



## Legislation Text

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**File #:** 2571-2020, **Version:** 1

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**BACKGROUND:** The City, in cooperation and partnership with Franklin County and the Crew SC Stadium Company, LLC, a Delaware limited liability company, entered into a Development Agreement dated July 3, 2019 as authorized by Ordinance No. 1730-2019, documenting the parties' agreements relating to the development of a new multi-purpose sports, entertainment, cultural and recreational facility (the "Stadium"), and a project containing mixed-use retail, entertainment, residential, hospitality, office and/or commercial uses (the "Mixed-Use Development") adjacent to the Stadium (collectively the "Project") near the western terminus of Nationwide Boulevard and the Olentangy River. Pursuant to the Development Agreement and Resolution Nos. 0230X-2019 and 0252X-2019, the Confluence Community Authority (the "Authority") was created to among other things hold legal title to the Stadium and to issue development bonds and/or put in place other financing for the Project (the "Project Financing"). The Development Agreement was subsequently amended by a certain First Amendment to Development Agreement dated as of December 19, 2019, which added Crew SC Development Company, LLC, a Delaware limited liability company and the Authority as parties (the Development Agreement and First Amendment collectively the "EDA").

Pursuant to the EDA, the City agreed to support the Project by establishing tax increment financing under O.R.C. 5709.41 (the "Stadium 41 TIF") to assist in securing the Project Financing. In accordance with O.R.C. 5709.41, the Department of Development has submitted Ordinance No. 2481-2020 to authorize the City to accept title to the Project parcels from Confluence Development LLC, a Delaware limited liability company (the "Developer"), an affiliate of Crew SC Stadium Company, LLC, and the Authority, and then transfer title back to the Developer and the Authority in order to establish the Stadium 41 TIF. In order to further implement the EDA, the Department of Development has submitted Ordinance 2545-2020 for City Council consideration to remove the Project parcels from those remaining in the Jaeger TIF in order to establish the new Stadium 41 TIF with a 100% non-school exemption from real property taxation on commercial improvements to the Project parcels within the new Stadium 41 TIF area for a period of not more than thirty (30) years and to establish a TIF fund for service payments received from the Project parcels in the Stadium 41 TIF. This legislation approves and authorizes the Director of Development to enter into a TIF & Cooperative Agreement (the "TIF Agreement") between the City and the Authority, and the Developer if applicable, to provide for the terms of reimbursing the Project Financing and eligible costs of the Project pursuant to the TIF Agreement, and to appropriate and authorize the expenditure of the Stadium 41 TIF Fund per the terms of the TIF Agreement.

**FISCAL IMPACT:** No City funding is required for this legislation. The City is appropriating and authorizing the expenditure of TIF revenues to be deposited in the Stadium 41 TIF urban redevelopment tax increment equivalent fund in accordance with the TIF Agreement.

To appropriate and authorize the expenditures of TIF revenues to be deposited in the Stadium 41 TIF urban redevelopment tax increment equivalent fund; to authorize the Director of the Department of Development to enter into a TIF & Cooperative Agreement with Confluence Community Authority (the "Authority"), and if applicable, Confluence Development, LLC (the "Developer"), an affiliate of Crew SC Stadium Company, LLC to provide TIF service payments as security for either development bonds issued by the Authority and/or other financing needed by the Authority for the eligible costs of the Stadium and Mixed-Use Development (the "Project") pursuant to the TIF & Cooperative Agreement.

**WHEREAS,** the City, in cooperation and partnership with Franklin County and the Crew SC Stadium Company, LLC, a Delaware limited liability company have entered into a Development Agreement dated as of July 3, 2019 as authorized by Ordinance No. 1730-2019; and

**WHEREAS,** pursuant to the Development Agreement, the City, Franklin County, and Crew SC Stadium Company, LLC established the Confluence Community Authority (the "Authority") pursuant to the City's adoption of Resolution Nos.

0230X-2019 and 0252X-2019 and added the Authority and Crew SC Development Company, LLC as parties to the Development Agreement by a certain First Amendment to Development Agreement dated as of December 19, 2019 (the Development Agreement and First Amendment collectively the “EDA”); and

**WHEREAS**, the EDA provides for but is not limited to the development of a new multi-purpose sports, entertainment, cultural and recreational facility (the “Stadium”) and a project containing mixed-use retail, entertainment, residential, hospitality, office and/or commercial uses adjacent to the Stadium (the “Mixed-Use Development,” and together with the Stadium, the “Project”) near the western terminus of Nationwide Boulevard and the Olentangy River; and

**WHEREAS**, as contemplated in the EDA, the Authority owns the Stadium and will obtain a loan from the state (the “166 Loan”) and/or issue development bonds for the Project (the “Project Financing”) secured by the assignment of service payments from a new non-school tax increment financing area pursuant to Sections 5709.41, 5709.42 and 5709.43 of the Ohio Revised Code (the “Stadium 41 TIF”), which will help the City to enhance the growth and preservation of the community through planned development; and

**WHEREAS**, the Department of Development has submitted Ordinance No. 2481-2020 to authorize the City to accept title to the Project parcels from Confluence Development, LLC (the “Developer”) and the Authority, and then transfer title back to the Developer and the Authority prior to establishing the Stadium 41 TIF pursuant to Section 5709.41 of the Ohio Revised Code, which requires the City to hold fee title to the parcels to be included in the Stadium 41 TIF prior to establishing the Stadium 41 TIF and enacting this Ordinance; and

**WHEREAS**, the Project parcels remain subject to redevelopment, and pursuant to Ordinance No. 2043-2019 and the EDA, the Department of Development has submitted 2545-2020 for City Council consideration to amend and restructure the Jaeger TIF as authorized by Ordinance 1648-2016 and as amended by Ordinance 3170-2019 and Ordinance 2532-2020 in order to remove certain undeveloped parcels including the Project parcels from the Jaeger TIF in order to establish the new Stadium 41 TIF thereby allowing a 100% exemption of the Project parcels in the Stadium 41 TIF for a full 30 years to support the development of the Project; and

**WHEREAS**, pursuant to Section 5709.43(B) of the Ohio Revised Code and the Ordinance 2545-2020 submitted for City Council consideration, this Council has determined to establish an urban redevelopment tax increment equivalent fund for the Stadium 41 TIF Fund (the “TIF Fund”) in which there shall be deposited the non-school service payments distributed to the City generated from the parcels shown on Exhibit A to this Ordinance; and

**WHEREAS**, as contemplated in the EDA, it is necessary and appropriate to authorize the Department of Development to enter into the TIF & Cooperative Agreement (the “TIF Agreement”) with the Authority and the Developer, as necessary, to accommodate the collection, issuance, securance, and remittance of service payments in lieu of taxes, community development charges, and the Project Financing; 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 TIF Fund to the Authority or its designee(s), including a trustee (the “Trustee”), to secure the Project Financing for the construction of Project improvements in accordance with the TIF Agreement to be executed by the Director of Development; **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 the TIF & 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 by the Director, and the character of those changes and amendments as not being substantially adverse to the City, shall be evidenced conclusively by the Director’s execution and delivery thereof.

**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 Stadium 41 TIF Urban Redevelopment Tax Increment Equivalent Fund to be created by Ordinance 2545-2020 submitted for City Council consideration (the "TIF Fund") and generated from the 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 Confluence Community Authority or its designee(s), including the Trustee, 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.** This Ordinance shall take effect and be in force from and after the earliest date permitted by law.