



Legislation Text

File #: 3009-2022, **Version:** 1

BACKGROUND: This ordinance authorizes the Director of the Columbus Department of Development to petition the Director of the Ohio Department of Development to amend the certification of an area designated within the City of Columbus (City) as a Community Reinvestment Area (CRA). CRAs have been designated by Columbus City Council (Council) under the general guidelines of Ordinance 1698-78. Such areas allow for the granting of real property tax incentives to encourage industrial, commercial and residential growth. This designated area, currently known as the South Grove CRA, number 049-18000-31, was authorized by Council by Resolution No. 0218X-78, passed on August 3, 1978 and certified by the State of Ohio on September 3, 1978.

This ordinance will amend the existing South Grove CRA by (1) renaming the South Grove CRA to be the Southside Investment District CRA (the "CRA"); (2) to revise the improvements eligible for abatement within the CRA; and by (3) adding approximately 8,931 acres as described in Attachments A-1 and A-2 (City of Columbus Community Reinvestment Area Expansion Map (A-1) and List of Parcels to be added to the CRA (A-2)). This addition is comprised of 1,959 individual parcels within the City of Columbus, contiguous with the current boundary of the CRA but not currently within the boundary of the CRA.

Approximately ninety percent (90.0%) of the parcels to be added to the CRA are within the Columbus City School District (CCSD), five percent (5.0%) are within the Groveport Madison Local School District, one percent (1.0%) will be within the Hamilton Local School District (HMSD) and four percent (4.0%) will be within the South-Western City School District (SWCSD). This CRA, as amended herein, results in sixty-two percent (62%) of the area is within the CCSD, six percent (6%) of the area to be added is within the GMLSD, seventeen percent (17%) of the area to be added is within the HLSD and fifteen percent (15%) of the area to be added is within the SWCSD.

This amending ordinance is the first of the "first two amendments" as defined in Sections 3735.661(A) and 3735.661(B) of the Ohio Revised Code (Pre-1994 community reinvestment area term extension) as related to Section 3 of Am. S.B. 19 of the 120th General Assembly and will authorize the expansion of the CRA and will continue to provide the City the ability to offer real property tax abatements for parcels within the expansion area described in Exhibits A1, A2 and A3.

The Columbus City School District, Hamilton Local School District, Groveport Madison Local School District and the South-Western City School District have been advised of this proposal as required under State law.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to petition the Ohio Department of Development to amend the existing South Grove Community Reinvestment Area as established by the Ohio Revised Code to (1) rename the Community Reinvestment Area as the Southside Investment District Community Reinvestment Area (the "CRA"); (2) to revise the improvements eligible for abatement within the CRA; and (3) to add approximately 8,931 acres of land within the City of Columbus, contiguous with the current boundary of the CRA but not currently within the boundary of the CRA.

WHEREAS, City Council desires to pursue all reasonable and legitimate incentive measures to assist in encouraging

housing maintenance and economic and community development in areas that have not benefited from reinvestment through renovation or new construction; and

WHEREAS, Ordinance No. 1698-78, approved by City Council on August 3, 1978, authorized the Columbus Department of Development to implement a Community Reinvestment Program, pursuant to Sections 3735.65 to 3735.70 of the Ohio Revised Code, and approved certain administrative procedures for the program; and

WHEREAS, on August 3, 1978, City Council approved Resolution No. 0218X-78 designating the South Grove CRA as a Community Reinvestment Area as established by Sections 3735.65 to 3735.70 of the Ohio Revised Code; and

WHEREAS, the South Grove CRA has been assigned the CRA number 049-18000-31 by the Ohio Department of Development and was certified by the State of Ohio on September 3, 1978; and

WHEREAS, the proposed area and its immediate vicinity have been surveyed and has been found to meet the criteria for designation of a Community Reinvestment Area; and

WHEREAS, the opportunity exists to modify the boundaries of the South Grove Community Reinvestment Area to include parcels within the expansion area shown on Exhibits A1, A2 and A3 (the Expansion Area); and

WHEREAS, this amending ordinance is the first of the “first two amendments” as defined in Sections 3735.661(A) and 3735.661(B) of the Ohio Revised Code (Pre-1994 community reinvestment area term extension) as related to Section 3 of Am. S.B. 19 of the 120th General Assembly and will authorize the expansion of the CRA and will continue to provide the City the ability to offer real property tax abatements for parcels within the expansion area described in Exhibits A1, A2 and A3; and now therefore:

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS

Section 1. That, as to the original designation of the South Grove Community Reinvestment Area, reference is made to Resolution No. 218X-78 passed by City Council on August 3, 1978, which as amended by this ordinance is hereby renamed the Southside Investment District Community Reinvestment Area.

Section 2. That Section 1 of Resolution 218X-78, passed by City Council on August 3, 1978, is repealed and that Section 2 of Resolution 218X-78, passed by City Council on August 3, 1978 shall be amended to read in its entirety as follows:

“**Section 2.** That the Southside Investment District area has housing and industrial facilities with discouraged investment and as such has successfully met the criteria for designation as a Community Reinvestment Area.”

Section 3. That Section 3 of Resolution 218X-78, passed by City Council on August 3, 1978, shall be amended to read in its entirety as follows:

“**Section 3.** That the boundaries of the Southside Investment District Community Reinvestment Area are described and shown within Exhibits A1 and A2 (the Expansion Area) attached hereto and incorporated herein by reference.”

Section 4. That Section 4 of Resolution 218X-78, passed by City Council on August 3, 1978, shall be amended to read in its entirety as follows:

“**Section 4.** That within the Southside Investment District Community Reinvestment Area tax abatements on the increase in the assessed valuation from improvements of or to real property as described in Section 3735.67 of the Ohio Revised Code will be granted upon (1) the completion of a pre-application on a form to be provided by the City prior to the commencement of the improvements and (2) the filing of a proper application for the tax

abatement (the “Applications”) by the property owner following completion of the improvements and certification thereof by the designated Housing Officer to the Franklin County Auditor. Applications for tax abatements hereunder must be filed with the Housing Officer no later than twelve (12) months following completion of the improvements. The abatement will first apply in the year following the calendar year in which the certification is made to the County Auditor (ORC 3735.67(D); Pre-SB19). Tax abatements on improvements will be granted as per the following:

(A). Up to twelve (12) years for the remodeling or renovation (as defined in Ohio Revised Code Section 3735.65 (C)) of existing structures for commercial and industrial use as described in Ohio Revised Code Section 3735.67 (D)(1), upon which the cost of remodeling or renovation must be at least two thousand five hundred dollars (\$2,500) or twenty percent (20%) of the assessed value of the structure (per the Franklin County Auditor prior to the commencement of the improvements), whichever is more. Remodeling or renovation for commercial retail business use is not an eligible improvement. All abatements granted pursuant to this Section shall be for one hundred percent (100%) of the improvement.

(B). Up to fifteen (15) years for the remodeling or renovation (as defined in Ohio Revised Code Section 3735.65 (C)) of existing structures for commercial and industrial use, upon which the cost of remodeling or renovation must be at least two thousand five hundred dollars (\$2,500) or twenty percent (20%) of the assessed value of the structure (per the Franklin County Auditor prior to the commencement of the improvements), whichever is more, if the structure is (1) of historical or architectural significance (as defined in Ohio Revised Code Section 3735.65 (D)) or (2) is a certified historic structure that has been subject to federal tax treatment under 26 U.S.C. 47 and 170(h) and units within the structure have been leased to individual tenants for five consecutive years, all as described in Ohio Revised Code Section 3735.67(D)(1). Remodeling or renovation for commercial retail business use is not an eligible improvement. All abatements granted pursuant to this Section shall be for one hundred percent (100%) of the improvement.

(C). Up to fifteen (15) years for commercial and industrial new construction as described in Ohio Revised Code Section 3735.67(D)(2), upon which the projected cost of the improvements is at least one million dollars (\$1M). New construction for commercial retail business use is not an eligible improvement. All abatements granted pursuant to this Section shall be for one hundred percent (100%) of the improvement.

Prior to the commencement of the improvements, the property owner will be considered to be a covered entity subject to Chapter 377 of the Columbus City Codes, Wage Theft Prevention and Enforcement (“Chapter 377”) and that the property owner will comply with all requirements set forth in Chapter 377.

The community reinvestment area tax abatements provided hereunder are senior to any other community reinvestment area tax abatements pursuant to Sections 3735.65 to 3735.70 of the Ohio Revised Code. Other than as specified in Sections 4(A) through 4(C) hereof, no community reinvestment tax abatement shall be granted in the Southside Investment District Community Reinvestment Area.”

Section 5. That Section 5 of Resolution 218X-78, passed by City Council on August 3, 1978, shall be amended to read in its entirety as follows:

“**Section 5.** That reference is made to Ordinance No. 1698-78, adopted by City Council on August 3, 1978, as to the designation of the Housing Officer and establishment of a Community Reinvestment Area Housing Council for the Southside Investment District Community Reinvestment Area and that a copy of this legislation (1) shall be forwarded by the Housing Officer to the Franklin County Auditor for information and reference, (2) a copy of this legislation shall be published in a newspaper of general circulation in the City once a week for two consecutive weeks immediately following passage of the legislation, and (3) that the Housing Officer is hereby authorized and directed, on behalf of the City, to petition the Director of the Ohio Department of Development for certification of the Southside Investment District Community Reinvestment Area with points (2) and (3) above being done within fifteen (15) days of passage of the legislation as described in Section 3735.66 of the

Ohio Revised Code.”

Section 6. That Section 6 of Resolution 218X-78, passed by City Council on August 3, 1978 shall be amended to read in its entirety as follows:

“**Section 6.** Except as amended hereby, the original CRA Resolution, Resolution No. 218X-78, shall remain in full force and effect and that for reasons stated in the preamble hereto, which is made a part hereof, this ordinance is declared to be an emergency measure and shall take effect and be in force from and after its adoption and approval by the Mayor or ten (10) days after its adoption and approval if the Mayor neither approves nor vetoes the same.”

Section 7. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.