



## Legislation Text

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**File #:** 3407-2023, **Version:** 1

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### **Background**

City Council established a tax increment financing (“TIF”) area pursuant to Ohio Revised Code (“R.C.”) Section 5709.40 (B) by Ordinance No. 2179-01 to provide for a 30-year tax increment financing exemption (the “Morse Road TIF”) beginning for tax year 2004 and ending in tax year 2033 to fund public infrastructure improvements necessary for the future development needs of the Morse Road corridor in Northland. The Morse Road TIF currently generates 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 like the Morse Road TIF that generates 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 the 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 \$1.5 million in any future year. This Ordinance extends the Morse Road TIF for an additional 30-year period through tax year 2063, in order to provide funding for the additional public infrastructure improvements necessary to continue to attract equitable development to the Morse Road corridor in the Northland area during those timeframes. In compliance with R.C. Section 5709.51(A)(3), the Columbus City School District and Westerville City School District will continue to receive all real property taxes they 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 period. Instead, the non-school portion of that revenue will be diverted to the appropriate TIF fund.

To amend Ordinance No. 2179-01, to extend the exemption period an additional thirty-years for improvements to certain parcels comprising the Morse Road TIF pursuant to Ohio Revised Code Section 5709.51; and to repeal and replace the authorized list of public infrastructure improvements attached as Exhibit B to Ordinance No. 2179-01.

**WHEREAS**, Ordinance No. 2179-01, passed by this Council on December 17, 2001 pursuant to Ohio Revised Code (“R.C.”) Section 5709.40(B) (the “Morse Road TIF Ordinance”), declared improvements to certain parcels of real property that are along the Morse Road corridor in Northland (the “Morse Road TIF Parcels”) to be a public purpose, required the owners of such Morse Road TIF Parcels to make service payments in lieu of taxes and otherwise established a tax increment financing program for those Morse Road TIF Parcels within and around the Morse Road corridor of Northland (the “Morse Road TIF”); and

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

**WHEREAS**, the City desires to extend the Morse Road TIF program for the Morse Road TIF Parcels pursuant to R.C.

Section 5709.51, to enable the City to make public infrastructure improvements, as described in Exhibit B, attached hereto, that will directly benefit respectively the Morse Road TIF Parcels and continue the job creation and retention activities within and around the Morse Road corridor of Northland, 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 and the Westerville City School District of the City’s intent to pass this Ordinance; **NOW, THEREFORE**,

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

**SECTION 1.** 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 Morse Road TIF Parcels pursuant to the Morse Road TIF Ordinance 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 Morse Road 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 2.** That the Morse Road TIF Ordinance is hereby amended to extend the exemption from taxation of improvements to the Morse Road TIF Parcels for an additional period of thirty (30) years from the end of the exemption as determined by the original Section 9 of Ordinance No. 2179-01 (the “Morse Road TIF Extension Period”), for a total of sixty (60) years such that the final tax year of the exemption is tax year 2063. Section 9 of Ordinance No. 2179-01 is hereby repealed and replaced as follows:

~~**SECTION 9.** The Exemption granted in this Ordinance shall commence on the Effective Date of this Ordinance shall end no later than 30 years from the Effective Date of this Ordinance.~~

**SECTION 9.** The Exemption granted in this Ordinance shall commence on the Effective Date of this Ordinance and shall end no later than sixty (60) years from the Effective Date of this Ordinance, all in accordance with the requirements of Ohio Revised Code Sections 5709.41, 5702.42, 5079.43, and 5709.51.

**SECTION 3.** That Exhibit B to Ordinance No. 2179-01 is hereby repealed and replaced with Exhibit B, attached hereto, to add improvements to the list of public infrastructure improvements that may be funded from the service payments of the Morse Road TIF Parcels, and all references to the “Public Improvements” in Ordinance No. 2179-01 shall refer to Exhibit B attached hereto.

**SECTION 4.** That, pursuant to R.C. 5709.51(A)(3), the Columbus City School District and Westerville City School District 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 Morse Road TIF Parcels had not been exempted from taxation for the Morse Road TIF Extension Period.

**SECTION 5.** 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 6.** That, except as provided herein, all other provisions of the Morse Road 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 7.** That this Ordinance shall take effect and be in force from and after the earliest date permitted by law.

