Legislation Details (With Text)

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Type:	Ordinance	**Status:**	Passed
File created:	6/1/2021	**In control:**	Economic Development Committee
On agenda:	6/14/2021	**Final action:**	6/18/2021
Title:	To appropriate and authorize the expenditure of $6,160.51 from the Easton Project Municipal Public Improvement Tax Equivalent Fund (4401) and $4,169.90 from the Brice Road Public Improvement Tax Equivalent Fund (7472) to Eastland-Fairfield Career & Technical Schools; to authorize the Director of Development to enter into a school compensation agreement with Eastland-Fairfield Career & Technical Schools; and to declare an emergency. ($10,330.41)		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. ORD1415-2021 Account Codes New Easton Brice Rd TIFs Eastland School Compensation Agmt 5-21-21, 2. ORD1415-2021 New Easton and Brice Rd TIFs Eastland School Compensation Agmt 5-20-21 DRAFT		

Date	Ver.	Action By	Action	Result
6/18/2021	1	CITY CLERK	Attest	
6/17/2021	1	MAYOR	Signed	
6/14/2021	1	COUNCIL PRESIDENT	Signed	
6/14/2021	1	Columbus City Council	Approved	Pass

BACKGROUND: Pursuant to Ohio Revised Code ("R.C.") Section 5709.40 to 5709.43 (the "TIF Statutes") and as authorized by Ordinance 2895-2014, Council removed parcel from the existing non-school Easton TIF and established the non-school New Easton TIF, required those property owners to make service payments, and required those service payments be deposited into the existing Easton Project Municipal Public Improvement Tax Equivalent Fund (the "Easton TIF Fund"). Pursuant to the TIF Statutes and as authorized by Ordinance 3120-2016, Council established the non-school Brice Road TIF, required those property owners to make service payments, and established the Brice Road Public Improvement Tax Equivalent Fund (the "Brice Road TIF Fund") for the deposit of those service payments. R.C. Section 5709.42 requires the service payments to be collected in the same manner as real property taxes and to distribute those service payments to the applicable municipal corporation and school districts. However, unlike for city, local, or exempted village school districts, R.C. Section 5709.42 does not specify if the county treasurer or the municipal corporation is responsible for the distribution of the service payments to a public joint vocational school district (a "JVS"). The county treasurer distributed JVS service payments to the City unbeknownst to it. This legislation appropriates and authorizes the expenditure of service payments from the Easton TIF Fund and Brice Road TIF Fund to the Eastland-Fairfield Career & Technical Schools ("Eastland"), and authorizes the Director of Development to enter into a school compensation agreement with Eastland in order to come to terms on the remittance of JVS service payments to Eastland that were first distributed by the county treasurer to the City for deposit into the Easton TIF Fund and Brice Road TIF Fund.

EMERGENCY JUSTIFICATION: Emergency action is requested in order to minimize the fiscal impact and to expedite payment to Eastland to compensate them for their service payments distributed by the county treasurer to the City.

FISCAL IMPACT: The City will remit $6,160.51 from the Easton Project Municipal Public Improvement Tax

Equivalent Fund (4401) and $4,169.90 from the Brice Road Public Improvement Tax Equivalent Fund (7472) to Eastland for a total expenditure of $10,330.41.

To appropriate and authorize the expenditure of $6,160.51 from the Easton Project Municipal Public Improvement Tax Equivalent Fund (4401) and $4,169.90 from the Brice Road Public Improvement Tax Equivalent Fund (7472) to Eastland-Fairfield Career & Technical Schools; to authorize the Director of Development to enter into a school compensation agreement with Eastland-Fairfield Career & Technical Schools; and to declare an emergency. ($10,330.41)

WHEREAS, pursuant to Ohio Revised Code Sections 5709.40 to 5709.43 (the "TIF Statutes") and as authorized by Ordinance No. 2895-2014 passed December 8, 2014 (the "New Easton TIF Ordinance"), this Council removed parcels from the existing Easton non-school tax increment financing area and established the non-school "New Easton" tax increment financing area with a 100% exemption for thirty (30) years (the "New Easton TIF Exemption"), required the property owners in the New Easton TIF area to make service payments in lieu of taxes (the "Service Payments") on exempted improvements, and required the deposit of those Service Payments from the New Easton TIF area into the previously established Easton Project Municipal Public Improvement Tax Equivalent Fund (the "Easton TIF Fund") and

WHEREAS, pursuant to the TIF Statutes and as authorized by Ordinance No. 3120-2016 passed December 12, 2016 (the "Brice Road TIF Ordinance"), this Council established the non-school "Brice Road" tax increment financing area with a 100% exemption for thirty (30) years (the "Brice Road TIF Exemption"), required the property owners in the Brice Road TIF area to make the Service Payments on exempted improvements, and established the Brice Road Public Improvement Tax Equivalent Fund (the "Brice Road TIF Fund") for the deposit of those Service Payments from the Brice Road TIF area; and

WHEREAS, pursuant to Section 5709.42 of the TIF Statutes, moneys collected as Service Payments from the New Easton TIF Exemption and the Brice Road TIF Exemption shall be distributed by the county treasurer at the same time and in the same manner as real property tax payments to be distributed to the municipal corporation and to the city, local, or exempted village school district in which the exempted improvements are located; and

WHEREAS, the school Service Payments shall be in an amount equal to the property tax payments the school district would have received from the portion of the improvements exempted from taxation had the improvements not been exempted, as directed in the ordinances establishing the tax increment financing ("TIF"); and

WHEREAS, pursuant to the New Easton TIF Ordinance and the Brice Road TIF Ordinance, the City requested the Franklin County, Ohio Treasurer's Office (the "County Treasurer"), at the same time and in the same manner as real property tax payments, to distribute the school Service Payments to the city, local, or exempted village school district(s) and the public joint vocational school district (the "JVS") in which the exempted improvements are located in an amount equal to the property tax payments the school districts would have received from the portion of the improvements exempted from taxation had the improvements not been exempted; and

WHEREAS, since Section 5709.42 of the TIF Statutes does not specify if a county treasurer or the municipal corporation is the entity responsible for distributing the school Service Payments to a JVS, a county treasurer may and did distribute JVS Service Payments to the City for remittance to a JVS; and

WHEREAS, it is now necessary to appropriate and authorize the expenditure of JVS Service Payments in the amount of $6,160.51 from the Easton TIF Fund and $4,169.90 from the Brice Road TIF Fund for a total amount of $10,330.41 (the "Compensation"); and

WHEREAS, it is necessary and appropriate to authorize the Director of Development to enter into a school compensation agreement (the "Agreement") with Eastland-Fairfield Career & Technical Schools to provide for the remittance of the Compensation to Eastland-Fairfield Career & Technical Schools; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is

immediately necessary to authorize the Agreement for payment of the Compensation to the Eastland-Fairfield Career & Technical Schools to minimize the fiscal impact thereby preserving the public health, peace, prosperity, safety and welfare; **NOW, THEREFORE,**

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

SECTION 1. That from the unappropriated monies and from all monies estimated to come into the Easton Project Municipal Public Improvement Tax Equivalent Fund (4401) from any and all sources and unappropriated for any other purpose during the fiscal year ended December 31, 2021, the sum of $3,153.91 is appropriated in the Easton Project Municipal Public Improvement Tax Equivalent Fund (4401), Dept-Div 44-02 (Economic Development), Subfund 440105, in Object Class 05 (Other Expenditures), and the sum of $3,006.60 is appropriated in the Easton Project Municipal Public Improvement Tax Equivalent Fund (4401), Dept-Div 44 -02 (Economic Development), Subfund 440102, in Object Class 05 (Other Expenditures), per the accounting codes in the attachment to this ordinance.

SECTION 2. That from the unappropriated monies and from all monies estimated to come into the Brice Road Public Improvement Tax Equivalent Fund (7472) from any and all sources and unappropriated for any other purpose during the fiscal year ended December 31, 2021, the sum of $4,169.90 is appropriated in the Brice Road Public Improvement Tax Equivalent Fund (7472), Dept-Div 44-02 (Economic Development), Project P472001-100000, in Object Class 05 (Other Expenditures), per the accounting codes in the attachment to this ordinance.

SECTION 3. That for the purpose stated herein the expenditure is hereby authorized in the amount of $3,153.91 or so much thereof as may be needed, in the Easton Project Municipal Public Improvement Tax Equivalent Fund (4401), Dept-Div 44-02 (Economic Development), Subfund 440105, in Object Class 05 (Other Expenditures), and the expenditure is hereby authorized in the amount of $3,006.60 or so much thereof as may be needed, in the Easton Project Municipal Public Improvement Tax Equivalent Fund (4401), Dept-Div 44-02 (Economic Development), Subfund 440105, in Object Class 05 (Other Expenditures), per the accounting codes in the attachment to this ordinance.

SECTION 4. That for the purpose stated herein the expenditure is hereby authorized in the amount of $4,169.90 or so much thereof as may be needed, in the Brice Road Public Improvement Tax Equivalent Fund (7472), Dept-Div 44-02 (Economic Development), Project P472001-100000, in Object Class 05 (Other Expenditures), per the accounting codes in the attachment to this ordinance.

SECTION 5. That the City Auditor is authorized to make payments from Fund 4401 and Fund 7472 in accordance with the Agreement, defined herein, upon order of the Director or his or her designee and that no order shall be drawn or money paid except by voucher, the form of which shall be approved by the City Auditor.

SECTION 6. That the Director of the Development (the "Director"), for and in the name of the City, is hereby authorized to execute a school compensation agreement (the "Agreement") presently on file with the Director along with any changes or amendments thereto not inconsistent with this Ordinance and not substantially adverse to the City and which shall be approved by the Director and the City Attorney, and the character of those changes and amendments as not being substantially adverse to the City, shall be evidences conclusively by the Director's execution and delivery thereof.

SECTION 7. That the Director or other appropriate officers of the City are authorized to execute such other agreements and instruments, subject to approval by the City Attorney's Office, and to take all actions as may be necessary to implement this Ordinance and the transactions contemplated by the Agreement.

SECTION 8. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 9. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

SECTION 10. That the City Auditor is hereby authorized to transfer the unencumbered balance in a project account to the unallocated balance account within the same fund upon receipt of certification by the Director of the Department administering said project that the project has been completed and the monies are no longer required for said project.

SECTION 11. That 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 full force from and after its passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.

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