



Legislation Details (With Text)

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Type: Ordinance **Status:** Passed

File created: 7/11/2022 **In control:** Economic Development Committee

On agenda: 7/18/2022 **Final action:** 7/20/2022

Title: To authorize the Director of the Department of Development to enter into the Amendment to Tax Increment Financing Agreement East Broad Street TIFs with Mount Carmel Health System, Empire Ventures/6200 E. Broad, LLC, Dominion Homes, Inc., and M/I Homes of Central Ohio, LLC to terminate the Tax Increment Financing Agreement East Broad Street TIFs effective immediately; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
7/20/2022	1	CITY CLERK	Attest	
7/19/2022	1	MAYOR	Signed	
7/18/2022	1	COUNCIL PRESIDENT	Signed	
7/18/2022	1	Columbus City Council	Approved	Pass

Background: City Council passed Ordinance No. 1159-2005 on July 11, 2005 (the “TIF Ordinance”), establishing two tax increment financing (“TIF”) areas pursuant to Section 5709.40(B) of the Ohio Revised Code known as the “East Broad Commercial TIF” and the “Lucent Commercial TIF” and three TIF incentive districts pursuant to Section 5709.40 (C) of the Ohio Revised Code known as the “Lucent Incentive District,” “East Broad Dominion Incentive District,” and the “Waggoner M/I Incentive District” with all five TIFs located generally along East Broad Street between Taylor Station Road and Waggoner Road. The TIF Ordinance also authorized the execution of the Tax Increment Financing Agreement East Broad Street TIFs (the “TIF Agreement”) dated September 7, 2005 between the City, Mount Carmel Health System (“Mount Carmel”), Empire Ventures/6200 E. Broad, LLC, Dominion Homes, Inc., and M/I Homes of Central Ohio, LLC (“M/I”). Pursuant to the TIF Agreement, the two Lucent TIFs were allocated to Mount Carmel and M/I for reimbursement of on-site improvements within those two TIFs, and the other three TIFs were allocated to the City for financing of improvements in the East Broad planning area. As of 2018, Mount Carmel and M/I have been fully reimbursed for incurred costs. The City is now engaged in the redevelopment of ±84 acres of real property located at 6200 E. Broad Street near the intersection of Taylor Station Road and Westbourne Ave on the former Lucent Technologies, Inc. manufacturing, distribution, and office site (parcel ID number 520-269045, the “Site”) within the Lucent Commercial TIF. The Department of Development desires to submit for City Council consideration additional legislation to appropriate and authorize the expenditure of funds from the two Lucent TIFs adjacent to and overlapping the Site to finance the public infrastructure improvements necessary to redevelop the Site including an extension of Westbourne Avenue, including an alignment of McNaughten Road, as well as fund planned improvements to East Broad Street. As the TIF Agreement does not clearly expire or terminate by its own terms, this legislation will authorize the City to enter into an amendment to the TIF Agreement (the “Amendment”) with Mount Carmel, M/I, and the other parties to the TIF Agreement to terminate it effective immediately, so the Lucent TIF funds can be used by the City in its discretion.

Fiscal Impact: There is no fiscal impact for this legislation.

Emergency Justification: Emergency legislation is necessary to authorize the Director of the Department of Development to enter into the Amendment to allow the City to submit subsequent legislation necessary to finance the public infrastructure improvements and to maintain schedules without delay.

To authorize the Director of the Department of Development to enter into the Amendment to Tax Increment Financing Agreement East Broad Street TIFs with Mount Carmel Health System, Empire Ventures/6200 E. Broad, LLC, Dominion Homes, Inc., and M/I Homes of Central Ohio, LLC to terminate the Tax Increment Financing Agreement East Broad Street TIFs effective immediately; and to declare an emergency.

WHEREAS, City Council passed Ordinance No. 1159-2005 on July 11, 2005 (the “TIF Ordinance”), establishing two tax increment financing (“TIF”) areas pursuant to Section 5709.40(B) of the Ohio Revised Code known as the “East Broad Commercial TIF” and the “Lucent Commercial TIF” and three TIF incentive districts pursuant to Section 5709.40 (C) of the Ohio Revised Code known as the “Lucent Incentive District,” “East Broad Dominion Incentive District,” and the “Waggoner M/I Incentive District” with all five TIFs located generally along East Broad Street between Taylor Station Road and Waggoner Road; and

WHEREAS, the TIF Ordinance also authorized the execution of a Tax Increment Financing Agreement East Broad Street TIFs (the “TIF Agreement”) dated September 7, 2005 between the City, Mount Carmel Health System (“Mount Carmel”), Empire Ventures/6200 E. Broad, LLC, Dominion Homes, Inc., and M/I Homes of Central Ohio, LLC (“M/I”); and

WHEREAS, it was contemplated in the TIF Agreement that the City would complete certain “East Broad Improvements,” as defined in Exhibit D of the TIF Agreement, using the monies generated from the East Broad Commercial TIF, East Broad Dominion Incentive District, and Waggoner M/I Incentive District; and

WHEREAS, upon the City’s agreement to reimburse them from the monies generated from the Lucent Commercial TIF and Lucent Incentive District, Mount Carmel and M/I Homes agreed to complete certain “On-Site Improvements,” as defined in Exhibit D of the TIF Agreement, benefiting or serving the areas of the Lucent Commercial TIF and Lucent Incentive District; and

WHEREAS, no reimbursements have been requested, submitted, and/or made to Mount Carmel and M/I Homes since 2018, and Mount Carmel and M/I Homes have been fully reimbursed for incurred costs; and

WHEREAS, the City is now actively engaged with the redevelopment of the portion of the area of the Lucent Commercial TIF north of the property owned or controlled by Mount Carmel and south of the Lucent Incentive District property formerly owned or controlled by M/I Homes; and

WHEREAS, additional public infrastructure improvements not originally contemplated in the original list of On-Site Improvements, including but not limited to, the extension of Westbourne Avenue, including an alignment of McNaughten Road, and planned improvements to East Broad Street are necessary, appropriate, and in the best interests of the City to fund from the monies generated from the Lucent Commercial TIF and Lucent Incentive District; and

WHEREAS, the City, Mount Carmel, M/I, and the other parties to the TIF Agreement mutually agree that the TIF Agreement should now be terminated in order for the Lucent Commercial TIF and Lucent Incentive District funds to be used by the City for the Westbourne Avenue Extension, including an alignment of McNaughten Road, the East Broad Improvements, and any other new public infrastructure improvements as determined in the City’s discretion; and

WHEREAS, since the TIF Agreement does not clearly expire or terminate by its own terms, in accordance with Section 10 of the TIF Agreement, the City and the Owners need to amend it by written instrument executed by all the parties in order to effectively terminate the TIF Agreement; and

WHEREAS, an emergency exists in the usual daily operations of the Department of Development in that it is necessary to authorize the Director to amend the Tax Increment Financing Agreement East Broad Street TIFs with Mount Carmel Health System, Empire Ventures/6200 E. Broad, LLC, Dominion Homes, Inc., and M/I Homes of Central Ohio, LLC to allow the City to submit subsequent legislation for City Council consideration to finance the public infrastructure improvements and to maintain schedules all for the preservation of the public health, peace, safety and welfare without delay; **NOW, THEREFORE**,

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

Section 1. That the Director of the Department of Development or his or her designee (the “Director”), on behalf of the City, is hereby authorized to enter into the Amendment to Tax Increment Financing Agreement East Broad Street TIFs (the “Amendment”) presently on file with the Department of Development, 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, provided that the approval of such changes and amendments thereto, and the character of those changes and amendments not being substantially adverse to the City, shall be evidenced conclusively by the execution and delivery of the Amendment.

Section 2. 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 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.