



Legislation Text

File #: 1850-2013, **Version:** 1

Background: Jeffrey New Day LLC has recently acquired and intends to redevelop the portion of the former Jeffrey Mining site depicted on Exhibit A, located at the southeast corner of Fourth Street and First Avenue, into residential apartments and single family homes. The site is located in an existing tax increment financing (“TIF”) area, which City Council created in 2002 pursuant to Ordinance 0546-2002. The City and Jeffrey New Day LLC desire to create a replacement TIF area to pay for certain infrastructure improvements and to otherwise support the redevelopment, while protecting the Columbus City School District from any loss of tax revenue due to the new TIF. This ordinance removes the unimproved parcels of the former Jeffrey Mining site owned by Jeffrey New Day LLC from the existing TIF area and incorporates them into a new TIF area, thereby allowing a full 30 year TIF program on those parcels.

Fiscal Impact: None. No funding is required for this legislation.

To remove a portion of the former Jeffrey Mining site from the tax increment financing area created by this Council pursuant to Ordinance 0546-2002; to declare the improvement to that property to be a public purpose and exempt from taxation; to provide for the collection and deposit of service payments, and to specify the purposes for which those service payments may be expended; to authorize make-whole compensation payments to the Columbus City School District; and to declare an emergency.

WHEREAS, this Council is committed to improving existing neighborhoods and providing new neighborhood housing; and

WHEREAS, Ohio Revised Code (“ORC”) Sections 5709.41 to 5709.43 (collectively, the “TIF Statutes”) authorize this Council, by ordinance, to declare the improvement to parcels of real property located within 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, establish an urban redevelopment tax increment equivalent fund for the deposit of the those service payments, and specify the purposes for which money in that fund will be expended; and

WHEREAS, Jeffrey New Day LLC (“Jeffrey New Day”) has recently acquired the undeveloped portion of the former Jeffrey Mining site depicted on Exhibit A (the “Parcels”) from the previous developer and proposes to provide neighborhood residential uses through the urban redevelopment of the Parcels (the “Project”); and

WHEREAS, this Council, by its Ordinance 0546-2002 adopted April 8, 2002, approved a tax increment financing program for the former Jeffrey Mining site under the TIF Statutes (the “Existing .41 TIF”) to encourage the redevelopment of the site; and

WHEREAS, the Parcels remain undeveloped, and Jeffrey New Day and the City desire to replace the Existing .41 TIF on the Parcels with a new tax increment financing program pursuant to the TIF Statutes, thereby allowing a full 30-year tax increment financing program for the Parcels and further encouraging the redevelopment of the Parcels; and

WHEREAS, ORC Section 5709.41 requires that the City hold fee title to the Parcels prior to enacting this ordinance; and

WHEREAS, prior to the passage of this ordinance, the Director of Development, acting on behalf of the City pursuant to Ordinance 1089-2013 passed May 13, 2013, accepted title to the Parcels and transferred title back to Jeffrey New Day; and

WHEREAS, the City finds that a portion of the Parcels will be used for residential purposes as defined by the TIF Statutes, and to declare residential improvements to be a public purpose under ORC Section 5709.41, such improvements must be made in a blighted area of an impacted city, each as defined in ORC Sections 5709.41 and 1728.01; and

WHEREAS, the Department of Development has undertaken a blight assessment and study of the Parcels, which assessment and study concludes that the Parcels are a “blighted area” as that term is defined in ORC Sections 5709.41 and 1728.01, and that assessment and study and those findings have been submitted to this Council; and

WHEREAS, the Director of the Ohio Developmental Services Agency has certified Columbus to be an “impacted city” within the meaning of ORC Sections 5709.41 and 1728.01; and

WHEREAS, notice of this proposed ordinance has been delivered to the Board of Education of the Columbus City School District in accordance with and within the time periods prescribed in ORC Sections 5709.41 and 5709.83; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is necessary to pass this ordinance as an emergency measure in order to allow for the timely financing of infrastructure improvements and commencement of redevelopment of the Parcels, all for the preservation of the public health, peace, property, safety and welfare; **NOW, THEREFORE**,

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

Section 1. Parcels. The real property subject to this ordinance is identified and depicted on Exhibit A (as currently or subsequently configured, the “Parcels,” with each individual parcel a “Parcel”). This Council finds that the City acquired the Parcels while engaged in urban redevelopment. This Council further finds that the Parcels constitute a “blighted area” as defined in ORC Sections 5709.41 and 1728.01.

Section 2. Removal of Parcels from the Existing .41 TIF. This Council hereby declares that as soon as this ordinance becomes effective as to any Parcel, that Parcel will no longer constitute part of Existing .41 TIF. Removal of a Parcel from the Existing .41 TIF pursuant to this Section 2 is effective immediately upon that Parcel becoming subject to the exemption provided by this ordinance. Upon a Parcel’s removal from the Existing .41 TIF, none of the provisions of Ordinance No. 0546-2002 will apply to that Parcel, it being the intent of this Council that the provisions of that ordinance apply to a Parcel through the tax year of removal from the Existing .41 TIF and the provisions of this ordinance apply to a Parcel thereafter.

Section 3. Urban Redevelopment Costs. Money deposited into the TIF Fund (as defined in Section 6) may be used to pay for or finance 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, parks and recreation improvements, roadway improvements, parking facilities, 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 all costs enumerated in ORC Section 133.15(B), together with any other costs hereafter designated by ordinance as 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 redevelopment of the Parcels (the “Urban Redevelopment Costs”), all as further provided in the Existing TIF Agreement (as defined in Section 8), as the same may be amended or superseded from time to time.

Section 4. Exemption. This Council hereby finds and determines that 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” as defined in ORC Section 5709.41) is hereby declared to be a public purpose and will be exempt from taxation for a period commencing on the effective date of this ordinance with respect to that Parcel and ending on the earlier of (a) 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. The exemption provided by this ordinance is subordinate to any exemption for a Parcel provided pursuant to ORC Sections 3735.65 to 3735.70.

Section 5. Service Payments. As provided in ORC Section 5709.42, the owner of each Parcel is hereby required to make service payments in lieu of taxes with respect to the Improvement allocable thereto to the Treasurer of Franklin County, Ohio (the “County Treasurer”) on or before the final dates for payment of real property taxes. The service payments in lieu of taxes will be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and collected against that Improvement if it were not exempt from taxation pursuant to Section 4, including any penalties and interest (collectively, the “Service Payments”). 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 ORC Sections 319.302, 321.24, 323.152 and 323.156, 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”), will be deposited and distributed in accordance with Section 7.

Section 6. TIF Fund. The Jeffrey Place Urban Redevelopment Tax Increment Equivalent Fund (the “TIF Fund”) established pursuant to Ordinance No. 0546-02 will receive all distributions to be made to the City pursuant to Section 7. Those Service Payments and Property Tax Rollback Payments received by the City and so deposited pursuant to ORC Section 5709.42 will be used solely for the purposes authorized in the TIF Statutes or this ordinance. The TIF Fund will remain in existence so long as such Service Payments and Property Tax Rollback Payments are collected and used for the aforesaid purposes, after which time the TIF Fund will be dissolved and any surplus funds remaining therein transferred to the City's General Fund, all in accordance with ORC Section 5709.43.

Section 7. Distributions; Urban Redevelopment Costs. Pursuant to the TIF Statutes, the County Treasurer is requested to distribute the Service Payments and Property Tax Rollback Payments as follows:

- a) to the Columbus City School District, an amount equal to the amount it would otherwise have received as real property tax payments (including the applicable portion of any Property Tax Rollback Payments) derived from the Improvement to each Parcel if the Improvement had not been exempt from taxation pursuant to this ordinance; and
- b) to the City for deposit into the TIF Fund for payment of Urban Redevelopment Costs including, without limitation, debt charges on any note or bonds of the City issued to pay those Urban Redevelopment Costs.

Section 8. Amendments to Existing TIF Agreement. The Director of Development is authorized to execute and deliver any amendments as are necessary to conform the existing Tax Increment Financing and Cooperative Agreement dated as of January 17, 2007, pertaining to the redevelopment of the former Jeffrey Mining site to this ordinance (the “Existing TIF Agreement”). The approval of any such amendments, and that those amendments are necessary to conform that agreement to this ordinance, will be conclusively evidenced by the execution of those amendments by the Director of Development.

Section 9. Further Authorizations. This Council hereby authorizes and directs the Director of Development, the Clerk of Council and other appropriate officers of the City to make such arrangements as are necessary and proper for collection of the Service Payments. This Council further hereby authorizes and directs those officers to prepare, execute and deliver all agreements and instruments and to take any other actions as may be appropriate to implement this ordinance.

Section 10. Reports. Pursuant to ORC Section 5709.41(E), the Clerk of this Council is hereby directed to deliver a copy of this ordinance to the Director of the Ohio Development Services Agency within 15 days after its passage. Further, and on or before March 31 of each year that the exemption set forth in this ordinance remains in effect, the Director of Development or other authorized officer of the City is directed to prepare and submit to the Director of the

Ohio Development Services Agency the status report required under ORC Section 5709.41(E).

Section 11. That 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 passage if the Mayor neither approves nor vetoes the same.