



Legislation Text

File #: 2971-2022, **Version:** 1

Background

City Council established the Downtown tax increment financing (TIF) area in 2008 by Ordinance No. 0973-2008 to provide for a 30-year tax increment financing exemption beginning for tax year 2009 and ending in tax year 2038 to fund infrastructure improvements necessary for the future development needs of Downtown. The Downtown TIF area was subsequently reduced in size in 2009 by Ordinance No. 1189-2009, in 2012 by Ordinance No. 0923-2012, in 2019 by Ordinance No. 3169-2019, and in 2020 by Ordinance Nos. 2619-2020 and 2620-2020, but will be reset by passage of this Ordinance to encompass its pre-November 23, 2020 boundaries, as shown on Exhibit A attached to this Ordinance.

The Downtown TIF currently generates approximately \$1.6 million per year in non-school TIF revenue after providing for the compensation payment from the county to the Columbus City School District, which receives all real property taxes it would otherwise receive absent the TIF exemption. In 2019, the Ohio General Assembly adopted Section 5709.51 of the Ohio Revised Code ("R.C."), which allows City Council to extend the term of a TIF exemption for an additional period of not more than 30 years for certain TIFs like the Downtown TIF which generates in excess of \$1.5 million per year in service payments made pursuant to R.C. Section 5709.42 in the calendar year preceding the adoption of the extension amendment ordinance.

Neither the City, nor the property owners, has filed a new tax increment financing application pursuant to R.C. Section 5709.911 on the parcels removed from the Downtown TIF by Ordinance No. 2619-2020 and Ordinance No. 2620-2020, and placed in newly authorized TIF areas, this Ordinance repeals Ordinance No. 2619-2020 and Ordinance No. 2620-2020, thereby resetting the parcels of the Downtown TIF in order to determine the proper boundaries of, and parcels within, the Downtown TIF.

This Ordinance also repeals and replaces Exhibit B attached to Ordinance No. 0973-2008 to provide an updated list of eligible public infrastructure improvements that can be funded during the remaining and extended term of the Downtown TIF. This Ordinance extends the Downtown TIF for an additional 30-year period, through tax year 2068, in order to provide funding for the additional public infrastructure improvements necessary to continue to attract development to Downtown during that time frame. In compliance with R.C. Section 5709.51(A)(3), the Columbus City School District will continue to receive all real property taxes it would otherwise receive absent the TIF exemption and 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 Downtown TIF parcels. Instead, the non-school portion of that revenue will be diverted to a TIF fund.

To repeal Ordinance No. 2619-2020 and Ordinance No. 2620-2020 to reset the boundaries of, and parcels within, the Downtown TIF area; to amend Ordinance No. 0973-2008, as previously amended, (i) to amend the parcels and map of the Downtown TIF, as depicted in Exhibit A, attached to that ordinance; (ii) to repeal and replace the authorized list of public infrastructure improvements funded by the Downtown TIF, attached as Exhibit B to that ordinance; and (iii) to extend the exemption period an additional thirty-years for certain parcels comprising the Downtown TIF pursuant to Ohio Revised Code Section 5709.51.

WHEREAS, Ordinance No. 0973-2008, passed by this Council on July 7, 2008 pursuant to Ohio Revised Code (“ORC”) Section 5709.40(B) (as subsequently amended by Ordinance Nos. 1189-2009, 0923-2012, 3169-2019, 2619-2020, 2620-2020 and this Ordinance, collectively, the “Downtown TIF Ordinance”), declared improvements to certain parcels of real property that are part of Downtown (as identified on Exhibit A to the Downtown TIF Ordinance) 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 in Downtown; and

WHEREAS, the City nor the property owners have filed a new tax increment financing application pursuant to Section 5709.911 of the ORC on the parcels to be removed from the Downtown TIF Ordinance and placed in newly authorized TIF areas by Ordinance No. 2619-2020 and Ordinance No. 2620-2020; and

WHEREAS, Ordinance No. 2619-2020 and Ordinance No. 2620-2020 shall be repealed by this Ordinance thereby also repealing those prior amendments to the Downtown TIF Ordinance to now reset the boundaries and the parcels included in the Downtown TIF Ordinance (as shown on Exhibit A attached hereto, the “Parcels”); and

WHEREAS, Section 5 of Ordinance No. 0973-2008 authorized any other public infrastructure improvements thereafter designated by ordinance as public infrastructure improvements, as public infrastructure improvements made, to be made, or in the process of being made by the City that directly benefit, or that once made will directly benefit the Parcels; and

WHEREAS, pursuant to ORC Section 5709.51 this Council may amend the Downtown TIF Ordinance to extend, for a period not exceeding 30 additional years, the exemption from taxation of improvements to the Parcels granted pursuant to the Downtown TIF Ordinance if certain conditions are met; and

WHEREAS, the City desires to extend the Downtown tax increment financing program for the Parcels, as they are determined by this Ordinance, pursuant to ORC Section 5709.51, to enable the City to make public infrastructure improvements, as designated by the attached Exhibit B to this Ordinance, that will directly benefit the Parcels and continue the job creation and retention activities in Downtown, all for the welfare and benefit of the citizens of the City; and

WHEREAS, notice has been provided to the Board of Education of the Columbus City School District of the City’s intent to pass this Ordinance; **NOW, THEREFORE**,

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

Section 1. That Ordinance No. 2619-2020 and Ordinance No. 2620-2020 each passed by this Council on November 23, 2020 are hereby repealed.

Section 2. That Exhibit A to Ordinance No. 0973-2008 passed by this Council on July 7, 2008, as previously amended as described herein, is hereby repealed and replaced with Exhibit A attached hereto, to reset the boundaries of, and the Parcels within, the Downtown TIF to their form as existed prior to November 23, 2020.

Section 3. That Exhibit B to Ordinance No. 0973-2008 is hereby repealed and replaced with Exhibit B attached hereto in order to add improvements to the list of public infrastructure improvements that may be funded from the payments in lieu of taxes that are collected from the Parcels.

Section 4. That, as required by ORC Section 5709.51, this Council finds and determines that service payments made pursuant to ORC Section 5709.42 by the owners of the Parcels pursuant to the Downtown TIF Ordinance exceeded one million five hundred thousand dollars in calendar year 2021 and that service payments made by the owners of the Parcels in any other prior individual calendar year did not exceed said amount.

Section 5. That the Downtown TIF Ordinance is hereby amended to extend the exemption from taxation of improvements to the Parcels for an additional period of thirty (30) years from the end of the exemption as determined by

Section 1 of Ordinance No. 0973-2008 (the “Extension Period”), such that the final tax year of the exemption is tax year 2068.

Section 6. That, pursuant to ORC 5709.51(A)(3), the Columbus City School District shall continue to receive compensation from the county equal in value to the amount of taxes that would be payable to the school district if the improvements to the Parcels had not been exempted from taxation for the Extension Period.

Section 7. That, pursuant to ORC Section 5709.51(B), this Council hereby authorizes the Director of the Department of Development, the City Clerk, or other appropriate officers of the City to deliver a copy of this Ordinance to the Director of the Ohio Department of Development within fifteen days after its passage.

Section 8. That, except as provided herein, all other provisions of the Downtown 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 9. This ordinance shall take effect and be in force from and after the earliest date permitted by law.