Office of City Clerk
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Legislation Details (With Text)

File #:	0600-2021 **Version:** 1		
Type:	Ordinance	**Status:**	Passed
File created:	3/2/2021	**In control:**	Economic Development Committee
On agenda:	3/29/2021	**Final action:**	4/1/2021
Title:	To authorize the City Auditor to transfer $100,166.61 within the General Fund; to authorize the City Auditor to appropriate and transfer $25,041.65 in cash from the Special Income Tax Fund to the General Fund; to authorize the payment of $100,166.61 to the Gahanna-Jefferson School District to compensate for real property tax revenues forgone as a result of CRA tax abatements in the Stelzer-Stygler CRA; to authorize the expenditure of $100,166.61 from the General Fund; and to declare an emergency. ($100,166.61)		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. ORD0600-2021 03 DAX 2021 Gahanna Jefferson Rev Share		

Date	Ver.	Action By	Action	Result
4/1/2021	1	CITY CLERK	Attest	
3/31/2021	1	MAYOR	Signed	
3/29/2021	1	COUNCIL PRESIDENT	Signed	
3/29/2021	1	Columbus City Council	Approved	Pass

BACKGROUND: The City established the Stelzer-Stygler Community Reinvestment Area (CRA) in 1986 to stimulate private investment and job creation. In 1994, changes in the CRA law placed additional obligations on municipalities to compensate school districts for lost revenues arising from tax abatements. In May 2002, the City entered into a Compensation Agreement with the Gahanna-Jefferson School District to compensate the District for revenues from real property taxes forgone due to abatements on parcels in the Stelzer-Stygler CRA.

The present legislation authorizes the payment of $100,166.61 to the Gahanna-Jefferson City School District as the compensation due in 2021 for tax year 2020 (the actual compensation amount for tax year 2020 is $93,307.66; included in the previously noted larger amount is the one-time recalculated difference of $6,858.95 related to an incorrect calculation from the tax year 2019 payment made in 2020). This sum is calculated using the definitions in the Compensation Agreement and is based on one parcel (520-250987) in the Gahanna-Jefferson School District area of the Stelzer-Stygler CRA with building improvements and CRA tax abatements. The abatement for parcel 520-250987 commenced with tax year 2017 and will terminate in tax year 2026.

The total private investment subject to exemption in the new buildings constructed on this parcel was approximately $7,956,000 in 2020.

Emergency action is requested in order for the City to make the $100,166.61 payment to the Gahanna-Jefferson City School District according to the schedule established in the Compensation Agreement.

FISCAL IMPACT: The 2021 General Fund budget (citywide account) includes funding for this payment to the Gahanna -Jefferson School District. A transfer equal to 25 percent (25%) of the payment will be transferred from the Special Income Tax Fund.

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To authorize the City Auditor to transfer $100,166.61 within the General Fund; to authorize the City Auditor to appropriate and transfer $25,041.65 in cash from the Special Income Tax Fund to the General Fund; to authorize the payment of $100,166.61 to the Gahanna-Jefferson School District to compensate for real property tax revenues forgone as a result of CRA tax abatements in the Stelzer-Stygler CRA; to authorize the expenditure of $100,166.61 from the General Fund; and to declare an emergency. ($100,166.61)

WHEREAS, Ordinance No. 1698-78, approved August 3, 1978, authorized the Development Department to carry out a Community Reinvestment Program (CRA) pursuant to Sections 3735.65 to 3735.70 of the Ohio Revised Code, to stimulate job creation and growth in the area; and

WHEREAS, the Stelzer-Stygler CRA was established by Resolution 140x-86, approved July 14, 1986 and subsequently amended by Resolutions 253x-86, 62x-87, 172x-92 and 97x-96; and

WHEREAS, changes in the CRA law in 1994 placed additional obligations on municipalities to compensate school districts for lost revenues arising from tax abatements; and

WHEREAS, Ordinance 0629-02, passed April 15, 2002, authorized a Compensation Agreement with the Gahanna-Jefferson School District to compensate the District for real property tax revenues forgone due to CRA tax abatements on parcels in the Stelzer-Stygler CRA; and

WHEREAS, one parcel in the Gahanna-Jefferson School District area of the Stelzer-Stygler CRA has a CRA tax abatement that requires compensation for tax year 2020 in accordance with the Compensation Agreement; and

WHEREAS, the amount of compensation for tax year 2020, payable in 2021, is $93,307.66 based on the formulas and procedures defined in the Compensation Agreement; and

WHEREAS, the amount of $6,858.95 needs to be added to the amount payable in 2021 related to an incorrect calculation from the tax year 2019 payment made in 2020 so that the total compensation payment payable in 2021 will be in the amount of $100,166.61; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to make the 2021 payment to the Gahanna-Jefferson School District pursuant to the Compensation Agreement in order to preserve the public peace, health, property, safety and welfare; **NOW, THEREFORE,**

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

SECTION 1. That the transfer of $25,041.65 in cash only or so much thereof as may be needed, is hereby authorized from Fund 4430 (Special Income Tax Fund), Dept-Div 44-02 (Economic Development) to Fund 1000 (General Fund), Dept-Div 44-02 (Economic Development) per the account codes in the attachment to this ordinance.

SECTION 2. That from the unappropriated monies and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ended December 31, 2020, the sum of $25,041.65 is appropriated in Fund 4430 (Special Income Tax Fund), Dept-Div 44-02 (Economic Development) in Object Class 10 (Transfer) per the accounting codes in the attachment to this ordinance.

SECTION 3. That the transfer of $100,166.61 in appropriation or so much thereof as may be needed, is hereby authorized within Fund 1000 (General Fund), from Dept-Div 45-01 (Administration), object class 10 (citywide account) to Dept-Div 44-02 (Economic Development), object class 05 (Other) per the account codes in the attachment to this ordinance:

SECTION 4. That the expenditure of $100,166.61 or so much thereof as may be needed, is hereby authorized in Fund 1000 (General Fund), Dept-Div 44-02 (Economic Development), in object class 05 (Other) per the accounting codes in the attachment to this ordinance.

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SECTION 5. Funds are hereby deemed appropriated and expenditures and transfers authorized to carry out the purposes of this ordinance and the City Auditor shall establish such accounting codes as necessary

SECTION 6. That the City Auditor is hereby authorized to make payment to the Gahanna-Jefferson School District to compensate for real property tax revenues forgone as a result of CRA tax abatements in the Stelzer-Stygler CRA in the amount of $100,166.61.

SECTION 7. That for the reasons stated in the preamble hereto, this ordinance is hereby declared to be an emergency and shall take effect and be in force from and after its passage and approval by the Mayor or ten days if the Mayor neither approves nor vetoes the same.

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