



Legislation Text

File #: 3408-2023, Version: 1

Background

City Council established a tax increment financing (“TIF”) area pursuant to Ohio Revised Code (“R.C.”) Section 5709.40 (B) by Ordinance No. 1786-00 to provide for a 30-year tax increment financing exemption (the “Brewery District TIF”) beginning for tax year 2001 and ending in tax year 2030 to fund public infrastructure improvements necessary for the future development needs of the Brewery District. The Brewery District 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 Brewery District 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 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 Brewery District TIF for an additional 30-year period through tax year 2060, in order to provide funding for the additional public infrastructure improvements necessary to continue to attract equitable development to the Brewery District during those timeframes. 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 exemption and extension.

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. 1786-00 to extend the exemption period an additional thirty-years for improvements to certain parcels comprising the Brewery District 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. 1786-00.

WHEREAS, Ordinance No. 1786-00, passed by this Council on July 30, 2000 pursuant to Ohio Revised Code (“R.C.”) Section 5709.40(B) (the “Brewery District TIF Ordinance”), declared improvements to certain parcels of real property that are part of the Brewery District (the “Brewery District TIF Parcels”) to be a public purpose, required the owners of such Brewery District TIF Parcels to make service payments in lieu of taxes and otherwise established a tax increment financing program for those Brewery District TIF Parcels in the Brewery District (the “Brewery District TIF”); and

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

WHEREAS, the City desires to extend the Brewery District TIF program for the Brewery District 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 Brewery District TIF Parcels and continue the job creation and

retention activities in the Brewery District, 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; **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 Brewery District TIF Parcels pursuant to the Brewery District 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 Brewery District 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 Brewery District TIF Ordinance is hereby amended to extend the exemption from taxation of improvements to the Brewery District TIF Parcels for an additional period of thirty (30) years from the end of the exemption as determined by the original Section 5 of Ordinance No. 1786-00 (the "Brewery District TIF Extension Period"), for a total of sixty (60) years such that the final tax year of the exemption is tax year 2060. Section 5 of Ordinance No. 1786-00 is hereby repealed and replaced as follows:

~~**SECTION 5.** The exemption granted in this Ordinance shall commence on the effective date of this Ordinance and shall terminate on the earlier of the following dates: (a) the date the Public Improvements are paid in full from the Brewery District Tax Equivalent Fund; (b) within thirty (30) years from the effective date of this Ordinance.~~

SECTION 5: The exemption granted in this Ordinance shall commence on the effective date of this Ordinance and shall terminate on the earlier of the following dates: (a) the date the Public Improvements are paid in full from the Brewery District Tax Equivalent Fund; (b) within sixty (60) years from 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.

SECTION 3. That Exhibit B to Ordinance No. 1786-00 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 Brewery District TIF Parcels, and all references to the "Public Improvements" in Ordinance No. 1786-00 shall refer to Exhibit B attached hereto.

SECTION 4. That, pursuant to R.C. 5709.51(A)(3), the Columbus 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 Brewery District TIF Parcels had not been exempted from taxation for the Brewery District 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 Brewery District 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.

