



Legislation Details (With Text)

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File created: 4/29/2008 **In control:** Development Committee

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Title: To authorize the appropriation of \$2,889,263.76 from the Special Income Tax Fund to the City Auditor; to authorize the City Auditor to transfer said funds from the Special Income Tax Fund to the Northland and Other Acquisitions Fund; and to authorize the Director of the Department of Development to expend up to \$2,889,263.76 from the Northland and Other Acquisitions Fund for 2008 lease rental payment to The RiverSouth Authority Section 55(B) of the City Charter. (\$2,889,263.76)

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
5/15/2008	1	CITY CLERK	Attest	
5/14/2008	1	MAYOR	Signed	
5/12/2008	1	Columbus City Council	Approved	Pass
5/12/2008	1	COUNCIL PRESIDENT	Signed	
5/5/2008	1	Auditor Reviewer	Reviewed and Approved	
5/5/2008	1	CITY AUDITOR	Reviewed and Approved	
5/5/2008	1	Dev Drafter	Sent for Approval	
5/5/2008	1	CITY ATTORNEY	Reviewed and Approved	
5/5/2008	1	Dev Drafter	Sent to Clerk's Office for Council	
5/2/2008	1	Dev Drafter	Sent for Approval	
5/1/2008	1	Dev Drafter	Sent for Approval	
5/1/2008	1	Finance Reviewer	Reviewed and Approved	
5/1/2008	1	Finance Reviewer	Reviewed and Approved	
5/1/2008	1	FINANCE DIRECTOR	Reviewed and Approved	
4/30/2008	1	Dev Drafter	Sent for Approval	
4/30/2008	1	Finance Reviewer	Reviewed and Disapproved	
4/29/2008	1	Dev Drafter	Sent for Approval	
4/29/2008	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	

Background: The RiverSouth Authority issued bonds in 2004 and 2005 to purchase and rehabilitate the former downtown Lazarus Department Store. The City entered into a Master Lease Agreement and a First Supplemental Lease Agreement with The RiverSouth Authority on June 21, 2004 (Ordinance No. 1009-2004). The City entered into a Second Supplemental Lease Agreement with The RiverSouth on July 25, 2005 (Ordinance No. 1312-2005). These agreements call for the City to make lease payments to The

RiverSouth in annual amounts equal to the bond service charges.

Fiscal Impact: Funds are available in the 2008 Capital Improvement Budget.

To authorize the appropriation of \$2,889,263.76 from the Special Income Tax Fund to the City Auditor; to authorize the City Auditor to transfer said funds from the Special Income Tax Fund to the Northland and Other Acquisitions Fund; and to authorize the Director of the Department of Development to expend up to \$2,889,263.76 from the Northland and Other Acquisitions Fund for 2008 lease rental payment to The RiverSouth Authority Section 55(B) of the City Charter. (\$2,889,263.76)

WHEREAS, pursuant to Ordinance No. 1009-2004 adopted by City Council on June 21, 2004 the City entered into a Master Lease Agreement and a First Supplemental Lease Agreement with the RiverSouth Authority (RiverSouth); and

WHEREAS, pursuant to Ordinance No. 1312-2005 adopted by this Council on July 25, 2005 the City entered into a Second Supplemental Lease Agreement with RiverSouth; and

WHEREAS, these Lease Agreements call for the lease rental payments from the City to RiverSouth equal to the bond service charges on the following bonds issued by RiverSouth:

- RiverSouth Areas Redevelopment 2004 Bonds Series A
- RiverSouth Areas Redevelopment 2005 Bonds Series A; and

WHEREAS, these lease rental payments are due to The RiverSouth Authority starting on May 22, 2008 and again on November 21, 2008; and

WHEREAS, the City will sell notes or bonds to fund this project and will reimburse the Special Income Tax Fund, and 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 \$2,889,263.76; and **NOW, THEREFORE**,

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

Section 1. That from the unappropriated balance of the Special Income Tax Fund No. 430, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purchase during the fiscal year ending December 31, 2008, sum of \$2,889,263.76 or so much thereof as may be necessary is hereby appropriated to the Department of the City Auditor, Div. No. 22-01, Object Level One 10, Object Level Three 5502, OCA 902023 for the purpose stated in Section 4.

Section 2. That the City Auditor is hereby authorized to transfer said funds to Fund 735, Northland and Other Acquisitions, Dept-Div 44-01, Project 441748 Downtown Revitalization, OCA 735748, Object Level Three 0886 at such time as is deemed necessary by the City Auditor.

Section 3. That the amount of \$2,889,263.76 or so much thereof as may be necessary is hereby appropriated within Fund 735, Northland and Other Acquisitions, Dept/Div 44-01, Project 441748, OCA 735748, Object Level Three 6621.

Section 4. That the Director of Development is hereby authorized to expend \$2,889,263.76 or so much thereof as may be necessary from Fund 735, Northland and Other Acquisitions, Dept/Div 44-01, Project 441748, OCA 735748, Object Level Three 6621 for the purpose of making lease rental payments to The RiverSouth Authority.

Section 5. That upon obtaining other funds for this project, the City Auditor is hereby authorized to repay the Special Income Tax Fund the amount transferred under Section 2 above, and said funds are hereby deemed appropriated for such purpose.

Section 6. That the City Auditor is authorized to make any accounting changes to revise the funding source for any contract or contract modification associated with the expenditure of the funds transferred in Section 2 above.

Section 7. That the City intends that this ordinance constitute an "official intent" for purposes of Section 1.150-2(e) of the Treasury Regulations promulgated pursuant to the Internal Revenue Code of 1986, as amended and declares its intention to use a portion of the proceeds of general obligation bonds to be issued during the 2008 calendar year to reimburse the City for the lease rental payments advanced from the various funds described in this ordinance.

Section 8. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, and in accordance with Section 55 (b) of the Charter of the City of Columbus, this ordinance shall take effect and be in force from and immediately after its passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.