



Legislation Text

File #: 3250-2017, **Version:** 1

Background: The purpose of this ordinance is to authorize the Director of the Department of Development to enter into a Tax Increment Financing and Cooperative Agreement with Columbus-Franklin County Finance Authority and Pizzuti Properties/Miranova Limited (the “Developer”), for the Miranova development located in the City’s downtown.

The Developer previously completed construction of the Miranova development, which consists of a 28-story, 126-unit residential condominium tower with a 237-space parking garage, a 12-story mixed-use office tower with an attached parking garage, as well as public infrastructure improvements including storm sewer improvements, water line extensions, relocation of municipal electric lines, West Mound Street intersection improvements, West Mound Street improvements east of Short Street, extension of West Mound Street, east and west river accesses and Miranova Place street improvements. City Council previously established the Miranova TIF and entered into a Tax Increment Financing and Economic Development Agreement with the Developer to reimburse the Developer for costs of the Miranova development (the “Existing TIF Agreement”).

The Columbus-Franklin County Finance Authority has agreed to provide financing for the City’s obligation to reimburse the Developer for the public infrastructure improvements made by the Developer by issuing its bonds, provided that the City and Developer enter into a Tax Increment Financing and Cooperative Agreement with the Finance Authority in order that the service payments received by the City from the Miranova TIF and otherwise payable to the Developer under the Existing TIF Agreement shall first be used to pay debt charges on and costs incurred in connection with the Bonds.

Emergency Justification:

Emergency legislation is required to allow for immediate execution of the Tax Increment Financing and Cooperative Agreement, which is necessary to facilitate the timely completion of the above-described bond issuance.

Fiscal Impact: There is no expenditure of City funds associated with entering into this Agreement.

To authorize the Director of the Department of Development to enter into a Tax Increment Financing and Cooperative Agreement with Columbus-Franklin County Finance Authority and Pizzuti Properties/Miranova Limited, for the Miranova development located in the City; and to declare an emergency

WHEREAS, Pizzuti Properties/Miranova Limited (the “Developer”) has previously completed the Miranova development in the City; and

WHEREAS, the City established the Miranova TIF and entered into a Tax Increment Financing and Economic Development Agreement with the Developer to reimburse the Developer for costs of the Miranova development (the “Existing TIF Agreement”); and

WHEREAS, the Developer has made or caused to be made approximately \$4.8 million in public infrastructure improvements required to support the private development, which constitute a portion of the costs reimbursable to the Developer under the Existing TIF Agreement; and

WHEREAS, the Columbus-Franklin County Finance Authority (the “Finance Authority”) has agreed to provide financing for the public infrastructure improvements by issuing its bonds in order to assist the Developer or its affiliate's investments in additional projects in the City, provided that the City and the Developer enter into a Tax Increment Financing and Cooperative Agreement in order that the service payments from the Miranova TIF and otherwise payable to the Developer under the Existing TIF Agreement shall first be used to pay debt charges on and costs incurred in

connection with the Finance Authority's bonds; and

WHEREAS, the City, the Developer and the Finance Authority desire to memorialize their understanding and agreements with respect to such cooperation; and

WHEREAS, an emergency exists in the usual daily operations of the Department of Development in that it is necessary to proceed as quickly as possible to enter into said agreement in order to facilitate the above-described bond issuance for the preservation of the public health, peace, property and safety, that preservation being related to the timely manner in which the bond issuance needs to be accomplished to assist the Developer or its affiliates create new job opportunities; **NOW, THEREFORE**,

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

Section 1. That the Director of the Department is hereby authorized to enter into a Tax Increment Financing and Cooperative Agreement with the Columbus-Franklin County Finance Authority and Pizzuti Properties/Miranova Limited concerning the Miranova TIF.

Section 2. That the service payments in lieu of taxes and other money deposited into the Miranova Project Account in the Miranova Urban Redevelopment Tax Increment Equivalent Fund (Fund No. 7406) are deemed appropriated for the purposes set forth in the Tax Increment Financing and Cooperative Agreement and authorized to be expended therefrom in accordance with the Tax Increment Financing and Cooperative Agreement, and the City Auditor is authorized to make payments to the Finance Authority or its designee from that Fund in accordance with the Tax Increment Financing and Cooperative Agreement.

Section 3. That for 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 full force from and after its passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.