



Legislation Details (With Text)

File #: 0976-2020 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 4/10/2020 **In control:** Economic Development Committee

On agenda: 5/18/2020 **Final action:** 5/21/2020

Title: To authorize the Director of the Department of Development to enter into a Tax Increment Financing Cooperative Agreement by and among the City of Columbus, the Columbus-Franklin County Finance Authority, the Gravity II New Community Authority, and The Gravity Project 2, LLC or its affiliate Gravity 2 - Garage, LLC; to appropriate and authorize the expenditure of TIF revenues that are deposited in the Gravity Phase II TIF Fund; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
5/21/2020	1	CITY CLERK	Attest	
5/20/2020	1	MAYOR	Signed	
5/18/2020	1	COUNCIL PRESIDENT	Signed	
5/18/2020	1	Columbus City Council	Approved	Pass

Background: Kaufman Development dba The Gravity Project 2, LLC (together with its affiliate Gravity 2 - Garage, LLC, hereafter designated the “Developer”) has finalized plans for its Gravity Phase II urban redevelopment project (“Project”) located at 455 W. Broad Street and identified as Franklin County Tax Parcel 010-039621. The City, the Developer, and Columbus Housing Partnership (dba “Homeport”) have entered into an Economic Development Agreement (the “EDA”) to further the Project and provide for the financing of a structured parking facility with public spaces (the “Garage”) to be owned by the Columbus-Franklin County Finance Authority (the “CFA”). Furthermore, this Council passed Resolution 0326X-2019 to create the Gravity II New Community Authority, (the “NCA”) and the Department of Development has submitted for adoption by Council Ordinance 0072-2020 to create the Gravity Phase II Tax Increment Financing (TIF) area to each support the reimbursement of the CFA bonds financing the Garage. In furtherance of the EDA, this legislation approves and authorizes the Director of Development to enter into a Tax Increment Financing Cooperative Agreement by and among the City, the CFA, the NCA, and the Developer to provide for the terms of the financing of the Project’s Garage. This legislation also appropriates and authorizes the expenditure of the Gravity Phase II TIF Funds for the term of the TIF Cooperative Agreement.

Fiscal Impact: No funding is required for this legislation.

Emergency Justification: Emergency legislation is required to allow for immediate execution of the TIF Cooperative Agreement, which is necessary to facilitate the timely financing and completion of the above described Garage.

To authorize the Director of the Department of Development to enter into a Tax Increment Financing Cooperative Agreement by and among the City of Columbus, the Columbus-Franklin County Finance Authority, the Gravity II New Community Authority, and The Gravity Project 2, LLC or its affiliate Gravity 2 - Garage, LLC; to appropriate and authorize the expenditure of TIF revenues that are deposited in the Gravity Phase II TIF Fund; and to declare an emergency.

WHEREAS, the Kaufman Development dba The Gravity Project 2, LLC (together with its affiliate Gravity 2 - Garage, LLC, hereafter designated the “Developer”) has proposed to redevelop the real property located at 455 W. Broad Street and identified as Franklin County Tax Parcel 010-039621 known as the Gravity Phase II (the “Project”); and

WHEREAS, this Council has previously adopted Ordinance 1732-2019 authorizing an Economic Development Agreement (the “EDA”) between the City, the Developer, and Columbus Housing Partnership (dba “Homeport”) with respect to the Project; and

WHEREAS, pursuant to the EDA, the Developer agreed to construct a structured parking facility with public spaces (the “Garage”), and the City agreed to support the financing of the Garage through a capital contribution, creation of a New Community Authority, and creation of a Tax Increment Financing area; and

WHEREAS, the Columbus-Franklin County Finance Authority (the “CFA”) will own the Garage as a public facility and cause the Developer to construct the Garage using initial financing from CFA tax-exempt bonds issued for the public parking spaces in the Garage; and

WHEREAS, the Department of Development has submitted to this Council for adoption Ordinance 0911-2020 authorizing the Director of the Department of Development to enter into a Neighborhood Structured Parking Incentive Contribution Agreement, whereby the City committed to contribute ten thousand dollars (\$10,000.00) per space to secure the dedication of at least 200 public parking spaces in the Garage in an amount not to exceed a total of two million dollars (\$2,000,000); and

WHEREAS, this Council adopted Resolution 0326X-2019 authorizing the creation of the Gravity II New Community District and the Gravity II New Community Authority (the “NCA”) to issue NCA charges to support the financing of the Garage; and

WHEREAS, the Department of Development has submitted to this Council for adoption Ordinance 0072-2020 authorizing the amendment of Ordinance 2283-2012 to remove certain undeveloped or to be redeveloped parcels including the Project parcels from the East Franklinton TIF in order to establish a new non-school TIF (the “Gravity Phase II TIF”) pursuant to Section 5709.40(B) of the Ohio Revised Code thereby allowing a 100% exemption of the Project for a full 30 years to support the financing of public parking spaces in the Garage; and

WHEREAS, it is now necessary to appropriate and authorize the expenditure of non-school TIF service payments and property tax rollback payments to be deposited into the Gravity Phase II municipal public improvement tax increment equivalent fund (the “TIF Fund”) to be established by Ordinance 0072-2020 to the CFA or its designated trustee to reimburse the CFA for the initial financing of the public parking spaces of the Garage by issuance of tax-exempt bonds; and

WHEREAS, an emergency exists in the usual daily operations of the Department of Development in that it is immediately necessary to authorize said TIF Cooperative Agreement by and among the City, the CFA, the NCA, and the Developer and to authorize the appropriation and expenditure of the TIF Fund to maintain the Project schedule and meet community commitments by implementing the East Franklinton Creative Community District Plan thereby immediately preserving the public health, peace, property, safety and welfare; **NOW, THEREFORE,**

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

SECTION 1. That the Director of the Department of Development (the “Director”) is hereby authorized to execute the Tax Increment Financing Cooperative Agreement (the “TIF Agreement”) by and among the City, the Columbus-Franklin County Finance Authority (the “CFA”), the Gravity Phase II New Community Authority (the “NCA”), and The Gravity Project 2, LLC or its affiliate, Gravity 2 - Garage, LLC (the “Developer”) presently on file with the Director along with any changes or amendments thereto consistent with this Ordinance and not substantially adverse to the City and which shall be approved by the Director and the City Attorney; provided that the approval of such changes and amendments thereto

by the Director, and the character of those changes and amendments as not being substantially adverse to the City, shall be evidenced conclusively by the Director's execution and delivery thereof.

SECTION 2. That service payments and property tax rollback payments deposited in the Gravity Phase II Municipal Public Improvement Tax Increment Equivalent Fund to be created by Ordinance No. 0072-2020 (the "TIF Fund") shall be deemed appropriated for the purposes set forth in the TIF Cooperative Agreement and authorized to be expended in accordance with the TIF Cooperative Agreement, and that the City Auditor is authorized to make payments to the CFA or its designee from the TIF Fund upon order of the Director of Development or his designee 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 3. That the Director or other appropriate officers of the City are authorized to execute such other agreements and instruments and to take all actions as may be necessary to implement this Ordinance and the transactions contemplated by the TIF Cooperative Agreement.

SECTION 4. That for the reasons stated in the preamble hereto, 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.