



Legislation Text

File #: 3405-2023, Version: 1

City Council established a tax increment financing (“TIF”) area pursuant to Ohio Revised Code (“R.C.”) Section 5709.40 by Ordinance No. 2356-98 to provide for a 30-year tax increment financing exemption (the “Arena (Offsite) TIF”) beginning for tax year 1999 and ending in tax year 2028 to fund public improvements necessary for the future development needs of the Arena District. The Arena (Offsite) TIF area was subsequently reduced in size by Ordinance Nos. 1719-02, 3166-2019, and 3167-2019. City Council established a tax increment financing (“TIF”) area pursuant to R.C. Section 5709.41 by Ordinance No. 2357-98 to provide for a 30-year tax increment financing exemption (the “Pen Site TIF”) beginning for tax year 1999 and ending in tax year 2028 to fund public improvements necessary for the future development needs of the area within and around the former Ohio Penitentiary. The Arena (Offsite) TIF and the Pen Site TIF each currently generate more than \$1.5 million per year in service payments made pursuant to R.C. Section 5709.42.

In 2019 and 2023, the Ohio General Assembly adopted and then amended R.C. Section 5709.51, which allows City Council to extend the term of a TIF exemption for an additional period of not more than 30 years for certain TIFs such as the Arena (Offsite) TIF and Pen Site TIF that individually generate in excess of \$1.5 million per year in service payments made pursuant to R.C. Section 5709.42 in the calendar year preceding the adoption of the extension amendment ordinance (provided such excess did not occur in any other year prior to the adoption of this Ordinance unless this Ordinance is adopted prior to January 1, 2024), or if City Council determines that the service payments to be made pursuant to R.C. Section 5709.42 by the owner or owners of the parcel or parcels designated in the ordinance or resolution will exceed \$1.5M in any future year. This Ordinance extends the Arena (Offsite) TIF and the Pen Site TIF each for an additional 30-year period, through tax year 2058, in order to provide funding for the additional public improvements necessary to continue to attract equitable development to the Arena District and within and around the former Ohio Penitentiary during that timeframe. In compliance with R.C. Section 5709.51(A)(3), the Columbus City School District will continue to receive all real property taxes it would otherwise receive absent the TIF exemptions and extensions.

Fiscal Impact

No funding is required for this legislation. The City will continue to forego real property tax revenue that it would have received from the development of the TIF parcels during the extension periods. Instead, the non-school portion of that revenue will be diverted to the appropriate TIF fund.

To amend Ordinance No. 2356-98, as previously amended, and to amend Ordinance No. 2357-98 to adjust the boundaries and to extend the exemption periods an additional thirty years for improvements to certain parcels comprising the Arena (Offsite) TIF and the Pen Site TIF pursuant to Ohio Revised Code Section 5709.51.

WHEREAS, Ordinance No. 2356-98, passed by this Council on September 14, 1998 pursuant to Ohio Revised Code (“R.C.”) Section 5709.40(B) (as subsequently amended by Ordinance Nos. 1719-02, 3166-2019, and 3167-2019, collectively, the “Arena (Offsite) TIF Ordinance”), declared improvements to certain parcels of real property that are part of the Arena District (as depicted on Exhibit A attached hereto, the “Arena (Offsite) TIF Parcels”) to be a public purpose, required the owners of such Arena (Offsite) TIF Parcels to make service payments in lieu of taxes and otherwise established a tax increment financing program for those Arena (Offsite) TIF Parcels in the Arena District (the “Arena (Offsite) TIF”); and

WHEREAS, Ordinance No. 2357-98, passed by this Council on September 14, 1998 pursuant to Ohio Revised Code (“R.C.”) Section 5709.41 (the “Pen Site TIF Ordinance”), declared improvements to certain parcels of real property that are within and around the former Ohio Penitentiary (as depicted on Exhibit A attached hereto, the “Pen Site TIF Parcels”) to be a public purpose, required the owners of such Pen Site TIF Parcels to make service payments in lieu of taxes and otherwise established a tax increment financing program for those Pen Site TIF Parcels within and around the former Ohio Penitentiary (the “Pen Site TIF”); and

WHEREAS, pursuant to R.C. Section 5709.51, this Council may amend the Arena (Offsite) TIF Ordinance and the Pen Site TIF Ordinance to extend, for a period not exceeding 30 additional years, the exemptions from taxation of improvements to the Arena (Offsite) TIF Parcels and the Pen Site TIF Parcels granted pursuant to the Arena (Offsite) TIF Ordinance and the Pen Site TIF Ordinance if certain conditions are met; and

WHEREAS, the City desires to extend the Arena (Offsite) TIF and Pen Site TIF programs for the Arena (Offsite) TIF Parcels and the Pen Site TIF Parcels pursuant to R.C. Section 5709.51, to enable the City to make public improvements that will directly benefit, or improvements as determined by this Council, the Arena (Offsite) TIF Parcels and the Pen Site TIF Parcels and continue the job creation and retention activities in the Arena District and within and around the former Ohio Penitentiary, all for the welfare and benefit of the citizens of the City; and

WHEREAS, notice has been provided to the Board of Education of the Columbus City School District of the City’s intent to pass this Ordinance, within the timeframes under R.C. Section 5709.83; **NOW, THEREFORE**,

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

SECTION 1. That in order to clarify the boundaries of the Arena (Offsite) TIF and the Pen Site TIF, Exhibit A to the Arena (Offsite) TIF Ordinance, as previously amended by Ordinance Nos. 1719-02, 3166-2019, and 3167-2019, and Exhibit A of the Pen Site TIF Ordinance, are each hereby repealed and replaced with Exhibit A attached hereto; any parcel for which more than half of its territory is within the boundaries of the Pen Site TIF Parcels as set forth in the Pen Site TIF Ordinance shall be included in the Pen Site TIF rather than the Arena (Offsite) TIF Parcels as set forth in the Arena (Offsite) TIF Parcels and be eligible to be exempt pursuant to the Pen Site TIF Ordinance, as amended herein, including without limitation, Franklin County Tax ID Parcel No. 010-291216; any parcel for which more than half of its territory is within the boundaries of the Arena (Offsite) TIF Parcels as set forth in the Arena (Offsite) TIF Ordinance shall be included in the Arena (Offsite) TIF rather than the Pen Site TIF Parcels as set forth in the Pen Site TIF Parcels and be eligible to be exempt pursuant to the Arena (Offsite) TIF Ordinance, as amended herein, including without limitation, Franklin County Tax ID Parcel No. 010-000266, 010-291850, and 010-291173.

SECTION 2. That, as required by R.C. Section 5709.51, this Council finds and determines that service payments made pursuant to R.C. Section 5709.42 by the owners of the Arena (Offsite) TIF Parcels and the Pen Site TIF Parcels pursuant to the Arena (Offsite) TIF Ordinance and the Pen Site TIF Ordinance each exceeded one million five hundred thousand dollars in calendar year 2022, and although the service payments made pursuant to R.C. Section 5709.42 by the owners of the Arena (Offsite) TIF Parcels and the Pen Site TIF Parcels in other prior individual calendar years did exceed said amount, R.C. Section 5709.51(A)(2) does not require that condition to apply if this Ordinance is adopted prior to January 1, 2024.

SECTION 3. That the Arena (Offsite) TIF Ordinance is hereby amended to extend the exemption from taxation of improvements to the Arena (Offsite) TIF Parcels for an additional period of thirty (30) years from the end of the exemption as determined by the original Section 1 of Ordinance No. 2356-98 (the “Arena (Offsite) TIF Extension Period”), for a total of sixty (60) years such that the final tax year of the exemption is tax year 2058. Section 1 of Ordinance No. 2356-98 is hereby repealed and replaced as follows:

SECTION 1- That pursuant to and in accordance with the provisions of Section 5709.40, this Council hereby finds and determines that 100% of the increase in true value of the Property subsequent to the effective

date of this Ordinance (which increase in true value is hereinafter referred to as the “Improvement” as defined in Section 5709.40) is hereby declared to be a public purpose, and shall be exempt from taxation for a period of thirty (30) years commencing on the effective date of this Ordinance, all in accordance with the requirements of Ohio Revised Code Sections 5709.40, 5709.42, and 5079.43. This Ordinance does not apply to any property for any period of time it is otherwise exempt from taxation pursuant to Section 5709.12 of the Revised Code.

SECTION 1. That pursuant to and in accordance with the provisions of Section 5709.40, this Council hereby finds and determines that 100% of the increase in true value of the Property subsequent to the effective date of this Ordinance (which increase in true value is hereinafter referred to as the “Improvement” as defined in Section 5709.40) is hereby declared to be a public purpose, and shall be exempt from taxation for a period of sixty (60) years commencing on the effective date of this Ordinance, all in accordance with the requirements of Ohio Revised Code Sections 5709.40, 5709.42, 5079.43, and 5709.51. This Ordinance does not apply to any property for any period of time it is otherwise exempt from taxation pursuant to Section 5709.12 of the Revised Code.

SECTION 4. That the Pen Site TIF Ordinance is hereby amended to extend the exemption from taxation of improvements to the Pen Site TIF Parcels for an additional period of thirty (30) years from the end of the exemption as determined by the original Section 1 of Ordinance No. 2357-98 (the “Pen Site TIF Extension Period”), for a total of sixty (60) years such that the final tax year of the exemption is tax year 2058. Section 1 of Ordinance No. 2357-98 is hereby repealed and replaced as follows:

~~SECTION 1. That pursuant to and in accordance with the provisions of Section 5709.41, this Council hereby finds and determines that 100% of the increase in true value of the Property subsequent to the date the City took title to the Property in October, 1995 (which increase in true value is hereinafter referred to as the “Improvement” as defined in Section 5709.41) is hereby declared to be a public purpose, and shall be exempt from taxation for a period of thirty (30) years commencing on the effective date of this Ordinance, all in accordance with the requirements of Ohio Revised Code Sections 5709.41, 5709.42, and 5079.43. This Ordinance does not apply to any property for any period of time it is otherwise exempt from taxation pursuant to Section 5709.12 of the Revised Code.~~

SECTION 1. That pursuant to and in accordance with the provisions of Section 5709.41, this Council hereby finds and determines that 100% of the increase in true value of the Property subsequent to the date the City took title to the Property in October, 1995 (which increase in true value is hereinafter referred to as the “Improvement” as defined in Section 5709.41) is hereby declared to be a public purpose, and shall be exempt from taxation for a period of sixty (60) years commencing on the effective date of this Ordinance, all in accordance with the requirements of Ohio Revised Code Sections 5709.41, 5709.42, 5079.43, and 5709.51. This Ordinance does not apply to any property for any period of time it is otherwise exempt from taxation pursuant to Section 5709.12 of the Revised Code.

SECTION 5. That, pursuant to R.C. 5709.51(A)(3), the Columbus City School Districts shall continue to receive compensation from the county equal in value to the amount of taxes that would be payable to the school district if the improvements to the Arena (Offsite) TIF Parcels and the Pen Site TIF Parcels had not been exempted from taxation for the Arena (Offsite) TIF Extension Period and the Pen Site TIF Extension Period.

SECTION 6. That, pursuant to R.C. Section 5709.51(B), this Council hereby authorizes the Director of the Department of Development, the City Clerk, or other appropriate officers of the City to deliver a copy of this Ordinance to the Director of the Ohio Department of Development within fifteen days after its passage.

SECTION 7. That City Council expressly reserves the right to repeal this Ordinance should the City and NWD Investments, LLC fail to enter into an amendment (to the Amended and Restated TIF Reimbursement Agreement dated October 31, 2019 authorized by Ordinance 2043-2019) that will govern the terms and conditions relating to the use and distribution of the service payments generated during the Arena (Offsite) TIF Extension Period and the Pen Site TIF

Extension Period.

SECTION 8. That, except as provided herein, all other provisions of the Arena (Offsite) TIF Ordinance and the Pen Site TIF Ordinance shall remain in full force and effect; City officials are further authorized to provide such information and to execute, certify, or furnish such other documents, and to do all of the things as are necessary for and incidental to carrying out the provisions of this Ordinance.

SECTION 9. That this Ordinance shall take effect and be in force from and after the earliest date permitted by law.