a 100% exemption from real property taxation on development on the TIF parcels 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 new development on 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 TIF fund established in the ordinance to be used to fund public improvements benefiting the TIF parcels.

**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 parcels.

To create a tax increment financing area encompassing certain parcels of real property in the portion of the RiverSouth Area known as Columbus Commons; 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 an urban redevelopment tax increment equivalent fund for the deposit of the remainder of those service payments; to authorize a TIF Agreement; to amend Ordinance 0973-2008 passed by the Columbus City Council on July 7, 2008; and to declare an emergency. **(AMENDED BY ORD. 2620-2020; PASSED 11/23/2020)**

**WHEREAS**, Sections 5709.41 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 an urban redevelopment tax increment equivalent fund for the deposit of the remainder of such service payments; and

**WHEREAS**, the Department of Development has determined to facilitate the urban redevelopment (the “Project”) of certain parcels of real property specifically identified and depicted in Exhibit A attached hereto (the “Parcels”) comprising a portion of the Columbus Commons site within the RiverSouth Area of downtown, all located within the City and in support of urban redevelopment, and the City desires to establish a tax increment financing (“TIF”) on those parcels pursuant to Section 5709.41 of the Ohio Revised Code; and

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

**WHEREAS**, the improvements to the Parcels will be used for residential and commercial retail purposes, and to declare those improvements to be a public purpose under Section 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 its Ordinance 799-85 passed April 22, 1985, this Council previously found the Parcels to be in a “blighted area” within the meaning of Sections 1728.01 of the Ohio Revised Code and with those conditions and the continuing redevelopment of that site further recognized and confirmed in Ordinance 0569-2009 passed April 25, 2009, 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**, by Ordinance 1345-02 passed on July 29, 2002 (the “CRA Ordinance”), this Council granted for each Parcel a 10-year community reinvestment area tax exemption for new residential construction pursuant to Sections 3735.65 through 3735.70 of the Ohio Revised Code (the “CRA Exemption”) coupled with a requirement that the owners of each Parcel subject to the CRA Exemption make to the City certain service payments in lieu of taxes (the “CRA PILOT” and, together with the CRA Exemption, the “Tax Abatement”); and

**WHEREAS**, the 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 Section 5709.41 of the Ohio Revised Code for up to thirty (30) years (the “TIF Exemption”) 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 4 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 the CRA Exemption; and

**WHEREAS**, the City has determined that Service Payments shall be paid by the Franklin County Treasurer directly to the Columbus City School District (the “School District”) in an amount equal to the real property taxes that the School District would have been paid if the improvements to each Parcel located within that School District had not been exempted from taxation pursuant to this Ordinance; and

**WHEREAS**, pursuant to Section 5709.43 of the Ohio Revised Code, this Council has determined to establish 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 period prescribed in Sections 5709.41 and 5709.83 of the Ohio Revised Code; 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. Amendment of Ordinance No. 0973-2008.** Exhibit A to Ordinance 0973-2008 passed by this Council on July 7, 2008, is hereby amended to remove all the Parcels included in Exhibit A to this Ordinance, and the Department of Development shall prepare a substitute Exhibit A to that Ordinance 0973-2008 reflecting those deletions.

**Section 2. Chain of Title of and Urban Redevelopment of Parcels.** This Council hereby finds and determines that the City held fee title to the Parcels prior to the passage of this Ordinance and the City is engaged in urban redevelopment of the Parcels within the meaning of Section 5709.41 of the Ohio Revised Code.

**Section 3. Authorization of TIF Exemption.** 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 Parcel subsequent to the acquisition of that Parcel by the City (which increase in assessed value is

hereinafter referred to as the “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 an 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 Parcel were it not for the TIF Exemption and Tax Abatement (as specified in Section 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 required service payments in lieu of taxes, all in accordance with the requirements of the TIF Statutes.

Notwithstanding any other provisions of this Ordinance, the TIF Exemption granted pursuant to this Section 3 and the service payment obligations established pursuant to Section 4 of this Ordinance are subject and subordinate to any Tax Abatement.

**Section 4. Service Payments and Property Tax Rollback Payments.** Subject to the CRA Exemption, and pursuant to 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 Improvements 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 Improvement as if it were not exempt from taxation pursuant to Section 3 of this Ordinance. The Service Payments, and any other payments with respect to each 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 (the “Property Tax Roll Back Payments”), shall be allocated and distributed in accordance with Section 6 of this Ordinance. This Council further 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 5. Tax Increment Equivalent Fund.** 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 “TIF Fund”), into which the County Treasurer shall deposit the Service Payments and Property Tax Rollback Payments collected from the Parcels that are not required to be distributed to the School District pursuant to Section 7 of this Ordinance. The 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 6 of this Ordinance. Those Service Payments and Property Tax Rollback Payments received by the City with respect to the Parcels and deposited in the TIF 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 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 the design 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 Parcels and all related costs enumerated in Section 133.15(B) of the Ohio Revised Code or the TIF Agreement (as defined in Section 7). The 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 such 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 6. 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 Improvement to the Parcels as 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.

All distributions required under this Section 6 are requested to be made at the same time and in the same manner as real property tax distributions.

The Service Payments, and any other payments with respect to the Improvement that are received by the Franklin 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, deposited in the TIF Fund shall be deemed appropriated for the purposes set forth in the TIF Agreement and authorized to be expended therefrom in accordance with that TIF Agreement. Subject to vouchers approved by the Director of the City's Department of Development (the "Director"), the City Auditor is hereby authorized to make payments to the Developer or its designee from the TIF Fund in accordance with that TIF Agreement.

**Section 7. Tax Increment Financing Agreement.** The form of Tax Increment Financing Agreement (the "TIF Agreement") presently on file with the Director of the City's Department of Development (the "Director") is hereby approved and authorized with changes therein and amendments thereto not inconsistent with this Ordinance and not substantially adverse to the City and which shall be approved by the Director and the City Attorney. The Director, for and in the name of the City, is hereby authorized to execute and deliver the TIF Agreement in substantially that form along with any amendments thereto, provided that the approval of such changes and amendments thereto by the Director and the City Attorney, and the character of those changes and amendments as not being substantially adverse to the City, shall be evidenced conclusively by the Director's execution and delivery thereof. This Council hereby waives the requirements of Chapter 329 of the City Codes with respect to the TIF Agreement.

**Section 8. Project Improvements.** This Council hereby designates the Project Improvements described in Exhibit B attached hereto and any other Improvements to the Parcels as Improvements for the TIF.

**Section 9. Non-Discrimination Hiring Policy.** As required by Section 5709.832 of the Ohio Revised Code, to ensure that recipients of tax exemptions practice nondiscriminatory hiring in their operations, the Developer will agree in the TIF Agreement authorized by Section 7 of this ordinance to comply with the City's nondiscriminatory hiring policy as that policy is codified in Columbus City Code Chapter 2331.

**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 Section 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 Section 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. 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.

