



## Legislation Text

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**File #:** 2601-2020, **Version:** 1

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### Background

City Council established the original Easton tax increment financing (TIF) area in 1996 by Ordinance No. 1704-96 to provide for a 30 year tax increment financing exemption beginning tax year 1997 and ending in tax year 2026 in order to fund public infrastructure improvements necessary for the development of Easton. The TIF area was subsequently expanded in 2003 by Ordinance No. 0709-03 and then reduced in size in 2014 by Ordinance No. 2895-2014 to encompass its present boundaries, as shown on Exhibit A to the attached ordinance. The Easton TIF currently generates approximately \$7.5 million per year in non-school TIF revenue after providing for compensation payments to the Columbus City School District and Gahanna-Jefferson City School District, which each receive all real property taxes it would otherwise receive absent the TIF exemption. In 2019, the Ohio General Assembly adopted Section 5709.51 of the Revised Code, which allows City Council to extend the term of the exemption for certain TIFs generating in excess of \$1.5 million per calendar year in service payments made pursuant to Ohio Revised Code Section 5709.42, like the Easton TIF, for a period of up to 30 additional years. The attached ordinance extends the Easton TIF for an additional 30 year period, through tax year 2056, in order to provide funding for the additional public infrastructure anticipated to be necessary to complete the development of the Easton area during that timeframe, and the school districts will continue to receive all real property taxes they would otherwise receive absent the TIF exemption extension.

### Fiscal Impact

No funding is required for this legislation. The City will continue to forego real property tax revenue that it would have received from the development of the Easton TIF parcels. Instead, the non-school portion of that revenue will be diverted to a TIF fund.

To amend Ordinance No. 1704-96 to extend the exemption from taxation of improvements provided for by Ohio Revised Code 5709.40 for certain parcels comprising the Easton development in the City pursuant to Ohio Revised Code Section 5709.51.

**WHEREAS**, Ordinance 1704-96, passed by this Council on July 22, 1996 pursuant to Ohio Revised Code ("ORC") Section 5709.40 (as subsequently amended to add additional territory to the TIF area by Ordinance No. 0709-03 and to remove territory from the TIF area by Ordinance No. 2895-2014, the "1996 Easton TIF Ordinance"), declared improvements to certain parcels of real property that are part of the Easton development (as identified on Exhibit A to the 1996 Easton TIF Ordinance and shown on Exhibit A attached hereto, the "Parcels") to be a public purpose, required the owners of such parcels to make service payments in lieu of taxes and otherwise established a tax increment financing program for those parcels and the Easton development; and

**WHEREAS**, pursuant to ORC Section 5709.51 this Council may amend the 1996 Easton TIF Ordinance to extend, for up to 30 year additional years, the exemption from taxation of improvements to the Parcels granted pursuant to the TIF Ordinance if certain conditions are met; and

**WHEREAS**, the City desires to extend the Easton tax increment financing program for the Parcels pursuant to ORC Section 5709.51 to enable the City to make public infrastructure improvements that will directly benefit the Parcels and continue the job creation and retention activities at Easton, all for the welfare and benefit of the citizens of the City; and

**WHEREAS**, notice has been provided to the Board of Educations of Columbus City School District, the Gahanna-Jefferson City School District and the Eastland-Fairfield Career and Technical Schools of the City's intent to pass this ordinance; **NOW, THEREFORE**,

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

**Section 1.** As required by ORC Section 5709.51, this Council finds and determines that service payments made by owners of the Parcels pursuant to the 1996 Easton TIF Ordinance exceeded one million five hundred thousand dollars in calendar year 2019.

**Section 2.** The 1996 Easton TIF Ordinance is hereby amended to extend the exemption from taxation of improvements to the Parcels for a period of thirty (30) years from the end of the exemption as determined by Section 1 of Ordinance 1704-96 (the “Extension Period”), such that the final tax year of the exemption is tax year 2056.

**Section 3.** Pursuant to ORC 5709.51(A)(3), each of the Columbus City School District and the Gahanna-Jefferson City School District shall continue to receive compensation equal in value to the amount of taxes that would be payable to those school districts if the improvements to the Parcels had not been exempted from taxation for the Extension Period.

**Section 4.** In order to clarify the boundaries of the Easton TIF, any parcel for which more than half of its territory is within the boundary of the Parcels as set forth in the 1996 Easton TIF Ordinance shall be included in the Easton TIF and eligible to be exempt pursuant to the 1996 Easton TIF Ordinance, including, without limitation, tax parcel numbers 010-265880, 010-294814, 010-236091 and 010-221295.

**Section 5.** In order to further clarify the boundaries of the Easton TIF, any parcel for which more than half of its territory is within the boundary of the Parcels as set forth in Ordinance 2895-2014 shall be included in the New Easton TIF rather than the Easton TIF and eligible to be exempt pursuant to Ordinance 2895-2014, including, without limitation, tax parcel numbers 010-299133, 010-146555, and 010-204695.

**Section 6.** Except as provided herein, all other provisions of the 1996 Easton TIF Ordinance shall remain in full force and effect. City officials are further authorized to provide such information and to execute, certify or furnish such other documents, and to do all of the things as are necessary for and incidental to carrying out the provisions of this ordinance.

**Section 7.** This ordinance shall take effect and be in force from and after the earliest date permitted by law.