



Legislation Text

File #: 1452-2024, **Version:** 1

Background: Ordinance No. 1159-2005 established two tax increment financing (TIF) areas and three TIF incentive districts pursuant to Ohio Revised Code Sections 5709.40(B) and 5709.40(C) respectively, near the E. Broad Street corridor between I-270 and the Franklin-Licking County boundary (collectively, the “E. Broad TIFs”) to support the *Economic Development Plan for the East Broad Street Planning Area* adopted pursuant to Ordinance No. 2124-2004. Subsequently by authorization of Ordinance No. 2046-2022, the City and Trident Broad Development LLC (the “Developer”) entered into the Economic Development Agreement dated March 13, 2024 (the “Agreement”). In accordance with the Agreement, the City and Developer are working cooperatively on the first two phases of several public infrastructure projects on or adjacent to the Developer’s site (Roadway - Westbourne Avenue Extension and Roadway - Blossom Field Boulevard - Broad Street to Westbourne Avenue) financed with the E. Broad TIFs. The City has determined that a third phase connecting the first two phases east to Reynoldsburg-New Albany Road may be needed to alleviate traffic congestion on E. Broad Street in addition to the street widening projects now also occurring thereon (Arterial Street Rehabilitation - E. Broad Street Widening) being funded by the E. Broad TIFs.

As the Agreement recognizes the need for additional public infrastructure funding for these and future public infrastructure projects as well as the opportunity currently presented by the development of several sites in the same vicinity at the same time, including the Developer’s site, this Ordinance will amend two of the E. Broad TIFs to remove parcels from those TIFs, for the purpose of establishing a new TIF north of E. Broad Street between Taylor Station Road and Reynoldsburg-New Albany Road with the removed and other parcels (the “East Broad Westbourne TIF”). This Ordinance establishes the new non-school East Broad Westbourne TIF pursuant to Ohio Revised Code Section 5709.40 (B), 5709.42, 5709.43. The proposed East Broad Westbourne TIF will provide for a one-hundred percent (100%) exemption from real property taxation on the improvements to the parcels within the East Broad Westbourne TIF for a concurrent period for all parcels of not more than thirty (30) years. Columbus City Schools, Gahanna Jefferson City Schools, and Eastland-Fairfield Career & Technical Schools will receive, in the same manner as usual, all amounts they would have received in real property taxes had the tax exemption herein not been granted. Annual service payments in lieu of taxes will be made by the owners of each parcel with respect to the improvements to the East Broad Westbourne TIF parcels. The applicable portion of those service payments in lieu of taxes will be distributed directly to those school districts described herein, and the remaining portion of those service payments in lieu of taxes will be paid to the City for deposit into the appropriate TIF fund established by this Ordinance to be used to finance public infrastructure improvements benefiting the East Broad Westbourne TIF parcels.

Fiscal Impact: No funding is required for this legislation. The City is foregoing one-hundred percent (100%) of the real property tax revenue that it would have received from the improvements within the new East Broad Westbourne TIF. Instead, the non-school portion of that revenue will be diverted to a new East Broad Westbourne TIF Fund.

To amend Ordinance No. 1159-2005 to remove certain tax parcels exempted by that ordinance from the Lucent Commercial TIF and the East Broad Commercial TIF; to create the East Broad Westbourne TIF with those removed parcels plus additional adjacent parcels; to declare the improvements to the East Broad Westbourne TIF parcels to be a public purpose and exempt from real property taxation; to require the owner(s) of the parcels in the East Broad Westbourne TIF 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, Gahanna Jefferson City School District, and the Eastland-Fairfield Career & Technical School District; to deposit the remainder of those service payments into the East Broad Westbourne TIF Fund for financing public infrastructure improvements.

WHEREAS, pursuant to Ohio Revised Code (“R.C.”) Sections 5709.40(B) and 5709.40(C) and Ordinance No. 1159-2005, City Council created two tax increment financing (TIF) areas and three TIF incentive districts near the E. Broad Street corridor between I-270 and the Franklin-Licking County boundary (collectively, the “E. Broad TIFs”) to support the *Economic Development Plan for the East Broad Street Planning Area* (the “Plan”) adopted pursuant to Ordinance No. 2124-2004; and

WHEREAS, as authorized by Ordinance No. 2046-2022, the Director of the Department of Development entered into the Economic Development Agreement dated March 13, 2024 (the “Agreement”) with Trident Broad Development LLC (the “Developer”) for their site within one of the E. Broad TIFs; and

WHEREAS, pursuant to the Agreement, the City desires to encourage the redevelopment of the Developer’s site by funding through the E. Broad TIFs the design and construction of certain public infrastructure improvements on or adjacent to their site including the Roadway - Westbourne Avenue Extension and Roadway - Blossom Field Boulevard - Broad Street to Westbourne Avenue (the “Westbourne Projects”); and

WHEREAS, near the Developer’s site, the City is also engaged in the widening of E. Broad Street with additional lanes from I-270 to Reynoldsburg-New Albany Road under the Arterial Street Rehabilitation - E. Broad Street Widening projects in order to alleviate congestion on that road segment (the “E. Broad Projects”); and

WHEREAS, the City has determined that a third phase to connect the Westbourne Projects to Reynoldsburg-New Albany Road may also be necessary in addition to the E. Broad Projects to mitigate the congestion on E. Broad Street (the “Phase 3 Project”); and

WHEREAS, in addition to the development occurring on the Developer’s site consisting of residential, office, and industrial, there are several other new developments occurring in the vicinity on Outerbelt Street and Broughton Avenue, including a hotel and several distribution and warehouse facilities (collectively, the “Private Projects”), that altogether represent an estimated value of about \$125,000,000 of improvements being constructed; and

WHEREAS, to maximize the monies available for the Westbourne Projects, E. Broad Projects, and the Phase 3 Project and other future public infrastructure projects as described on Exhibit B attached hereto (the “Public Infrastructure Improvements”) after the original E. Broad TIFs are expected to expire, the City has determined that it is in its best interest to remove the applicable Private Projects from the E. Broad TIFs and add the Private Projects and additional adjacent parcels to a new TIF area; and

WHEREAS, R.C. Sections 5709.40(B), 5709.42, and 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, provide for the distribution of the applicable portion of such service payments to the school districts in which those parcels are located and to the City, establish a municipal public improvement tax increment equivalent fund for the deposit of those non-school service payments, and specify the purposes for which money in that fund will be expended; and

WHEREAS, in order to pay for the costs of the Public Infrastructure Improvements, this Council has determined that it is necessary and appropriate and in the best interest of the City to establish a tax increment financing area encompassing the aforementioned properties as depicted on Exhibit C attached hereto (the “East Broad Westbourne TIF”) to exempt from taxation one-hundred percent (100%) of the improvements to each parcel of real property within the East Broad Westbourne TIF (collectively the “Parcels” and each a “Parcel”) as permitted and provided in R.C. 5709.40(B) for up to a thirty (30) year concurrent period for all Parcels 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 payments in lieu of taxes (the “Service Payments”), in the same amount as they would have made real property tax payments but for the exemptions

provided by this Ordinance; and

WHEREAS, the City has determined that the applicable portion of the Service Payments shall be paid directly to Columbus City Schools, Gahanna Jefferson City Schools, and Eastland-Fairfield Career & Technical Schools (the “School Districts”) in an amount equal to the real property taxes that the School Districts would have been paid if the improvement to each Parcel located within the School Districts had not been exempt from taxation pursuant to this Ordinance; and

WHEREAS, pursuant to R.C. Section 5709.43(A), this Council has determined to establish a municipal public improvement tax increment equivalent fund in which there shall be deposited the appropriate remaining non-school Service Payments distributed to the City as provided herein; and

WHEREAS, notice of this proposed Ordinance has been delivered to the Board of Education of the School Districts in accordance with and within the time periods prescribed in R.C. Sections 5709.40 and 5709.83, respectively; **NOW, THEREFORE**,

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

Section 1. TIF Amendments. That Council finds and determines that amending Ordinance No. 1159-2005 is in furtherance of, and supports, the Plan and the Agreement. Exhibit A to Ordinance No. 1159-2005 is hereby amended and replaced with Exhibit A-1 attached hereto to remove Franklin County Tax Parcel Nos. 520-269045 and 520-302801 from the Lucent Commercial TIF depicted as “Lucent” on Exhibit A to Ordinance No. 1159-2005 and to remove Franklin County Tax Parcel No. 010-241763 from the East Broad Commercial TIF depicted as “Columbus Corporate Center” and “East Broad/Waggoner Road Retail” on Exhibit A to Ordinance No. 1159-2005 (collectively, the “Removed Parcels”). Upon passage of this Ordinance, Ordinance No. 1159-2005 shall be read and interpreted to mean that the Removed Parcels depicted on Exhibit A-1 were included in their respective East Broad TIFs from the passage of Ordinance No. 1159-2005 to the passage of this Ordinance. Henceforth from passage of this Ordinance, the Removed Parcels shall no longer be part of any of the East Broad TIFs but shall be included in the East Broad Westbourne TIF as described herein.

Section 2. No Other Modifications. That except as provided herein, all provisions of Ordinance No. 1159-2005 shall remain in full force and effect; it is the intent of City Council that the Ordinance No. 1159-2005 and this Ordinance be construed together as a single instrument, as appropriate.

Section 3. Parcels and Creation of TIF Area. That the Parcels, and each individual Parcel as currently or subsequently configured, subject to this Ordinance are identified and depicted on Exhibit C. The Parcels will be included in a new tax increment financing area the boundaries of which shall be corresponding with the boundary of, and shall include, the Parcels known hereafter as the East Broad Westbourne TIF.

Section 4. Public Infrastructure Improvements. That this Council hereby designates the Public Infrastructure Improvements described on Exhibit B and any other public infrastructure improvements hereafter designated by ordinance as public infrastructure improvements made, to be made, or in the process of being made that directly benefit, or that once made, will directly benefit the Parcels.

Section 5. Exemption. That, pursuant to R.C. Section 5709.40(B), this Council hereby finds and determines that one-hundred percent (100%) of the increase in assessed value of each Parcel subsequent to the effective date of this Ordinance (which increase in assessed value is hereinafter referred to as the “Improvement” as defined in R.C. Section 5709.40(A)) is hereby declared to be a public purpose and exempt from taxation for a coextensive period for all Parcels, which commences for all Parcels with the tax year in which an exempted Improvement, due to a structure, first appears on the tax list and duplicate of real and public utility property and that commences after the effective date of the ordinance and ending on the earlier of

(a) thirty (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 “TIF Exemption”). The TIF Exemption provided by this Ordinance is subordinate to any exemption for a Parcel granted pursuant to R.C. Section 3735.65 et. seq. (community reinvestment area), R.C. Section 5709.61 et. seq. (enterprise zone) and R.C. Section 5709.08 (government and public property) (collectively, the “Authorized Superior Exemptions”). In accordance with R.C. Section 5709.911(B), by this duly enacted Ordinance, this Council provides its duly authorized consent to any Authorized Superior Exemptions to the Parcels applied for after the TIF Exemption.

Section 6. Service Payments. That, as provided in R.C. Section 5709.42, each Owner and collectively the Owners are hereby required to make service payments in lieu of taxes with respect to the Improvement allocable to each Parcel to the Franklin County Treasurer or its designee 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 this Ordinance, including any penalties and interest (collectively, the “Service Payments”). The Service Payments, and any other payments with respect to each Improvement that are received in connection with the reduction required by R.C. 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 this Ordinance.

Section 7. TIF Fund. That this Council establishes, pursuant to and in accordance with the provisions of R.C. Section 5709.43, the East Broad Westbourne Municipal Public Improvement Tax Increment Equivalent Fund (the “TIF Fund”) into which the appropriate Service Payments and Property Tax Rollback Payments collected with respect to the Parcels and not required pursuant to this Ordinance to be distributed to the School Districts will be deposited. The TIF Fund will be maintained in the custody of the City. The City may use amounts deposited into the TIF Fund only for the purposes authorized in the TIF Statutes and this Ordinance (as it may be amended). The TIF Fund will remain in existence so long as the 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 R.C. Section 5709.43.

Section 8. Distributions; Payment of Costs. That, 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 School Districts, an amount equal to the amount the School Districts would otherwise receive 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.
- b. To the City, all remaining amounts for further deposit into the TIF Fund for payment of costs of the Public Infrastructure Improvements, including, without limitation, debt charges on any notes or bonds issued to pay or reimburse finance costs or costs of those Public Infrastructure Improvements.

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

Section 9. Further Authorizations. That 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 Ohio Department of Development and to make such arrangements as are necessary and proper for collection of the Service Payments and Property Tax Rollback Payments. This Council further authorizes the Director of the Department of Development, the City Clerk, the City Attorney 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 10. TIRC. That the City’s Tax Incentive Review Council (“TIRC”) 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 the TIRC, all in accordance with Section 5709.85 of the Ohio Revised Code.

Section 11. Effective Date. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.