



Legislation Details (With Text)

File #: 1064-2011 **Version:** 1
Type: Ordinance **Status:** Passed
File created: 6/27/2011 **In control:** Health, Housing & Human Services Committee
On agenda: 7/11/2011 **Final action:** 7/13/2011

Title: To authorize the Director of the Department of Development to enter into a grant agreement with the Franklinton Development Association to provide funding for the acquisition of a warehouse located at 421-435 W. State St. as part of the redevelopment efforts for the Franklinton Creative Community District; to authorize and direct the City Auditor to transfer \$900,000.00 from the Special Income Tax fund to the Northland and Other Acquisitions Fund; to authorize the City Auditor to appropriate \$900,000.00 within the Northland and Other Acquisitions Fund; to authorize the Director of Development to expend \$900,000.00 from the Northland and Other Acquisitions Fund; and to declare an emergency. (\$900,000.00)

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
7/13/2011	1	CITY CLERK	Attest	
7/12/2011	1	MAYOR	Signed	
7/11/2011	1	Columbus City Council	Approved	Pass
7/11/2011	1	COUNCIL PRESIDENT	Signed	
6/30/2011	1	Dev Drafter	Sent for Approval	
6/30/2011	1	Auditor Reviewer	Reviewed and Approved	
6/30/2011	1	CITY AUDITOR	Reviewed and Approved	
6/30/2011	1	Dev Drafter	Sent for Approval	
6/30/2011	1	CITY ATTORNEY	Reviewed and Approved	
6/30/2011	1	Dev Drafter	Sent to Clerk's Office for Council	
6/29/2011	1	FINANCE DIRECTOR	Reviewed and Approved	
6/28/2011	1	Dev Drafter	Sent for Approval	
6/28/2011	1	Finance Reviewer	Reviewed and Approved	
6/28/2011	1	Finance Reviewer	Reviewed and Approved	
6/27/2011	1	Dev Drafter	Sent for Approval	
6/27/2011	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	

BACKGROUND: This legislation authorizes the Director of the Department of Development to enter into an agreement with the Franklinton Development Association (FDA), a non profit 501 c 3 organization. The funds provided by the agreement will be used to undertake the acquisition of a warehouse located at 421-435 W. State St. as part of the redevelopment efforts for the Franklinton Creative Community District. The FDA currently facilitates the production of affordable housing and the enhancement of home ownership and rental opportunities in the Franklinton neighborhood. This legislation authorizes the expenditure of \$900,000 to the

FDA for the acquisition of the warehouse to convert the building to residential uses, as well as, to enhance neighborhood revitalization activities.

Emergency action is necessary to allow for the FDA to immediately begin the acquisition process.

FISCAL IMPACT: Funding authority is available in the 2011 Capital Improvements Budget in the Northland and Other Acquisitions Fund 735. The maximum amount of the grant provided within the grant agreement authorized to be expended by this ordinance is \$900,000. Bonds have yet to be sold for the project, necessitating a certification of \$900,000.00 against the Special Income Tax Fund. Upon sale of bonds, this will be reimbursed.

To authorize the Director of the Department of Development to enter into a grant agreement with the Franklinton Development Association to provide funding for the acquisition of a warehouse located at 421-435 W. State St. as part of the redevelopment efforts for the Franklinton Creative Community District; to authorize and direct the City Auditor to transfer \$900,000.00 from the Special Income Tax fund to the Northland and Other Acquisitions Fund; to authorize the City Auditor to appropriate \$900,000.00 within the Northland and Other Acquisitions Fund; to authorize the Director of Development to expend \$900,000.00 from the Northland and Other Acquisitions Fund; and to declare an emergency. (\$900,000.00)

WHEREAS, this legislation authorizes the Director of the Department of Development to enter into a grant agreement with the Franklinton Development Association (FDA); and

WHEREAS, the funds provided by the grant agreement will be used to assist FDA in the acquisition of a warehouse located at 421-435 W. State St. as part of the redevelopment efforts for the Franklinton Creative Community District; and

WHEREAS, the FDA currently facilitates the production of affordable housing and the enhancement of home ownership opportunities in Columbus; and

WHEREAS, the grant agreement shall condition the expenditure of \$900,000 by the FDA for the acquisition of the warehouse on the conversion of the building to residential uses; and

WHEREAS, it is necessary to transfer funds from the Special Income Tax fund to this project; and

WHEREAS, the City will sell notes or bonds to fund this project and will reimburse the Special Income Tax Fund; and

WHEREAS, this transfer should be considered as a temporary funding method; and

WHEREAS, the aggregate principal amount of obligations which the city will issue to finance this project is presently expected not to exceed \$900,000.00; and

WHEREAS, the City anticipates incurring certain Original Expenditures (as defined in Section 1.150-2© of the Treasury Regulations, (the "Treasury Regulations") promulgated pursuant to the Internal Revenue Code of 1986, as amended) with respect to the project described in this ordinance (the "Project"); and

WHEREAS, emergency action is necessary to allow for the FDA to immediately acquire the property, and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, Housing Division, in that it is immediately necessary to enter into contract with the Franklinton Development Association for and to expend said funds, thereby preserving the public health, peace, property, safety, and welfare; and **NOW, THEREFORE**,

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

Section 1. That the Director of the Department of Development is hereby authorized to enter into a grant agreement with the Franklinton Development Association to provide funding for the acquisition of a warehouse located at 421-435 W. State St. for the purpose of converting the building to residential uses as part of the redevelopment efforts within the

Franklinton Creative Community District.

Section 2. That for the purpose as stated in Section 1, the sum of \$900,000.00 be and is hereby appropriated from the unappropriated balance of the Special Income Tax Fund, Fund 430, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2011 to the City Auditor, Department 22-01, Object Level One 10, OCA Code 902023, Object Level Three 5502.

Section 3. That the City Auditor is hereby authorized to transfer said funds to the Northland and Other Acquisitions Fund, No. 735, at such time as it is deemed necessary by the City Auditor and to expend said funds or so much thereof as may be necessary.

Section 4. That \$900,000.00 is hereby appropriated within Fund 735, Northland and Other Acquisitions Fund, Department of Development, Division 44-01, as follows:

Fund / Project / Project Name / Object Level 03 / OCA / Amount

735 / 440104-100005 / Miscellaneous Economic Development - Franklinton
Initiatives / 6616 / 735104 / \$900,000.00

Section 5. That the monies appropriated in the foregoing Section 4 shall be paid upon order of the Director of Development and that no order shall be drawn or money paid except by voucher, the form of which shall be approved by the City Auditor.

Section 6. That upon obtaining other funds for this capital improvement, the City Auditor is hereby authorized and directed to repay the Special Income Tax Fund the amount transferred under Section 3 above.

Section 7. That the City Auditor is authorized to establish proper accounting project numbers and to make any accounting changes to revise the funding source for any contract or contract modification associated with the expenditure if funds transferred in Section 3 above.

Section 8. That the City intends that this ordinance constitute an "official intent" for purposes of Section 1.150-2(e) of the Treasury Regulations, and that the City reasonably expects to reimburse itself for certain Original Expenditures incurred with respect to the Project from the proceeds of obligations to be issued by the City in a principal amount currently estimated to be \$900,000.00 (the "Obligations").

The City intends to make a reimbursement allocation on its books for the Original Expenditures not later than eighteen months following the later to occur of the date of the Original Expenditure to be reimbursed or the date the Project for which such Original Expenditures were made is "placed in service" within the meaning of Treasury Regulations Section 1.150-2(c). Upon the issuance of the Obligations, the proceeds of such Obligations shall be used to reimburse the fund from which the advance for costs of the Project will be made.

Section 9. That the sum of \$900,000 or so much thereof as may be necessary, is hereby authorized to be expended from the Department of Development, Division 44-01, Fund 735, Project No. 440104-100005, Object Level One 06, Object Level Three 6616, OCA Code 735104.

Section 10. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

Section 11. That 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 approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.