



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 authorize the transfer of the City TIF Administrative Fee - currently \$5,000.00 annually per each outstanding TIF in each TIF Agreement - associated with the Rickenbacker-317 TIF Fund (7435), the Gravity Phase 2 TIF Fund (7433), the Stadium 41 TIF Fund (7449), the Old Dublin Road TIF Fund (7467), the Scioto Peninsula TIF Fund (7434) to the Business Tax Incentive (BTI) Fund 2229, pursuant to said TIF Agreements associated with those TIF Funds described herein and subject to approval by the Director of Development; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

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: City Council passed Ordinance 3221-2018 on March 11, 2019 to establish fees that supports the administrative and project costs of the Department of Development (the “Department”) associated with administering the programs of the Department. Included in the Economic Development Fee Schedule authorized by and attached to that ordinance is a five thousand dollar tax increment financing (TIF) annual administrative/monitoring fee (the “City TIF Administrative Fee”) to be collected from developers who have executed tax incrementing financing or cooperative agreements (the “TIF Agreements”) with the Department, and those TIF Agreements require payment of the City TIF Administrative Fee. In lieu of the developers of those TIF Agreements providing the Department with a check, ACH, or wire for the required City TIF Administrative Fee, the Department has included provisions in those TIF Agreements - when monies are available in each of the applicable TIF funds associated with those TIF Agreements - to allow for the retention and transfer of the City TIF Administrative Fee from each of the applicable TIF funds associated with the TIF Agreements. The City TIF Administrative Fee is then to be offset as a credit on the Developer’s approved reimbursable costs under certain types of TIF Agreements not involving front end financing through bonds or other lending. The TIF funds are already appropriated pursuant to each of those TIF Agreements and their authorizing ordinances. This legislation will authorize the City Auditor, subject to approval by the Director of the Department, to transfer the City TIF Administrative Fee from the applicable TIF funds of those TIF Agreements described herein to the Business Tax Incentive Fund (2229).

Emergency Justification: Emergency legislation is required to allow for the immediate transfer of the City’s economic development fees for the tax increment financing annual administrative/monitoring fees prior to the payment dates in the TIF Agreements.

Fiscal Impact: No funding is required for this legislation. The City has already appropriated the monies in each of the TIF funds herein pursuant to each of the TIF Agreements and their authorizing ordinances, and the City is now authorizing the annual transfer of the City TIF Administrative Fee to Fund 2229 from each of the following TIF Funds -

7435 (Rickenbacker-317), 7433 (Gravity Phase 2), 7449 (Stadium 41), 7467 (Old Dublin Road), and 7434 (Scioto Peninsula) - in accordance with those TIF Agreements.

To authorize the transfer of the City TIF Administrative Fee - currently \$5,000.00 annually per each outstanding TIF in each TIF Agreement - associated with the Rickenbacker-317 TIF Fund (7435), the Gravity Phase 2 TIF Fund (7433), the Stadium 41 TIF Fund (7449), the Old Dublin Road TIF Fund (7467), the Scioto Peninsula TIF Fund (7434) to the Business Tax Incentive (BTI) Fund 2229, pursuant to said TIF Agreements associated with those TIF Funds described herein and subject to approval by the Director of Development; and to declare an emergency.

WHEREAS, City Council passed Ordinance 3221-2018 on March 11, 2019 to establish fees that supports the administrative and project costs of the Department of Development (the “Department”) associated with administering the Department’s programs; and

WHEREAS, included in the Economic Development Fee Schedule authorized and attached to that ordinance is a five thousand dollar tax increment financing (TIF) annual administrative/monitoring fees (the “City TIF Administrative Fee”) to be collected from developers who have executed tax incrementing financing or cooperative agreements (the “TIF Agreements”) with the Department and require payment of the City TIF Administrative Fee in said TIF Agreements; and

WHEREAS, through prior ordinances, City Council established the Rickenbacker-317 TIF, Gravity Phase 2 TIF, Stadium 41 TIF, Old Dublin Road TIF, and Scioto Peninsula TIF pursuant to either Ohio Revised Code Sections 5709.40(B) or 5709.41 (collectively, the “TIFs”) and established either a municipal public improvement tax increment equivalent fund or urban redevelopment tax increment equivalent fund pursuant to Ohio Revised Code Section 5709.43 (Funds 7435 (Rickenbacker-317), 7433 (Gravity Phase 2), 7449 (Stadium 41), 7467 (Old Dublin Road), and 7434 (Scioto Peninsula), collectively, the “TIF Funds”) for the deposit of the respective service payment in lieu of taxes (the “Service Payments”) generated from each of the TIFs; and

WHEREAS, City Council passed Ordinance 1460-2020 on July 6, 2020 authorizing a Tax Increment Financing Agreement for the Rickenbacker-317 TIF; City Council passed Ordinance 0976-2020 on May 18, 2020 authorizing a Tax Increment Financing Cooperative Agreement for the Gravity Phase II TIF; City Council passed Ordinance 2571-2020 on November 23, 2020 for the Stadium 41 TIF; City Council passed Ordinance 1342-2020 authorizing a Tax Increment Financing and Cooperative Agreement for the Old Dublin Road TIF; and City Council passed Ordinance 1713-2020 on July 20, 2020 authorizing a Tax Increment Financing and Cooperative Agreement for the Scioto Peninsula TIF (all of these preceding ordinances, collectively, the “TIF Ordinances” and all the preceding agreements, collectively, the “TIF Agreements”); and

WHEREAS, each of the TIF Ordinances have also appropriated the Service Payments generated by each of the TIFs and deposited in each of the respective TIF Funds pursuant to the applicable TIF Agreements associated with those Service Payments and TIF Funds; and

WHEREAS, the Department has included provisions in the TIF Agreements, when Service Payments are available in each of the applicable TIF Funds associated with those TIF Agreements, to allow for the Department’s retention and transfer of the City TIF Administrative Fee from each of the applicable TIF Funds associated with those TIF Agreements when those TIF Agreements have not previously prioritized reimbursement of their Service Payments for financing to a bond holder or other front end lender; and

WHEREAS, an emergency exists in the usual daily operations of the Department of Development in that it is immediately necessary to authorize the transfer of Service Payments for the City TIF Administration pursuant to their TIF Agreements Fee from the TIF Funds to the Business Tax Incentive Fund (2229) prior to the payment dates in those TIF Agreements; **NOW, THEREFORE**,

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

Section 1. That the City Auditor is authorized to make annual transfers from the following TIF Funds (7435, 7433,

7449, 7467, and 7434) to the BTI Fund (2229), subject to the authorization of the Director of the Department of Development, for the City TIF Administrative Fee, as that term is described herein and in each of the TIF Agreements therein and is currently \$5,000 per each outstanding TIF included in a TIF Agreement pursuant to this Ordinance and Ordinance 3221-2018.

Section 2. That the City Auditor is authorized to establish such accounting codes as necessary, to make any accounting changes to revise the funding source for all agreements, contracts, amendments, or modifications associated with this Ordinance and the transactions contemplated by the TIF Agreements or their amendments.

Section 3. That the City Auditor is hereby authorized to transfer the unencumbered balance in a project account or subfund 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 4. That for 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.