



## Legislation Text

File #: 0248-2017, Version: 1

**BACKGROUND:** This Council has approved a memorandum of understanding with MORSO Holding Co. (the Developer) whereby the Developer will make contributions totaling \$5.75 million to fund urban redevelopment projects and other priorities within the City. The memorandum of understanding provides that \$4.25 million of these contributions from the Developer will include direct payments to the City which will be reimbursed from Easton TIF revenue pursuant to an amendment to the Reimbursement Agreement between the City and the Developer. This ordinance approves the use of Easton TIF funds for the City's urban redevelopment projects in order to authorize that reimbursement.

**FISCAL IMPACT:** No funding is required for this legislation.

To determine that satisfactory provision has been made for the public improvement needs of parcels within the Easton TIF; to include additional public improvements to be made in support of urban redevelopment within the City; to amend the TIF Reimbursement Agreement between the City and MORSO Holding Co. to authorize the reimbursement of the costs associated with those additional public improvements from the Easton TIF Fund No. 4401; and declare an emergency.

**WHEREAS**, pursuant to Section 5709.40, Ohio Revised Code, and Ordinance No. 1704-96 of this Council, duly enacted on July 22, 1996 (the "*Original TIF Ordinance*"), this Council determined that 100% of the increase in true value of certain parcels of real property to be a public purpose; and

**WHEREAS**, the Original TIF Ordinance was subsequently amended by Ordinance No. 0709-03 (the "*2003 TIF Ordinance*") and Ordinance No. 2895-14 (the "*2014 TIF Ordinance*") and collectively with the Original TIF Ordinance and the 2003 TIF Ordinance, the "*Easton TIF Ordinance*"; and

**WHEREAS**, the Easton TIF Ordinance provides that with respect to each separate parcel of the property located within the Easton TIF district, 100% of the increase in true value of such properties (the "*Improvements*" as further defined in that Section 5709.40) shall be exempt from taxation; and

**WHEREAS**, the Easton TIF Ordinance requires the owners from time to time of the Improvements to make annual service payments in lieu of taxes (the "*TIF Payments*"), which payments are to be deposited in the Easton Project Municipal Public Improvement Tax Increment Equivalent Fund (Fund No. 4401) established by Section 4 of the Original TIF Ordinance (the "*Easton TIF Fund*"); and

**WHEREAS**, amounts on deposit in the Easton TIF Fund (Fund No. 4401) are to be used to pay costs of certain public improvements that, once made, benefit those properties identified in the Easton TIF Ordinance; and

**WHEREAS**, the City and MORSO Holding Co. (the "*Developer*") entered into a Reimbursement Agreement dated August 4, 2008, which was subsequently amended by a First Amendment dated November 14, 2012 and Second Amendment dated November 11, 2014 (collectively, the "*TIF Reimbursement Agreement*"), which provides that the City shall reimburse the Developer, from Available TIF Revenues, for the costs of certain public infrastructure improvements that directly benefit or serve the Easton TIF area; and

**WHEREAS**, the City is an impacted city, as defined in Section 1728.01 of the Ohio Revised Code and Section 6 of House Bill 384, enacted by the 131<sup>st</sup> General Assembly and effective April 5, 2017, which provides that the legislative authority of an impacted city may include a determination in an ordinance adopted under section 5709.40 of the Ohio Revised Code that satisfactory provision has been made for the public improvement needs of the parcels identified in the

ordinance and may specify other improvements that do not directly benefit the parcels identified in the ordinance but are in support of urban redevelopment within the meaning of Section 5709.41 of the Ohio Revised Code; and

**WHEREAS**, the City is making a determination that satisfactory provision has been made for the public improvement needs of the parcels identified within the Easton TIF; and

**WHEREAS**, the City desires to make public improvements that do not directly benefit the parcels identified within the Easton TIF but are in support of urban redevelopment within the meaning of Section 5709.41 of the Ohio Revised Code; and

**WHEREAS**, subject to Council authorization of Ordinance No. 0244-2017, the City and Developer anticipate entering into a Memorandum of Understanding through which the Developer agrees to make contributions totaling \$5.75 million, which includes \$4.25 million in direct payments to the City, which shall be deposited into the Neighborhood Partnerships Capital Fund (Fund No. 7790), to assist the City with neighborhood revitalization efforts; and

**WHEREAS**, the Memorandum of Understanding provides that the Developer's \$4.25 million in direct payments to the City be eligible for reimbursement from the Easton TIF (Fund No. 4401) (the "*Reimbursable Contribution*"); and

**WHEREAS**, the City desires to amend the TIF Reimbursement Agreement to authorize the use of Available TIF Revenues to reimburse the Developer for the Reimbursable Contribution totaling \$4.25 million to support the City's urban redevelopment efforts within the meaning of Section 5709.41 of the Ohio Revised Code as generally described in Exhibit A (the "*Remote Public Improvements*"); and

**WHEREAS**, this Ordinance constitutes an emergency measure necessary for the immediate preservation of the public peace, property, health and safety of the City, and for the further reason that this Ordinance is required to be immediately effective so that investment and construction may commence as soon as possible to provide for the urban redevelopment, the creation of jobs and economic opportunities, which are vitally needed to enhance revenues for the City and to improve the economic welfare of the people;

**NOW, THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS THAT:**

**Section 1.** This Council hereby determines, as a result of enactment House Bill 384 enacted by the 131<sup>st</sup> General Assembly, the Easton TIF Ordinance and this ordinance, and actions of the City taken and to be taken pursuant to the Easton TIF Ordinance, that satisfactory provision has been made for the public improvement needs of the parcels identified in the Easton TIF Ordinance. This Council further hereby determines that the Remote Public Improvements identified generally on Exhibit A attached to this Ordinance (the "*Remote Public Improvements*") will be in support of urban redevelopment within the meaning of Section 5709.41 of the Ohio Revised Code.

**Section 2.** This Council hereby authorizes the Director of Development to execute an amendment to the TIF Reimbursement Agreement to include reimbursement to Developer of \$4.25 million (plus interest, in accordance with the TIF Reimbursement Agreement) for costs of the Remote Public Improvements, from Available TIF Revenues in the Easton TIF (Fund No. 4401).

**Section 3.** The Director of Development and other appropriate officers of the City are hereby authorized and directed to take such actions and make such arrangements that are consistent with the purpose of this Ordinance and necessary and proper to implement this ordinance.

**Section 4.** The Easton TIF Ordinance shall remain in force and effect as originally passed and amended hereby. This ordinance on its passage shall become a part of the Easton TIF Ordinance, and all references to the Easton TIF Ordinance shall include reference to this ordinance as well as the Easton TIF Ordinance.

**Section 5.** For the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is 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 (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.