



City of Columbus

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

Legislation Text

File #: 3154-2022, **Version:** 1

Background: Pursuant to the *Big Darby Accord Watershed Master Plan* and Resolution 0216X-2008, the City enacted a revenue program for public improvements within the Big Darby Accord area (the “Big Darby Revenue Program”). Ordinance 1947-2008 established a tax increment financing (TIF) incentive district south of West Broad Street between Galloway Road and Alton Darby Creek Road (the “Blausler-Summerlyn TIF”) pursuant to Ohio Revised Code Section 5709.40(C) to support the Big Darby Revenue Program and the then planned single-family development on the eastern portion of the Blausler-Summerlyn TIF. Due to the effects of the Great Recession, the western portion of the Blausler-Summerlyn TIF was not immediately developed, but by Ordinance 0411-2021, the City rezoned it to allow two-hundred sixty (260) multi-family units, one-hundred ninety-one (191) single family housing units, and a maximum of 150,000 square feet of commercial uses (the “Project”).

By authorization of Ordinance 2659-2021, the City and the Blausler Capital Ltd. (the “Developer”) then entered into the Big Darby - Blausler Farms Development Agreement dated November 22, 2021 (the “Agreement”). Per the Agreement, the parties desire to maximize the Big Darby Revenue Program from the Project by TIF exempting the multi-family improvements to immediately occur on Tax Parcel ID Nos. 010-306518 and 010-306519 (together the “Additional Parcels”) for a term not to exceed 30 years. Pursuant to Ohio Revised Code Section 5709.40(B) and Ordinance 2990-2021, the City established a new TIF area over Tax Parcel ID No. 570-184818 at the corner of West Broad Street and Doherty Road (the “West Broad Street TIF”) near the Project to support the Big Darby Revenue Program.

This legislation will amend Ordinance 1947-2008 to remove the Additional Parcels from the Blausler-Summerlyn TIF and amend Ordinance 2990-2021 to add the Additional Parcels to the West Broad Street TIF. The Columbus City Schools will continue to receive, in the same manner as usual, all amounts that it would have received in real property taxes had the new TIF exemption not been granted to the Additional Parcels. This legislation will also remove Tax Parcel ID Nos. 010-287875 and 010-297361 owned by the City, and Tax Parcel ID Nos. 010-296933, 010-291856, and 010-291855 owned by the Board of Trustees of Prairie Township, from the Blausler-Summerlyn TIF and not include them in any TIF as those parcels will not add to the Big Darby Revenue Program.

Emergency Justification: Emergency legislation is required to allow for the immediate effectiveness of this Ordinance to add Tax Parcel ID Nos. 010-306518 and 010-306519 to the West Broad Street TIF prior to the assessment at the end of the year of any new Project improvements already under construction in order to maximize revenue available for the Big Darby Revenue Program.

Fiscal Impact: No funding is required for this legislation. The City is now foregoing ninety-five percent (95%) of the real property tax revenue that it would have received from the Project on the Additional Parcels. Instead, the non-school portion of that revenue will be diverted to the West Broad Street TIF Fund.

To amend Ordinance 1947-2008 by removing Tax Parcel ID Nos. 010-306518 and 010-306519 (the “Additional Parcels”), Tax Parcel ID Nos. 010-287875 and 010-297361 owned by the City, and Tax Parcel ID Nos. 010-296933, 010-291856, and 010-291855 owned by the Board of Trustees of Prairie Township, from the Blausler-Summerlyn TIF; to amend Ordinance 2990-2021 to add the Additional Parcels to the West Broad Street TIF; to declare the improvements to the Additional Parcels to be a public purpose and exempt from real property taxation for the same exemption rate and period as the original West Broad Street TIF parcels; to require the owner(s) of the Additional Parcels to make service payments in lieu of taxes; to require the distribution of the applicable portion of those service payments to the Columbus

City School District; to deposit the remainder of those service payments into the West Broad Street TIF Fund for certain public infrastructure improvements contemplated by the Big Darby - Blauser Farms Development Agreement dated November 22, 2021; and to declare an emergency.

WHEREAS, pursuant to Section 5709.40(C) of the Ohio Revised Code (“ORC”) and Ordinance 1947-2008, City Council created a tax increment financing (TIF) incentive district south of W. Broad Street generally between Galloway Road and Alton Darby Creek Road (the “Blauser-Summerlyn TIF”); and

WHEREAS, Blauser Capital Ltd. (the “Developer”) is planning the development of an approximately 126.3-acre site on Tax ID Parcel Nos. 010-256886, 010-306518, and 010-306519 (the “Developer Property”) as depicted on Exhibit A attached hereto; and

WHEREAS, as allowed by Ordinance 0411-2021 rezoning the Developer Property, the Developer has proposed the construction of two-hundred sixty (260) multi-family units, one-hundred ninety-one (191) single family housing units, and a maximum of 150,000 square feet of commercial uses (the “Project”); and

WHEREAS, as authorized by Ordinance 2659-2021, the Director of the Department of Development entered into the Big Darby - Blauser Farms Development Agreement dated November 22, 2021 (the “Agreement”) with the Developer; and

WHEREAS, the Agreement outlined the implementation of a public revenue generating program on the Developer Property consistent with the *Big Darby Accord* and Resolution 0216X-2008 (the “Big Darby Revenue Program”) including establishing a new tax increment financing area over parts of the Developer Property prior to the construction of certain phases of the Project; and

WHEREAS, on July 5, 2022, the Developer transferred Tax ID Parcel Nos. 010-306518, and 010-306519 (the “Additional Parcels”) to Darby Crossing Apartments LP for the construction of the multi-family phase of the Project; and

WHEREAS, ORC Sections 5709.40(B), 5709.42, and 5709.43 (collectively, the “TIF Statutes”) authorize this Council, by ordinance, to declare the improvement to parcels of real property located within the City 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 subjected school districts and the City, establish a municipal public improvement tax increment equivalent fund for the deposit of those non-school service payments, and specify the purposes for which money in that fund will be expended; and

WHEREAS, pursuant to the TIF Statutes and Ordinance 2990-2021 (the “TIF Ordinance”), the City has already recently established a new TIF area over Tax ID Parcel No. 570-184818 at the corner of W. Broad Street and Doherty Road near the Project for the purposes of the Big Darby Revenue Program (the “West Broad Street TIF”); and

WHEREAS, to facilitate the desired development of the Developer Property and maximize the monies for the Big Darby Revenue Program, the City has determined that it is in its best interest to add the Additional Parcels to the West Broad Street TIF to exempt from taxation ninety-five percent of the improvements to the Additional Parcels for the same thirty-year term as the original parcels of the West Broad Street TIF (with the Additional Parcels now being included as a “Parcel” and collectively included with the “Parcels” as defined in and for purposes of the TIF Ordinance); and

WHEREAS, in accordance with the Big Darby Revenue Program, the five percent (5%) of the real property taxes of the improvements to the Additional Parcels not exempted from taxation pursuant to this Ordinance will be distributed directly to Franklin County and the county-wide levy agencies; and

WHEREAS, the City has determined that the applicable portion of the service payments in lieu of taxes generated from

the Additional Parcels shall be paid directly to Columbus City Schools in an amount equal to the real property taxes that Columbus City Schools would have been paid if the improvement to the Additional Parcels located within the Columbus City Schools District had not been exempt from taxation; and

WHEREAS, the remaining non-school service payments in lieu of taxes from the Additional Parcels will be distributed to the City for deposit into the West Broad Street TIF Fund to be used for certain public infrastructure improvements contemplated by the Agreement; and

WHEREAS, notice of this proposed ordinance has been delivered to the Board of Education of the Columbus City Schools, and South Western City Schools as the original school district, in accordance with and within the time periods prescribed by ORC Sections 5709.40 and 5709.83, respectively; and

WHEREAS, Tax Parcel ID Nos. 010-287875 and 010-297361 owned by the City (the “City Parcels”), and Tax Parcel ID Nos. 010-296933, 010-291856, and 010-291855 owned by the Board of Trustees of Prairie Township (the “Township Parcels” as they and the City Parcels are depicted on Exhibit A hereto) will also be removed from the Blausen-Summerlyn TIF by this Ordinance and not included in any other TIF as the City Parcels and Township Parcels will not add to the Big Darby Revenue Program; and

WHEREAS, an emergency exists in the usual daily operations of the Department of Development such that the Blausen-Summerlyn TIF and the West Broad Street TIF must be immediately amended to remove and add the Additional Parcels before the end of the year prior to the assessment of any new Project improvements to the Additional Parcels to maximize the revenue available for the public infrastructure improvements thereby preserving the public health, peace, property and safety; **NOW, THEREFORE**,

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

Section 1. TIF Amendments. Council finds and determines that amending Ordinance 1947-2008 and Ordinance 2990-2021 is in furtherance of, and supports, the Big Darby Revenue Program. Exhibit A to Ordinance 1947-2008 and Exhibit A to the TIF Ordinance are hereby repealed and replaced with Exhibit A attached hereto to remove the Additional Parcels from the Blausen-Summerlyn TIF and add them to the West Broad Street TIF as well as remove the City Parcels and the Township Parcels from the Blausen-Summerlyn TIF.

Section 2. Parcels of the West Broad Street TIF. That the Parcels, as defined in the TIF Ordinance and set forth in its Exhibit A, are hereby supplemented to include the Additional Parcels as set forth in this Exhibit A; the Additional Parcels shall each be considered a Parcel and included in the Parcels for all purposes of the TIF Ordinance, as amended hereby.

Section 3. School District. Any reference to the School District in the TIF Ordinance shall hereafter refer to both the South Western City Schools and the Columbus City Schools as appropriate. Pursuant to the TIF Statutes, the County Treasurer is requested to distribute the applicable service payments and property tax rollback payments to the South Western City Schools and the Columbus City Schools in an amount equal to the amount each would otherwise receive as real property tax payments (including the applicable portion of any property tax rollback payments) derived from the Improvement, as defined in the TIF Ordinance, to each Parcel if the Improvement had not been exempt from taxation pursuant to the TIF Ordinance and this Ordinance.

Section 4. No Other Modifications. Except as provided herein, all provisions of the TIF Ordinance shall remain in full force and effect; it is the intent of City Council that the TIF Ordinance and this Ordinance be construed together as a single instrument.

Section 5. Further Authorizations. This Council ratifies the delivery of the notice of this Ordinance to the South

Western City Schools and the Columbus City Schools pursuant to Section 5709.40 and Section 5709.83 of the Ohio Revised Code; authorizes and directs the Director of the Department of Development, the City Clerk, and/or other appropriate officers of the City or their designees to deliver a copy of this Ordinance and status reports to the Ohio Department of Development pursuant to Section 5709.40(I) of the Ohio Revised Code; to make such arrangements as are necessary and proper for the collection of the service payments in lieu of taxes from the Additional Parcels; and further authorizes those same officials of the City and their designees to execute such other agreements and instruments and to take all actions necessary to implement this Ordinance.

Section 6. Effective Date. For the reasons stated in the Preamble hereto, which is hereby made a part hereof, this Ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after the passage if the Mayor neither approves nor vetoes the same.