



Legislation Text

File #: 2563-2020, **Version:** 1

BACKGROUND: Pursuant to the Economic Development Agreement (the “EDA”) with 1489 Rohr Holding, LLC (the “Developer”), City Council, by its passage of Ordinance No. 1447-2020 on July 6, 2020 (the “Original TIF Ordinance”) and in accordance with Section 5709.40(B) of the Ohio Revised Code, created the Rickenbacker-317 TIF encompassing the Developer’s parcels (the “Site”) and additional parcels to the south currently being developed (the “Off-Site Parcels”). Pursuant to the EDA and the to be executed TIF Agreement authorized by Ordinance No. 1460-2020, the City and Developer have agreed to use service payment in lieu of taxes from the Site (the “Site TIF Revenue”) to finance some of the public infrastructure improvements required in Ordinance No. 3084-2019 rezoning the Site. In the EDA, the City reserved the right to use the service payment in lieu of taxes from the Off-Site Parcels (the “Off-Site TIF Revenue”) to finance additional regional public infrastructure improvements allowed in the Original TIF Ordinance that directly benefit the Site and Off-Site Parcels in the Rickenbacker-317 TIF.

Since the passage of the Original TIF Ordinance, the Department of Development has negotiated with additional developers to bring additional new developments (the “New Off-Site Parcels”) to the far south side of Columbus south of I-270 near Rickenbacker International Airport. In order to address and finance existing and anticipated public infrastructure issues in and around the Rickenbacker-317 TIF area and the New Off-Site Parcels, the Department of Development is proposing to expand the existing Rickenbacker-317 TIF area pursuant to Section 5709.40(B) of the Ohio Revised Code to include the New Off-Site Parcels. This Ordinance expands the Rickenbacker-317 TIF area and provides for a 100% exemption from real property taxation on all nonresidential improvements on the New Off-Site Parcels for a period of not more than thirty (30) years coinciding with the term of the Site and Off-Site Parcels in the Rickenbacker-317 TIF. This Ordinance also amends the Original TIF Ordinance to correct a Scribner’s error. The Eastland-Fairfield Career and Technical Schools was not listed as one of the “School Districts” to receive full compensation from the Rickenbacker-317 TIF. This Ordinance amends the definition of “School Districts” to include the Eastland- Fairfield Career and Technical Schools.

FISCAL IMPACT: No funding is required for this legislation. The City is foregoing real property tax revenue that it would have received from development on the New Off-Site TIF Parcels. Instead, the non-school portion of that revenue will be diverted to the Rickenbacker-317 TIF Fund.

To amend Ordinance No. 1447-2020 establishing the Rickenbacker-317 TIF to add additional parcels of real property to expand the Rickenbacker-317 TIF; to declare nonresidential improvements to those new TIF parcels to be a public purpose and exempt from real property taxation; to require the owners of those parcels to make service payments in lieu of taxes; to require the distribution of the applicable portion of those service payments to the Eastland-Fairfield Career and Technical Schools, Columbus City School District and Hamilton Local School District; and to deposit the remainder of those service payments in the Rickenbacker-317 TIF Fund; to amend Ordinance No. 1447-2020 to explicitly add the Eastland-Fairfield Career and Technical Schools as one of the “School Districts” to receive compensation from the Rickenbacker-317 TIF in an amount equal to the real property taxes that it would have been paid if the nonresidential improvement to each parcel within the Rickenbacker-317 TIF had not been exempt from taxation.

WHEREAS, the far south side of Columbus south of I-270 and near the Rickenbacker International Airport is seeing a spike in interest from developers, and pursuant to Ordinance No. 1443-2020, the City executed with 1489 Rohr Holding, LLC (the “Developer”) an Economic Development Agreement dated July 30, 2020 (the “EDA”) stating the City and Developer’s desire to create a TIF for the Developer’s parcels (the “Site”); and

WHEREAS, Sections 5709.40(B), 5709.42 and 5709.43 of the Ohio Revised Code (collectively, the “TIF Statutes”) authorize the legislative authority of a municipal corporation, by ordinance, to declare the improvement to certain parcels

of real property located within the municipal corporation to be a public purpose and exempt from taxation, require the owner of each parcel to make service payments in lieu of taxes, provide for the distribution of the applicable portion of such service payments to the joint vocational, city, local or exempted village school district, establish a municipal public improvement tax increment equivalent fund for the deposit of the remainder of such service payments and specify public infrastructure improvements made, to be made or in the process of being made that directly benefit, or that once made will directly benefit, those parcels; and

WHEREAS, in accordance with the TIF Statutes and by Ordinance No. 1447-2020 passed on July 6, 2020 (the “Original TIF Ordinance”), this Council created the Rickenbacker-317 TIF encompassing the Site and additional parcels to the south currently being developed (the “Off-Site Parcels”); and

WHEREAS, pursuant to the EDA and the to be executed TIF Agreement authorized by Ordinance No. 1460-2020, the City and Developer have agreed to use service payment in lieu of taxes from the Site (the “Site TIF Revenue”) to finance some of the public infrastructure improvements required in Ordinance No. 3084-2019 rezoning the Site, and the City reserved the right to use the service payment in lieu of taxes from the Off-Site Parcels (the “Off-Site TIF Revenue”) to finance additional regional public infrastructure improvements allowed in the Original TIF Ordinance that directly benefit the Site and Off-Site Parcels in the Rickenbacker-317 TIF; and

WHEREAS, since the passage of the Original TIF Ordinance, the Department of Development has negotiated with additional developers to bring additional new developments (the “New Off-Site Parcels”) to the far south side of Columbus near the existing Rickenbacker-317 TIF area; and

WHEREAS, in order to address and finance existing and anticipated public infrastructure issues in and around the Rickenbacker-317 TIF area and the New Off-Site Parcels, the Department of Development desires to expand the existing Rickenbacker-317 TIF area pursuant to Section 5709.40(B) of the Ohio Revised Code to include the parcels of real property identified and depicted on Exhibit A attached hereto, including, without limitation, tax parcel numbers 495-232641 and 510-180711 (with each existing or future parcel(s) of such New Off-Site Parcels referred to herein individually as a “Parcel” and collectively as the “Parcels” for purposes of treating the New-Off-Site Parcels as Parcels of the Original TIF Ordinance); and

WHEREAS, this Ordinance expands the Rickenbacker-317 TIF area and provides for a 100% exemption from real property taxation on all nonresidential development on the New Off-Site Parcels for a period of not more than thirty (30) years coinciding with the term of the Site and Off-Site Parcels in the Rickenbacker-317 TIF; and

WHEREAS, the City has determined that a portion of the service payments shall be paid directly to the Eastland-Fairfield Career and Technical Schools, Columbus City School District and Hamilton Local School District in an amount equal to the real property taxes that the school districts would have been paid if the nonresidential improvement to each New Off-Site Parcel located within the school districts had not been exempt from taxation pursuant to this Ordinance; and

WHEREAS, the remaining non-school portion of those service payments (the “New Off-Site TIF Revenue”) will be paid to the City for deposit into the Rickenbacker-317 TIF Fund established in the Original TIF Ordinance to be used together with the Off-Site TIF Revenue to fund regional public infrastructure improvements directly benefiting the Parcels; and

WHEREAS, notice of this proposed Ordinance has been delivered to the Board of Education of the Columbus City School District, Hamilton Local School District, and the Eastland-Fairfield Career and Technical Schools (the “School Districts”) in accordance with and within the time periods prescribed in Sections 5709.40 and 5709.83 of the Ohio Revised Code; **NOW THEREFORE**,

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

SECTION 1. Amending Scribner’s Errors. That Ordinance 1447-2020 is hereby amended to repeal any text in the Background, Title, Body, and Sections referring to only the “Columbus City School District and Hamilton Local School

District” and replace it with “Eastland-Fairfield Career & Technical Schools, Columbus City School District and Hamilton Local School District;” to resolve any doubt, the term “School Districts” in Ordinance 1447-2020 and this Ordinance means the Eastland-Fairfield Career & Technical Schools, Columbus City School District and Hamilton Local School District.

SECTION 2. Amended Exhibit. That Exhibit A of the Ordinance 1447-2020 passed on July 6, 2020 (the “Original TIF Ordinance”) is hereby repealed and replaced with Amended Exhibit A, attached hereto, to supplement the Parcels on Exhibit A to include the additional parcels set forth in Amended Exhibit A including, without limitation, tax parcel numbers 495-232641 and 510-180711 (the “New Off-Site Parcels”).

SECTION 3. Addition of Parcels to Rickenbacker-317 TIF. As amended hereby, this Council hereby declares pursuant to and in accordance with the provisions of Section 5709.40(B) of the Ohio Revised Code those New Off-Site Parcels shall be considered Parcels for all purposes of the Original TIF Ordinance. To resolve any doubt, as the thirty (30) year period set forth in Section 1 of the Original TIF Ordinance has not yet commenced, the exemption period of the New Off-Site Parcels shall coincide with the exemption period of the Parcels on Exhibit A as repealed and replaced with Amended Exhibit A. That, except as provided herein, all provisions of the Original TIF Ordinance shall remain in full force and effect.

SECTION 4. Further Authorizations. This Council ratifies the delivery of the notice of this Ordinance to the School Districts pursuant to Section 5709.40 and Section 5709.83 of the Ohio Revised Code; hereby authorizes and directs the Director of Development, the City Clerk or other appropriate officers of the City to deliver a copy of this Ordinance and status reports to the Ohio Development Services Agency pursuant to Section 5709.40(I) of the Ohio Revised Code; to make such arrangements as are necessary and proper for collection from the Owners of the Service Payments (as those capitalized terms are defined in the Original TIF Ordinance); further authorizes and directs the Director of Development, the City Clerk, the City Attorney or other appropriate officers of the City to prepare and sign all agreements and instruments and to take any other actions as may be appropriate to implement this Ordinance.

SECTION 5. Effective Date. This ordinance shall take effect and be in force from and after the earliest date permitted by law.