



## Legislation Text

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**File #:** 2174-2018, **Version:** 1

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**Background:** The Ohio State University has entered into an agreement to purchase property located at the southeast corner of the intersection of Hamilton Road and State Route 161 on which the University intends to build a new outpatient clinic serving the northeast portion of the City. The University needs to ensure that its customary real property tax exemption is available before it can close on the property purchase and build the clinic. Since the property is located in a tax increment financing district, City Council must consent to the University's real property tax exemption in lieu of the City's tax increment financing exemption. The University will pay the City an upfront payment of \$1,329,437 in consideration for this consent and the donation agreement for the upfront payment.

**Emergency Justification:** Emergency action is requested in order to allow the contemplated transaction to be completed as soon as possible in order to enable the development of the outpatient clinic.

**Fiscal Impact:** There is no expenditure of City funds. The City will receive an upfront payment of \$1,329,437 from the University to compensate the City for foregone TIF service payments.

To consent to a real property tax exemption on property on which The Ohio State University intends to construct an outpatient clinic; to authorize the Director of the Department of Development to execute agreements and instruments to implement that consent; and to declare an emergency.

**WHEREAS,** this Council has previously passed Ordinance No. 2117-2005 on December 12, 2005 (the "TIF Ordinance"), which created ten tax increment financing incentive districts in northeast Columbus as part of the City's "Pay As We Grow" program, including the Dublin-Granville North Incentive District which is generally located at the southeast corner of Hamilton Road and State Route 161; and

**WHEREAS,** The Ohio State University has entered into an agreement to purchase 31.5± acres within the Dublin-Granville North Incentive District, shown as the "Medical Campus" on Exhibit A attached hereto, on which it intends to construct an outpatient clinic serving the northeast portion of the City, provided that the University can apply for and receive its customary real property tax exemption; and

**WHEREAS,** since the owner of the property applied for the existing TIF exemption, Ohio Revised Code Section 5709.911(B)(1) provides that the University's application for its customary real property tax exemption cannot be approved until this Council provides its duly authorized written consent to the University's exemption by means of a duly enacted ordinance; and

**WHEREAS,** in exchange for the consent to its application and real property tax exemption, and in recognition of the City's past expenditures for public infrastructure in and around the Dublin-Granville North Incentive District, including the realignment of Hamilton Road, the University proposes to make a one-time, upfront payment of \$1,329,437 to the City, which amount represents the amount of TIF service payments the City expects to receive from the property; and

**WHEREAS,** the City entered into a Tax Increment Financing Agreement (the "TIF Agreement") with Hamilton Crossing LLC, an Ohio limited liability company, on March 20, 2017, to provide for the construction and financing of public infrastructure improvements within and around the Dublin-Granville North Incentive District and which agreement provides, among other things, that purchasers of property within the Incentive District shall be required to pay TIF service payments; and

**WHEREAS,** in consideration of the substantial benefits to northeast Columbus that will be derived from the outpatient

clinic, as well as the \$1,329,437 payment to be made by the University, this Council, pursuant to Ohio Revised Code Section 5709.911(B)(1), desires to provide its consent to the University's real property tax exemption; and

**WHEREAS**, an emergency exists in the usual daily operations of the Department of Development in that it is necessary to proceed as quickly as possible to provide the City's consent to the University's real property tax exemption for the property, in order to promote the economic development of the property and the creation of new jobs in the City as well as the provision of health services to the City's citizens, all for the preservation of the public health, peace, property and safety; **NOW, THEREFORE**,

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

**Section 1.** That, provided Hamilton Crossing LLC provides written consent to the City and subject to the receipt by the City of \$1,329,437 from The Ohio State University, this Council consents to the University's proposed exemption from real property taxes for the property it intends to acquire in the Dublin-Granville North Incentive District as shown on Exhibit A hereto, all in accordance with Ohio Revised Code Section 5709.911(B)(1), and this Council further agrees that such exemption from real property taxes and the exemption from the requirement to make TIF service payments shall not constitute a default under or breach of the TIF Agreement.

**Section 2.** That the Director of the Department of Development or other appropriate officers of the City are authorized to execute such agreements and instruments and to take all actions as may be necessary to implement this ordinance.

**Section 3.** That the payment of \$1,329,437 from The Ohio State University shall be deposited into the Street and Highway Improvement Non-Bond Fund (Fund 7766) and shall be deemed appropriated for the purposes set forth in the TIF Agreement and authorized to be expended therefrom in accordance with the TIF Agreement.

**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.