



Legislation Text

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AN ORDINANCE DECLARING THE IMPROVEMENT TO CERTAIN PARCELS OF REAL PROPERTY IN THE CITY'S JOHNSTOWN ROAD DISTRICT TO BE A PUBLIC PURPOSE AND EXEMPT FROM TAXATION; ESTABLISHING A TAX INCREMENT EQUIVALENT FUND AND PROVIDING FOR THE COLLECTION AND DEPOSIT OF SERVICE PAYMENTS INTO THAT FUND; SPECIFYING THE PUBLIC INFRASTRUCTURE IMPROVEMENTS DIRECTLY BENEFITING THE PARCELS; AUTHORIZING MAKE-WHOLE COMPENSATION PAYMENTS TO THE GAHANNA-JEFFERSON CITY SCHOOL DISTRICT AND THE EASTLAND FAIRFIELD CAREER & TECHNICAL SCHOOLS; AND AUTHORIZING THE EXECUTION OF AN INFRASTRUCTURE FUNDING AGREEMENT WITH MIFFLIN TOWNSHIP; AND TO DECLARE AN EMERGENCY.

WHEREAS, Ohio Revised Code Sections 5709.40 to 5709.43 (collectively, the "TIF Statutes") authorize the legislative authority of a municipal corporation, by ordinance, to declare the improvement to each parcel of real property located within the municipal corporation to be a public purpose and exempt from taxation, require the owner of each parcel to make service payments in lieu of taxes, establish a municipal public improvement tax increment equivalent fund for the deposit of the those service payments, specify public infrastructure improvements made, to be made or in the process of being made that directly benefit, or that once made will directly benefit those parcels and enter into a compensation arrangement with each affected school district; and

WHEREAS, this Council has determined to declare the improvements to certain parcels of real property in the City's Johnstown Road District to be a public purpose; and

WHEREAS, this Council desires to provide for the acquisition or construction of certain public infrastructure improvements; and

WHEREAS, this Council has determined it necessary to enter into an Infrastructure Funding Agreement with Mifflin Township in an effort to fund certain capital expenditures as allowed by the Ohio Revised Code, solely from the amounts available in the TIF Fund, in an amount equal to the real property taxes that Mifflin Township would have received from the Franklin County Treasurer if not for the TIF Exemption (as defined herein); and

WHEREAS, notice of this proposed Ordinance has been delivered to the Boards of Education of the Gahanna-Jefferson City School District and the Eastland Fairfield Career & Technical Schools in accordance with and within the time periods prescribed in Ohio Revised Code Sections 5709.40 and 5709.83.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GAHANNA, COUNTY OF FRANKLIN, STATE OF OHIO:

Section 1. Parcels. The parcels of real property subject to the exemption granted by this Ordinance are identified and depicted in EXHIBIT A attached hereto (each, as currently or subsequently configured, individually, a “Parcel” and collectively, the “Parcels”).

Section 2. Public Infrastructure Improvements. This Council hereby designates the public infrastructure improvements described in EXHIBIT B attached hereto (the “Public Infrastructure Improvements”) and any other public infrastructure improvements hereafter designated by ordinance 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.

Section 3. Exemption. This Council hereby finds and determines that 100% of the increase in assessed value of each Parcel subsequent to the effective date of this Ordinance (which increase in assessed value is hereinafter referred to as the “Improvement” as defined in Ohio Revised Code Section 5709.40(A)) is hereby declared to be a public purpose and shall be exempt from taxation for a period commencing with the first tax year that begins after the effective date of this Ordinance and in which an Improvement first appears on the tax list and duplicate of real and public utility property for that Parcel and ending on the earlier of (a) thirty (30) years after such commencement or (b) the date on which the City can no longer require service payments in lieu of taxes, all in accordance with the requirements of the TIF Statutes.

Section 4. Service Payments. As provided in Ohio Revised Code Section 5709.42, the owner of each Parcel is hereby required to and shall make service payments in lieu of taxes with respect to the Improvement allocable thereto to the Treasurer of Franklin County, Ohio (the “County Treasurer”) on or before the final dates for payment of real property taxes. The service payments in lieu of taxes shall be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and collected against that Improvement if it were not exempt from taxation pursuant to Section 3, including any penalties and interest (collectively, the “Service Payments”). The Service Payments, and any other payments with respect to each Improvement that are received by the County Treasurer in connection with the reduction required by Ohio Revised Code Sections 319.302, 321.24, 323.152 and 323.156, as the same may be amended from time to time, or any successor provisions thereto as the same may be amended from time to time (the “Property Tax Rollback Payments”), shall be allocated and distributed in accordance with Section 6.

Section 5. TIF Fund. This Council hereby establishes, pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.43, the Johnstown Road Municipal Tax Increment Equivalent Fund (the “TIF Fund”). The TIF Fund shall be maintained in the custody of the City and shall receive all distributions to be made to the City pursuant to Section 6. Those Service Payments and Property Tax Rollback Payments received by the City with respect to the Improvement of each Parcel and so deposited pursuant to Ohio Revised Code Section 5709.42 shall be used solely for the purposes authorized in the TIF Statutes or this Ordinance. The TIF Fund shall remain in existence so long as such Service Payments and Property Tax Rollback Payments are collected and used for the aforesaid purposes, after which time the TIF Fund shall be dissolved and any surplus funds remaining therein transferred to the City's General Fund, all in accordance with Ohio Revised Code Section 5709.43.

Section 6. Distributions. Pursuant to the TIF Statutes, the County Treasurer is requested to distribute the Service Payments and Property Tax Rollback Payments as follows:

- (a) to each of the Gahanna-Jefferson City School District and the Eastland-Fairfield Career & Technical Schools, an amount equal to the respective amount each school district would otherwise have received as real property tax payments (including the applicable portion of any Property Tax Rollback Payments) derived from the Improvement to each Parcel if the Improvement had not been exempt from taxation pursuant to this Ordinance; and
- (b) to the City, all remaining amounts for further deposit into the TIF Fund for payment of costs of the Public Infrastructure Improvements (including, without limitation, those identified in the Infrastructure Funding Agreement between the City and Mifflin Township as described in EXHIBIT C), including, without limitation, debt charges on any note or bonds of the City issued to pay finance costs or costs of those Public Infrastructure Improvements.

Section 7. Further Authorizations. This Council hereby authorizes and directs the Mayor or other appropriate officers of the City to make such arrangements as are necessary and proper for collection of the Service Payments. This Council further hereby authorizes and directs Mayor or other appropriate officers of the City to prepare and sign all agreements and instruments and to take any other actions as may be appropriate to implement this Ordinance. This Council further hereby authorizes and directs the Mayor to enter into an Infrastructure Funding Agreement with Mifflin Township in an effort to fund certain capital expenditures as allowed by the Ohio Revised Code, solely from the amounts available in the TIF Fund.

Section 8. Tax Incentive Review Council. The City's Tax Incentive Review Council will review annually all exemptions from real property taxation granted by this Ordinance in accordance with the requirements of Ohio Revised Code Section 5709.85.

Section 9. Reports. Pursuant to Ohio Revised Code Section 5709.40(I), the Director of the Department of Planning & Development is hereby directed to deliver a copy of this Ordinance to the Director of the Ohio Development Services Agency within fifteen days after its effective date. Further, and on or before March 31 of each year that the exemption set forth in this Ordinance remains in effect, the Director of the Department of Planning & Development or other authorized officer of the City shall prepare and submit to the Director of the Ohio Development Services Agency the status report required under Ohio Revised Code Section 5709.40(I).

Section 10. Open Meetings. This Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council or any of its committees, and that all deliberations of this Council and any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law including Ohio Revised Code Section 121.22.

Section 11. Effective Date. That, for the reasons set forth in the preamble hereinabove, this Ordinance is declared emergency legislation and shall be in full force and effect immediately upon passage by this Council and on date of signature approval by the Mayor.