



## Legislation Details (With Text)

**File #:** 1170-2007      **Version:** 1

**Type:** Ordinance      **Status:** Passed

**File created:** 7/6/2007      **In control:** Development Committee

**On agenda:** 7/23/2007      **Final action:** 7/25/2007

**Title:** To authorize the Director of Development to enter into a Guaranteed Maximum Price Construction Agreement under Section 186 of the Columbus City Charter for the Designated Improvements (the "Agreement") between the City of Columbus and Grange Mutual Casualty Company ("Company"), providing for design and construction by the Company or its representatives of certain Designated Improvements in the City of Columbus; and to waive the competitive bidding requirements for the procurement of engineering services and construction.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. ORD1170-2007 Exhibit A Description of the Designated Improvements.pdf, 2. ORD1170-2007 Bid Waiver Form.pdf

Date	Ver.	Action By	Action	Result
7/25/2007	1	CITY CLERK	Attest	
7/24/2007	1	MAYOR	Signed	
7/23/2007	1	Columbus City Council	Approved	Pass
7/23/2007	1	COUNCIL PRESIDENT	Signed	
7/16/2007	1	Columbus City Council	Read for the First Time	
7/9/2007	1	CITY ATTORNEY	Reviewed and Approved	
7/9/2007	1	Dev Drafter	Sent to Clerk's Office for Council	
7/6/2007	1	Dev Drafter	Sent for Approval	
7/6/2007	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
7/6/2007	1	Dev Drafter	Sent for Approval	

**BACKGROUND:** The purpose of this ordinance is to authorize a "Construction Agreement for Designated Improvements" (the "Agreement") between the City of Columbus and Grange Mutual Casualty Company (the "Company"). This ordinance and the Agreement relate to (i) the project to be undertaken by the Company to build a parking garage and certain public infrastructure improvements in the City of Columbus (the "Designated Improvements"), (ii) Ordinance No. 1724-2005, as amended by Ordinance No. 1139-2007, and Ordinance No. 1141-2007, related to Ohio Revised Code ("R.C.") Section 5709.41 and the related agreements to establish R.C. Section 5709.41 tax increment financing in connection with the Designated Improvements, and (iii) Ordinance No. 1721-2005, Ordinance No. 1142-2007 and a related agreement to establish R.C. Section 5709.40(C) tax increment financing to provide funds for construction of Designated Improvements.

Ordinance No. 1724-2005, as amended, Ordinance No. 1721-2005, and Ordinance No. 1141-2007 provides that the City will construct or cause to be constructed the public infrastructure components of the Designated Improvements. To achieve cost and time efficiencies and to ensure proper coordination of construction, it is in the best interests of the City that the Company perform the construction of those public infrastructure improvements. Because of those benefits to the City, this ordinance authorizes a guaranteed maximum price contract with the Company under Section 186 of the Columbus city charter.

The proposed Agreement does not expose the City to financial risk, because payments by the City for the Designated Improvements costs are to be made only from payments in lieu of taxes received by the City in respect of the above-identified tax increment financing ordinances. The Company will provide the initial funding for construction of the Designated Improvements and payment of these costs by the City to reimburse the Company will be made over a period of years (up to 30 years) and solely from the tax increment financing proceeds deposited in the Grange Urban Redevelopment Tax Increment Equivalent Fund, the Grange II Urban Redevelopment Tax Increment Equivalent Fund and the Brewery District II Public Improvement Tax Increment Equivalent Fund as established, respectively, by Ordinance No. 1724-2005, Ordinance No. 1141-2007, and Ordinance No. 1721-2005.

**FISCAL IMPACT:** No funding is required for this legislation.

To authorize the Director of Development to enter into a Guaranteed Maximum Price Construction Agreement under Section 186 of the Columbus City Charter for the Designated Improvements (the "Agreement") between the City of Columbus and Grange Mutual Casualty Company ("Company"), providing for design and construction by the Company or its representatives of certain Designated Improvements in the City of Columbus; and to waive the competitive bidding requirements for the procurement of engineering services and construction.

**WHEREAS**, provided that appropriate economic development incentives are available, Grange Mutual Casualty Company (the "Company") desires to construct an approximately 1,050 space parking garage including approximately 15,000 square feet of office space, and certain public infrastructure improvements (collectively, the "Designated Improvements" as more particularly described in Exhibit A attached hereto and incorporated herein by this reference) in the City of Columbus, at a cost of between \$21,800,000 and \$23,800,000; and

**WHEREAS**, pursuant to Ohio Revised Code ("R.C.") § 5709.40 and § 5709.41, the City has adopted Ordinance No. 1724-2005, as amended by Ordinance No. 1139-2007, Ordinance No. 1721-2005, and Ordinance No. 1141-2007 (collectively, the "Grange TIF Ordinances") providing for tax increment financing with respect to the construction of the Designated Improvements; and

**WHEREAS**, the Grange TIF Ordinances provide that the City shall construct, or cause to be constructed, the public infrastructure components of the Designated Improvements; and

**WHEREAS**, to achieve cost and time efficiencies and to ensure proper coordination of construction, it is in the best interests of the City that the Company perform, or cause to be performed, construction of those public infrastructure improvements pursuant to the Agreement authorized by this Ordinance; **NOW, THEREFORE**,

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

**Section 1.** That the Mayor and Director of Development, or either of them individually, be and hereby are authorized to enter into the Construction Agreement for Designated Improvements (the "Agreement") between the City and the Company, on behalf of the City, pursuant to Section 186 of the Columbus City Charter, thereby agreeing to reimburse the Company for the cost of the design and construction of the Designated Improvements. The City's obligation to reimburse shall not constitute a debt of the City within the meaning of any statutory or constitutional provision, but shall be limited to payment out of monies deposited in the Grange Urban Redevelopment Tax Equivalent Fund, the Grange II Urban Redevelopment Tax Equivalent Fund and the Brewery District II Public Improvement Tax Increment Equivalent Fund established, respectively, by Ordinance No. 1724-2005, Ordinance No. 1141-2007, and Ordinance No. 1721-2005. The Agreement shall be in such form as is acceptable to such officials,

approved by the City Attorney, and not substantially inconsistent with the terms of this Ordinance and the Grange TIF Ordinances.

**Section 2.** That the service payments in lieu of taxes and associated property tax rollback payments deposited in the Grange Urban Redevelopment Tax Equivalent Fund, the Grange II Urban Redevelopment Tax Equivalent Fund and the Brewery District II Public Improvement Tax Increment Equivalent Fund are appropriated for the purposes set forth in the Agreement and the City Auditor is hereby authorized to make payments to the Company, or its designee, upon receipt of invoices submitted in accordance with the Agreement and approved by the Director of Development.

**Section 3.** That the competitive bidding requirements of Chapter 329 of the Columbus City Codes be and are hereby waived for the procurement of the engineering services and construction of the Designated Improvements pursuant to the Agreement.

**Section 4.** That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.