



Legislation Details (With Text)

File #: O-682-23 **Version:** 1 **Name:**

Type: Ordinance **Status:** Approved

File created: 12/8/2023 **In control:** Law Department

On agenda: 12/19/2023 **Final action:** 12/19/2023

Title: Extending the term of the exemption from taxation of improvements as provided for and authorized under Ordinance 1233-98, and as permitted by Ohio Revised Code Section 5709.51 and compatible with the provisions of Ordinance 1233-98, for an additional period of thirty (30) years; amending Section 2 of Ordinance 1233.98; requiring compensation from service payments be made to the School District equal to what would have been payable if the improvement were not exempted for the additional period; authorizing the Mayor to take any actions necessary to effectuate the extension of the exemption for the additional period; and declaring an emergency.

Sponsors: Eileen Granata

Indexes:

Code sections:

Attachments: 1. Video: City Council 12/19/2023

Date	Ver.	Action By	Action	Result
12/19/2023	1	City Council	Suspension	Pass
12/19/2023	1	City Council	Emergency	Pass
12/19/2023	1	City Council	Passage	Pass

Extension of Jeep TIF
 Economic Development/Law
 B. Sehlhorst (x1692)/E. Granata (x-1034)

Extending the term of the exemption from taxation of improvements as provided for and authorized under Ordinance 1233-98, and as permitted by Ohio Revised Code Section 5709.51 and compatible with the provisions of Ordinance 1233-98, for an additional period of thirty (30) years; amending Section 2 of Ordinance 1233.98; requiring compensation from service payments be made to the School District equal to what would have been payable if the improvement were not exempted for the additional period; authorizing the Mayor to take any actions necessary to effectuate the extension of the exemption for the additional period; and declaring an emergency.

SUMMARY & BACKGROUND:

Ordinance 1233.98, enacted December 10, 1998, provided for tax increment financing exemptions for Improvements to specified property as included in the Stickney Urban Renewal Plan adopted by Council under Ordinance 994-98 for the purpose of retaining and expanding employment, facilitating investment in new production capacity at the site, facilitating additional private sector investment and supporting public improvements that benefit the site parcels. The Ordinance provided for the owner to make service payment in lieu of taxes to the County Treasurer for a term of 30 years, which distribution from the Treasurer to the City is to be deposited into the Municipal Public Improvement Tax Increment Equivalent Fund and used to pay the direct and indirect costs of public improvements authorized under the Ordinance (“Public Improvements”) and paid or incurred by the City, including but not limited to interest and principal on City bonds or notes or

state or federal loans used to finance Public Improvements.

Ohio Revised Code §5709.51 as amended as of October, 23, 2023 authorizes the legislative authority of a municipal corporation to extend a certain TIF exemptions made pursuant to R.C. 5709.40(B), 5709.41 or other cited R.C. provisions for an additional period of up to 30 years, provided that the city or local Public School District(s) in which the parcels are located is (or are) are paid compensation equal in value to the amount of taxes that would be payable to the School District if the improvements had not been exempted from taxation for the additional period.

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That the Council finds that the existing TIF exemptions authorized pursuant to Ordinance 1233-98, enacted December 10, 1998, and the related service payments made under that Ordinance and R.C. 5709.42 by the owner(s) of the parcels designated in Ordinance 1233-98 exceeded one million five hundred thousand dollars (\$1,500,000) in the calendar year preceding this Ordinance.

SECTION 2. That SECTION 2 of Ordinance 1233.98 which reads as follows:

“Pursuant to and in accordance with the provision of Ohio Revised Code Section 5709.40, this Council hereby finds and determines that 100% of the increase in the assessed value of the Existing Property, and each individual parcel within the Existing Property, subsequent to the effective date of this Ordinance (which increase in assessed value is herein referred to as the “Improvement” as defined in said Section 5709.40) is a public purpose, and 100% of said Improvement is hereby declared to be a public purpose for a period of 30 years and exempt from taxation commencing on the effective date of this Ordinance and ending on the earlier of the (1) date on which the Improvements have been exempted from taxation for a period of 30 years or (2) on the date on which the City has collected into the Municipal Public Improvement Tax Increment Equivalent Fund thereafter authorized a total amount of payments in lieu of taxes paid by the owners with respect to the Improvements, in an amount sufficient to pay the balance of the City’s costs of those Public Improvements the City determines to undertake which are not paid from grant funds received from the State of Ohio and/or the federal government, including without limitation the payment of principal and interest on State or federal loans, or the City’s notes, bonds or other obligations and any refunding obligations entered into or issued to finance costs of any of the Public Improvements, and including reimbursement to the City for any funds used by the City to pay such costs, interest and principal, prior to receipt of said service payments.”

be and is amended to read as follows:

“That pursuant to and in accordance with the provision of Ohio Revised Code (“R.C.”)Section 5709.40, this Council hereby finds and determines that 100% of the increase in the assessed value of the Existing Property, and each individual parcel within the Existing Property, subsequent to the effective date of this Ordinance (which increase in assessed value is herein referred to as the “Improvement” as defined in said Section 5709.40) is a public purpose, and 100% of said Improvement is hereby declared to be a public purpose for a period of 30 years and exempt from taxation commencing on the effective date of this Ordinance and ending on the earlier of the (1) date on which the Improvements have been exempted from taxation for a period of 30 years or (2) on the date on which the City has collected into the Municipal Public Improvement Tax Increment Equivalent Fund thereafter authorized a total amount of payments in lieu of taxes paid by the owners with respect to the Improvements, in an amount sufficient to pay the balance of the City’s costs of those Public Improvements the City determines to undertake which are not paid from grant funds received from the State of Ohio and/or the federal

government, including without limitation the payment of principal and interest on State or federal loans, or the City’s notes, bonds or other obligations and any refunding obligations entered into or issued to finance costs of any of the Public Improvements, and including reimbursement to the City for any funds used by the City to pay such costs, interest and principal, prior to receipt of said service payments. Further, that the term of the exemption as authorized under this Section shall be extended for an additional thirty (30) year period (the “Additional Exemption Period”) subsequent to the above stated 30 year period, as may be authorized under R.C. Chapter 5709 and by a subsequent Ordinance of Council, provided that during the Additional Exemption Period, the School District in which the parcels are located is paid compensation equal in value to the amount of taxes that would be payable to the School District if the improvements had not been exemption from taxation.”

SECTION 3. That Council authorizes, pursuant to R.C. § 5709.51 and SECTIONS 1 and 2 above, the extension of the tax increment financing exemption authorized by Ordinance 1233.98 for the Additional Exemption Period of thirty (30) years beginning immediately following the original thirty (30) year exemption term.

SECTION 4. That during the term of the Additional Exemption Period, the School District in which the parcels designated in Ord. 1233.98 are located shall be paid compensation equal in value to the amount of taxes that would be payable to the School District if the Improvements had not been exempted from taxation.

SECTION 5. That the Mayor, Law Director and Director of Economic Development are authorized to enter into agreements with owners and/or the School District, execute documents and/or take such other actions as necessary to effectuate the provisions and purpose of this Ordinance in accord with applicable Ohio law.

SECTION 6. That any service payments from owners of the TIF parcels made and distributed by the Lucas County Treasurer to the City during the Additional Exemption Period shall be deposited into the Municipal Public Improvement Tax Increment Equivalent Fund and used to pay the direct and indirect costs of public improvements authorized under Ordinance 1233.98, including any such additional purposes as may be authorized by City Council in any amendment or supplement to Ordinance 1233.98 or this Ordinance (the “Public Improvements”), paid or incurred by the City, including but not limited to interest and principal on City bonds or notes or state or federal loans used to finance Public Improvements.

SECTION 7. That the Clerk of Council is authorized and directed to send a certified copy of this Ordinance within fifteen (15) days after passage or prior to December 31, 2023, whichever is earlier, to the Director of the Ohio Department of Development.

SECTION 8. That this Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and property of the City and for the further reason that this Ordinance is required to be effective immediately in order to ensure continued funding of the Public Improvements the City determines to undertake, and in order to retain and provide necessary jobs and employment opportunities and improve the economic welfare of the people and generate necessary tax and payments in lieu of tax revenues, wherefore, this ordinance shall be in full force and effect immediately upon its passage or at the earliest time allowed by law.

Vote on emergency clause: yeas _____, nays _____.

Passed: _____, as an emergency measure: yeas _____, nays _____.

Attest: _____
Clerk of Council

President of Council

Approved: _____

Mayor

I hereby certify that the above is a true and correct copy of an Ordinance passed by Council

_____.

Attest: _____
Clerk of Council