



Legislation Text

File #: 0756-2019, **Version:** 1

BACKGROUND: The City established the Stelzer-Stygler Community Reinvestment Area (CRA) in 1986 to stimulate private investment and job creation. In 1994, changes in the CRA law placed additional obligations on municipalities to compensate school districts for lost revenues arising from tax abatements. In May 2002, the City entered into a Compensation Agreement with the Gahanna-Jefferson School District to compensate the District for revenues from real property taxes forgone due to abatements on parcels in the Stelzer-Stygler CRA.

The present legislation authorizes the payment of \$252,722.20 to the Gahanna-Jefferson City School District as the compensation due in 2019 for tax year 2018. This sum is calculated using the definitions in the Compensation Agreement and is based on two parcels (520-250983 and 520-250987) in the Gahanna-Jefferson School District area of the Stelzer-Stygler CRA with building improvements and CRA tax abatements. The abatement for parcel 520-250983 commenced with tax year 2009 and terminated in tax year 2018. The abatement for parcel 520-250987 commenced with tax year 2017 and will terminate in tax year 2026.

The total private investment subject to exemption in the new buildings constructed on these two parcels was approximately \$23,684,700 in 2018 and the total estimated number of new jobs to be created was approximately 685.

Emergency action is requested in order for the City to make the \$252,722.20 payment to the Gahanna-Jefferson City School District according to the schedule established in the Compensation Agreement.

FISCAL IMPACT: The 2019 General Fund budget (citywide account) includes funding for this payment to the Gahanna-Jefferson School District. A transfer equal to 25 percent (25%) of the payment will be transferred from the Special Income Tax Fund.

To authorize and direct the City Auditor to transfer \$252,722.20 within the General Fund; to authorize and direct the City Auditor to appropriate and transfer \$63,180.55 in cash from the Special Income Tax Fund to the General Fund; to authorize and direct the payment of \$252,722.20 to the Gahanna-Jefferson School District to compensate for real property tax revenues forgone as a result of CRA tax abatements in the Stelzer-Stygler CRA; to authorize the expenditure of \$252,722.20 from the General Fund; and to declare an emergency. (\$252,722.20)

WHEREAS, Ordinance No. 1698-78, approved August 3, 1978, authorized the Development Department to carry out a Community Reinvestment Program (CRA) pursuant to Sections 3735.65 to 3735.70 of the Ohio Revised Code, to stimulate job creation and growth in the area; and

WHEREAS, the Stelzer-Stygler CRA was established by Resolution 140x-86, approved July 14, 1986 and subsequently amended by Resolutions 253x-86, 62x-87, 172x-92 and 97x-96; and

WHEREAS, changes in the CRA law in 1994 placed additional obligations on municipalities to compensate school districts for lost revenues arising from tax abatements; and

WHEREAS, Ordinance 0629-02, passed April 15, 2002, authorized a Compensation Agreement with the Gahanna-Jefferson School District to compensate the District for real property tax revenues forgone due to CRA tax abatements on parcels in the Stelzer-Stygler CRA; and

WHEREAS, two parcels in the Gahanna-Jefferson School District area of the Stelzer-Stygler CRA have a CRA tax abatement that require compensation for tax year 2018 in accordance with the Compensation Agreement; and

WHEREAS, the amount of compensation for tax year 2018, payable in 2019, is \$252,722.20 based on the formulas and procedures defined in the Compensation Agreement; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to authorize the Auditor to make the 2019 payment to the Gahanna-Jefferson School District pursuant to the Compensation Agreement in order to preserve the public peace, health, property, safety and welfare; **NOW, THEREFORE**,

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

SECTION 1. That the transfer of \$252,722.20 or so much thereof as may be needed, is hereby authorized between Departments within Fund 1000 General Fund per the account codes in the attachment to this ordinance.

SECTION 2. That from the unappropriated monies and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ended December 31, 2019, the sum of \$63,180.55 is appropriated in Fund 4300 Special Income Tax Fund in Object Class 10 Unallocated Balance per the accounting codes in the attachment to this ordinance.

SECTION 3. That the transfer of \$63,180.55 in cash only or so much thereof as may be needed, is hereby authorized to Fund 1000 General Fund per the account codes in the attachment to this ordinance.

SECTION 4. That the City Auditor is hereby authorized and directed to make payment to the Gahanna-Jefferson School District to compensate for real property tax revenues forgone as a result of CRA tax abatements in the Stelzer-Styglar CRA in the amount of \$252,722.20.

SECTION 5. That for the purpose stated in Section 4, the expenditure of \$252,722.20 or so much thereof as may be needed, is hereby authorized in Fund 1000 General Fund in Object Class 05 Other Expenditures per the accounting codes in the attachment to this ordinance.

SECTION 6. That for the reasons stated in the preamble hereto, this ordinance is hereby declared to be an emergency and shall take effect and be in force from and after its passage and approval by the Mayor or ten days if the Mayor neither approves nor vetoes the same.