



Legislation Text

File #: 1342-2020, **Version:** 1

Background: City Council passed Ordinance No. 1237-2015 on June 9, 2015 (the “2015 Ordinance”), creating the Old Dublin Road TIF, which Ordinance was subsequently amended to add additional parcels by Ordinance No. 3168-2019 passed on December 18, 2019 (the “2019 Ordinance”). Pursuant to Ordinance 1849-2015, the City previously entered into a Tax Increment Financing Agreement with Hallmark Dublin Road, LLC dated as of June 14, 2017, with respect to parcels relating to the 2015 Ordinance. In furtherance of the 2019 Ordinance, this Ordinance approves and authorizes a Tax Increment Financing and Cooperative Agreement by and among the City of Columbus, the Columbus-Franklin County Finance Authority, and Preferred Real Estate Investments, Inc., to provide for the funding of costs of sanitary sewer improvements necessary for the continued development of the parcels added to the Old Dublin Road TIF by the 2019 Ordinance.

Emergency Justification: Emergency legislation is required to allow for immediate execution of the Tax Increment Financing and Cooperative Agreement, which is necessary to facilitate the timely completion of the above-described sewer improvements.

Fiscal Impact: No funding is required for this legislation. The City is appropriating and authorizing the expenditure of TIF revenues to be deposited in the Old Dublin Road Municipal Public Improvement Tax Increment Equivalent Fund generated by the parcels added to the Old Dublin Road TIF by the 2019 Ordinance

To appropriate and authorize the expenditures of TIF revenues to be deposited in the Old Dublin Road Municipal Public Improvement Tax Increment Equivalent Fund generated by the parcels added to the Old Dublin Road TIF by Ordinance No. 3168-2019; to authorize the Director of the Department of Development to execute and deliver a Tax Increment Financing and Cooperative Agreement by and among the City of Columbus, the Columbus-Franklin County Finance Authority, and Preferred Real Estate Investments, Inc. to provide for the funding of costs of sanitary sewer improvements necessary for the continued development of the parcels added to the Old Dublin Road TIF; and to declare an emergency.

WHEREAS, pursuant to Ordinance 1237-2015 (the “2015 Ordinance”), this Council created the Old Dublin Road Tax Increment Financing (TIF) Area and the Old Dublin Road Public Improvement Equivalent Fund (the “TIF Fund”) under Ohio Revised Code Sections 5709.40 to 4709.43; and

WHEREAS, pursuant to Ordinance 1849-2015, this Council authorized the expenditure of the money deposited into the TIF Fund from the parcels in the 2015 Ordinance in accordance to the Tax Increment Financing (TIF) Agreement by and among the City and Hallmark Dublin Road, LLC; and

WHEREAS, pursuant to Ordinance 3168-2019 (the “2019 Ordinance”), this Council expanded the Old Dublin Road TIF to include additional parcels on a separate 30 year term, and

WHEREAS, Preferred Real Estate Investments, Inc. (the “Developer”) is developing certain parcels within the Old Dublin Road TIF as shown on Exhibit A to this ordinance (the “Developer Parcels”); and

WHEREAS, the City and the Developer have agreed that the Developer will construct an extension of the City’s sanitary sewer lines across Trabue Road and McKinley Avenue in order to serve both the Developer’s parcels as well as other parcels within and outside of the Old Dublin Road TIF area, subject to the City’s approval, execution and delivery of a Tax Increment Financing and Cooperative Agreement;

WHEREAS, the City desires to facilitate development of commercial development and new housing opportunities in the

Old Dublin Road TIF area by committing tax increment financing revenue paid by owners of the Developer Parcels to the Columbus-Franklin County Finance Authority to pay costs of the sewer line extension, which will help the City to enhance the growth and preservation of the community; and

WHEREAS, Hallmark Dublin Road, LLC will continue to only receive TIF revenue in the TIF Fund from the 2015 Ordinance parcels in accordance with its TIF Agreement and as part of the TIF Cooperative Agreement will acknowledge it has no claim, right, title, or interest to TIF revenue from the 2019 Ordinance parcels; and

WHEREAS, it is now necessary to appropriate and authorize the expenditure of non-school TIF service payments and property tax rollback payments to be deposited into the Old Dublin Road municipal public improvement tax increment equivalent fund from the Developer Parcels for the costs of the sewer line extension and from the non-Developer Parcels in the 2019 Ordinance for the calculation agent and for the 10-year optional call provision on the Finance Authority bonds, should the City at its sole discretion decide to exercise the call option, all in accordance with the Tax Increment Financing and Cooperative Agreement; 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 enter into said agreement for the preservation of the public health, peace, property and safety, that preservation being related to the timely manner in which the sewer improvement needs to be developed to create new job opportunities and housing for the citizens of the City; **NOW, THEREFORE**,

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

SECTION 1. That the Director of Development (the “Director”), for and in the name of the City, is hereby authorized to execute and deliver the Tax Increment Financing and Cooperative Agreement (the “TIF Agreement”) presently on file with the Director 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 as not being substantially adverse to the City, shall be evidenced conclusively by the execution and delivery of the TIF Agreement.

SECTION 2. That the Director or other appropriate officers of the City are authorized to execute such other agreements and instruments, subject to approval by the City Attorney’s Office, and to take all actions as may be necessary to implement this Ordinance and the transactions contemplated by the TIF Agreement.

SECTION 3. That the service payments in lieu of taxes and property tax rollback payments deposited into the Old Dublin Road Public Improvement Tax Increment Equivalent Fund created by Ordinance No. 1237-2015 (the “TIF Fund”) and generated from the 2019 Ordinance parcels including but not limited to the Developer Parcels shown on Exhibit A to this ordinance 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, and the City Auditor is authorized to make payments to the Columbus-Franklin County Finance Authority or its designee from the TIF Fund in accordance with the TIF Agreement upon order of the Director of Development or his designee and that no order shall be drawn or money paid except by voucher, the form of which shall be approved by the City Auditor.

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.