



## Legislation Text

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**File #:** 1799-2010, **Version:** 1

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**Background:** The Department of Development has determined to facilitate the redevelopment of certain parcels of real property in the City generally known as the former Columbus Coated Fabrics Site and other nearby properties, and, in connection with that redevelopment, the City has entered into an Economic Development Agreement with Wagenbrenner Development, Inc., by which the City agreed to create a tax increment financing (TIF) incentive district on neighborhood parcels pursuant to Section 5709.40(C) of the Ohio Revised Code. As required to create TIF incentive districts under that Section 5709.40(C), the City has previously approved an economic development plan by its Ordinance No. 1966-2008 passed January 26, 2009.

In order to implement that Economic Development Agreement, the attached Ordinance creates an incentive district and provides for a 100% exemption from real property taxation on all improvements to parcels within that incentive district for a period of not more than thirty (30) years. The Columbus City School District will receive, in the same manner as usual, all amounts that it would have received in real property taxes had the tax exemption not been granted. Annual service payments in lieu of taxes will be made with respect to improvements to the TIF parcels. The applicable portion of those service payments will be distributed directly to the Columbus City School District, with the remaining non-school portion of those service payments paid to the City for deposit into the TIF fund established in the Ordinance to be used to fund public infrastructure improvements benefiting or serving the incentive district.

**Fiscal Impact:** No City funding is required for this legislation. The City is foregoing real property tax revenue that it would have received from development in the TIF incentive district. Instead, the non-school portion of that revenue will be diverted to the TIF fund.

To create a tax increment financing incentive district to be known as the "Weinland Park Incentive District" encompassing certain parcels of real property; to declare improvements to those parcels to be a public purpose and exempt from real property taxation; to require the owners of those parcels 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; to establish a municipal public improvement tax increment equivalent fund for the deposit of the remainder of those service payments; to specify the public infrastructure improvements that directly benefit or serve parcels in the incentive district; and to declare an emergency. **(AMENDED BY ORD. 2918-2021; PASSED 11/22/2021)**

**WHEREAS**, Sections 5709.40(C), 5709.42 and 5709.43 of the Ohio Revised Code (collectively, the "TIF Statutes") authorize this Council, by ordinance, to create an incentive district within the corporate boundaries of the City of Columbus, Ohio (the "City"), declare the improvement to each parcel of real property located within the incentive district to be a public purpose and exempt from taxation, require the owner of each parcel to make service payments in lieu of taxes, require the distribution of the applicable portion of such service payments to the city, local or exempted village school district, establish a municipal public improvement tax increment equivalent fund for the deposit of the remainder of such service payments and specify public infrastructure improvements made, to be made or in the process of being made that directly benefit or serve, or that once made will directly benefit or serve, parcels in the incentive district; and

**WHEREAS**, the City Department of Development has determined to facilitate the urban redevelopment of certain parcels of real property generally known as the former Columbus Coated Fabrics site and other properties in the area in the City, and has entered into an Economic Development Agreement with Wagenbrenner Development, Inc. (the "Developer"), by which the City agreed to create a tax increment financing ("TIF") incentive district encompassing certain parcels pursuant to Section 5709.40(C) of the Ohio Revised Code;

**WHEREAS**, Ohio Revised Code Section 5709.40(A) requires an incentive district to have one or more distress characteristics, which

may include inadequate public infrastructure serving the district as evidenced by a written economic development plan for the district; and

**WHEREAS**, the City Department of Development desires to create the Weinland Park Incentive District (the "Incentive District"), the boundary of which shall be coextensive with the boundary of, and shall include, the parcels of real property specifically identified and depicted in Exhibit A attached hereto (with each current or future parcel of such real property referred to herein individually as a "Parcel" and collectively as the "Parcels"); and

**WHEREAS**, by Ordinance No. 1966-2008 passed January 26, 2009, this Council approved an Economic Development Plan for the Incentive District (the "Development Plan"), which Development Plan is on file in the City Department of Development; and

**WHEREAS**, the City Engineer has certified to this Council that (i) the Incentive District is less than 300 acres in size and is enclosed by a contiguous boundary, and (ii) the public infrastructure serving the Incentive District is inadequate to meet the development needs of the Incentive District as evidenced by the Development Plan; and

**WHEREAS**, the Director of the City Department of Development has determined that the taxable value of real property in the Incentive District for tax year 2009, together with the taxable value of the real property for tax year 2009 in all other TIF incentive districts created by the City under Section 5709.40(C) of the Ohio Revised Code, does not exceed twenty-five percent (25%) of the taxable value of all real property in the City for tax year 2009; and

**WHEREAS**, this Council has determined that it is necessary and appropriate and in the best interest of the City to exempt from taxation one hundred percent (100%) of the improvement to each Parcel as permitted and provided in Section 5709.40(C) of the Ohio Revised Code for up to thirty (30) years (the "TIF Exemption") and to simultaneously direct and require the current and future owners of each Parcel (each such owner individually, an "Owner," and collectively, the "Owners") to make annual Service Payments (as defined in Section 2 of this Ordinance) in lieu of real property tax payments, in the same amount as they would have made real property tax payments except for the exemption provided by this Ordinance; provided that the TIF Exemption and the obligation to make Service Payments are subject and subordinate to any tax exemption applicable to the Parcel pursuant to Sections 3735.65 through 3735.70 or 5709.61 through 5709.69 of the Ohio Revised Code; and

**WHEREAS**, the City has determined that a portion of the Service Payments shall be paid directly to the Columbus City School District (the "School District") in an amount equal to the real property taxes that School District would have been paid if the improvement to each Parcel had not been exempt from taxation pursuant to this Ordinance; and

**WHEREAS**, pursuant to Section 5709.43(A) of the Ohio Revised Code, this Council has determined to establish a municipal public improvement tax increment equivalent fund for the Incentive District, in which there shall be deposited the Service Payments distributed to be to the City as provided herein; and

**WHEREAS**, this Council has determined to provide for the public infrastructure improvements described in Exhibit B attached hereto (the "Public Improvements"), which Public Improvements, once made, will directly benefit or serve parcels in the Incentive District; and

**WHEREAS**, notice of this proposed Ordinance has been delivered to the Board of Education of the School District in accordance with and within the time periods prescribed in Sections 5709.40 and 5709.83 of the Ohio Revised Code, to the Franklin County Board of County Commissioners in accordance with and within the time periods prescribed in Section 5709.40(E) of the Ohio Revised Code, and to the owners of real property in the Incentive District in accordance with and within the time periods prescribed in Section 5709.40(C)(2) of the Ohio Revised Code; and

**WHEREAS**, this Council held a public hearing on this Ordinance on May 17, 2010; and

**WHEREAS**, an emergency exists in that this Ordinance is required to be immediately effective in order to facilitate the development of the Parcels, such immediate action being necessary for the preservation of the public health, peace, property and safety; **NOW, THEREFORE**,

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

**Section 1. Creation of Incentive District; Within 25% Limitation; Incentive District Projects.** Pursuant to the TIF Statutes, this Council hereby creates the "Weinland Park Incentive District", the boundaries of which shall be coextensive with the boundary of, and shall include, the parcels of real property specifically identified and depicted in Exhibit A. This Council finds and determines that the taxable value of real property in the Incentive District for tax year 2009, together with the taxable value of the real property for tax year 2009 in all other TIF incentive districts created by the City under Section 5709.40(C) of the Ohio Revised Code, does not exceed twenty-five percent (25%) of the taxable value of real property in the City for tax year 2009. This Council further finds and determines that the current anticipated development includes the construction of at least 21 new homes, the renovation of up to 100 existing homes, the construction of a new mixed-use commercial and residential development on a remediated former industrial site, the construction of a new community garden network and other new residential and commercial, civic and recreational facilities which will place additional demand on the Public Improvements.

**Section 2. Authorization of Tax Exemption.** Pursuant to and in accordance with the provisions of Section 5709.40(C) of the Ohio Revised Code, 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 Section 5709.40 (A) of the Ohio Revised Code) is hereby declared to be a public purpose and shall be exempt from taxation for a period coextensive with the life of the Incentive District, which life commences with the first tax year that begins after the effective date of this Ordinance and in which an Improvement would first appear on the tax list and duplicate of real and public utility property for a Parcel in the Incentive District were it not for the TIF Exemption and ends 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.

Notwithstanding any other provision of this Ordinance, the TIF Exemption granted pursuant to this Section 2 and the payment obligations established pursuant to Section 3 of this Ordinance are subject and subordinate to any tax exemption applicable to the Improvement pursuant to Sections 3735.65 through 3735.70 or 5709.61 through 5709.69 of the Ohio Revised Code.

**Section 3. Service Payments and Property Tax Rollback Payments.** Subject to any tax exemption applicable to the Improvement pursuant to Sections 3735.65 through 3735.70 or 5709.61 through 5709.69 of the Ohio Revised Code, and pursuant to Section 5709.42 of the Ohio Revised Code, this Council hereby directs and requires the Owner of each Parcel to make annual service payments in lieu of taxes with respect to the Improvement allocable thereto to the Franklin County Treasurer (the "County Treasurer") on or before the final dates for payment of real property taxes. Each service payment in lieu of taxes, including any penalties and interest at the then current rate established under Sections 323.121 and 5703.47 of the Ohio Revised Code (collectively, the "Service Payments"), shall be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and payable against the Improvement if it were not exempt from taxation pursuant to Section 2 of this Ordinance. 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 Sections 319.302, 321.24, 323.152 and 323.156 of the Ohio Revised Code, 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"), shall be allocated and distributed in accordance with Section 5 of this Ordinance. This Council further hereby authorizes and directs appropriate officers of the City to make such arrangements as are necessary and proper for collection of the Service Payments from the Owners, including the preparation and filing of any necessary exemption applications.

**Section 4. Tax Increment Equivalent Fund.** This Council hereby establishes, pursuant to and in accordance with the provisions of Section 5709.43 of the Ohio Revised Code, a municipal public improvement tax increment equivalent fund (the "Weinland Park .40(C) TIF Fund"), into which the County Treasurer shall deposit the Service Payments and Property Tax Rollback Payments collected with respect to the Parcels that are not required to be distributed to the School District, Franklin County or certain other agencies pursuant to Section 5 of this Ordinance. That Weinland Park .40(C) TIF Fund shall be maintained in the custody of the City and shall receive the distributions to be made to the City pursuant to Section 5 of this Ordinance. Those Service Payments and Property Tax Rollback Payments received by the City with respect to the

Improvement to each Parcel and so deposited pursuant to Sections 5709.42 and 5709.43 of the Ohio Revised Code shall be used solely for the purposes authorized in the TIF Statutes and this Ordinance. The Weinland Park .40(C) TIF Fund shall 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 Weinland Park .40(C) TIF Fund shall be dissolved and any surplus funds remaining therein transferred to the City's General Fund, all in accordance with Section 5709.43 of the Ohio Revised Code.

**Section 5. Distribution of Service Payments.** Pursuant to the TIF Statutes, the County Treasurer is requested to distribute the Service Payments and the Property Tax Rollback Payments as follows:

- (i) to the School District, an amount equal to the amount that School District would otherwise have received as real property tax payments (including the applicable portion of any Property Tax Rollback Payments) derived from the Improvement to the Parcels if that Improvement had not been exempt from taxation pursuant to this Ordinance;
- (ii) to Franklin County or the agencies specified under Section 5709.40(F) of the Ohio Revised Code, the amounts payable to those entities pursuant to Section 5709.40(E), 5709.40(F) or 5709.913 of the Ohio Revised Code; and
- (iii) to the City, all remaining amounts for further deposit into the Weinland Park .40(C) TIF Fund for payment of costs of the Public Improvements.

All distributions required under this Section 5 are requested to be made at the same time and in the same manner as real property tax distributions.

**Section 6. Public Infrastructure Improvements.** This Council hereby designates the Public Improvements described in Exhibit B attached hereto, and any other public infrastructure improvements hereafter designated by ordinance as public infrastructure improvements, as public infrastructure improvements made, to be made or in the process of being made by the City that directly benefit or serve, or that once made will directly benefit or serve, parcels in the Incentive District.

**Section 7. Non-Discriminatory Hiring Policy.** In accordance with Section 5709.832 of the Ohio Revised Code, this Council hereby finds that the City has developed policies to ensure that recipients of the benefit of the TIF Exemption shall not deny any individual employment solely on the basis of race, religion, sex, disability, color, national origin or ancestry.

**Section 8. Further Authorizations.** This Council ratifies the delivery of the notices of this Ordinance to the School District, Franklin County Board of County Commissioners and owners of real property within the Incentive District and hereby authorizes and directs the Director, the City Clerk or other appropriate officers of the City to make such arrangements as are necessary and proper for collection from the Owners of the Service Payments. This Council further authorizes and directs the Director, the City Clerk 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 and the TIF Agreement.

**Section 9. Filings with Ohio Department of Development.** Pursuant to Section 5709.40(I) of the Ohio Revised Code, the Clerk of Council is hereby directed to deliver a copy of this Ordinance to the Director of Development of the State of Ohio within fifteen (15) days after its effective date. Further, on or before March 31 of each year the exemption set forth in Section 2 of this Ordinance remains in effect, the Director, Clerk of Council or other authorized officer of the City shall prepare and submit to the Director of Development of the State of Ohio the status report required under Section 5709.40(I) of the Ohio Revised Code.

**Section 10. Tax Incentive Review Council.** The City's Tax Incentive Review Council 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 that Council, all in accordance with Section 5709.85 of the Ohio Revised Code.

**Section 11. Effective Date.** 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 the passage if the Mayor neither approves nor vetoes the same.