



Legislation Text

File #: 2069-2021, **Version:** 1

Background: The purpose of this ordinance is to authorize the Director of Development to enter into an Memorandum of Understanding (the “MOU”) with The Ohio State University (“OSU”), and/or other OSU affiliated entities (collectively, the “University”). The MOU will outline the plans and certain commitments of the City and the University relating to the major expansion of OSU’s west campus between Kenny Road to the east, North Star Road to the west, Lane Avenue to the north, and the southern boundary of the parcels south of Kinnear Road within the City between Kenny Road and North Star Road (the “Innovation District”). This innovation collaborative will be accomplished through a \$3 to \$4 billion capital investment of new infrastructure; 1,500 to 2,000 residential units; 100,000 to 200,000 square feet of retail; a 180 to 220-bed hotel; up to 500,000 square feet of medical; and 4 to 6 million square feet of lab and commercial office space over a period of twenty to thirty years. Of the more than \$700 million currently in construction, the anchor of the Innovation District is the estimated \$237.5 million Interdisciplinary Research Facility (IRF) that will house 305,000 square feet of space for a proposed five-story laboratory building, and adjacent to the IRF will be the estimated \$47.1 million, four-floor Energy Advancement and Innovation Center. The Innovation District will increase opportunities for not only OSU but also other individuals, students, researchers, leaders, nonprofits, Fortune 500 businesses, and startups keen on innovation in order to meet the increased growth of workforce in City and throughout Ohio needed around innovation fields.

In consideration of the City’s economic development incentive commitments in the MOU, the University will commit to create up to 12,000 jobs with an estimated payroll of up to \$950 million annually, and provide a capital investment of \$3 - \$4 billion dollars, in new infrastructure, at full build out of the Innovation District. In further adherence to the MOU and the City’s policy goals, within the Innovation District, the University is also committed to diversity and inclusive norms. The University will develop residential units within the Innovation District, of which will include 20% of affordable units, per City policy, at the time The University enters into a housing agreement with the City. Additionally, the University will implement good faith efforts to employ minority and women owned business enterprises for the performance of the work totaling a minimum 30%. Lastly, The University is committed to growing STEAMM (Science, Technology, Engineering, Art, Mathematics and Medicine) talent in the City. The University, in collaboration with Columbus City Schools and Columbus State Community College, are committing to engage K-12 students in learning about exciting STEAMM careers, garnering educational support to reach STEAMM career goals, thrive in STEAMM fields and increase competitiveness for higher education opportunities.

The Innovation District is also supported by a major share of a \$100 million investment from JobsOhio, who will also split the funding with Nationwide Children’s Hospital. In order to provide additional local financial assistance for the University to develop a new flagship innovative economic engine at the Innovation District for not only Ohio and the University, but also the City, the MOU contemplates the City providing a new 40% Jobs Growth Incentive (JGI) for 25 years and establishing a new non-school 100% Tax Increment Financing (TIF) area for 30 years to assist with the funding of the design, engineering and construction of public infrastructure associated with the Innovation District. The plans and proposals of the MOU remain subject to authorization pursuant to the subsequent passage of additional legislation by City Council.

Fiscal Impact: There is no fiscal impact for this legislation.

Emergency Justification: Emergency legislation is necessary to allow the University and the City to timely execute the MOU in order to begin the implementation of the plans and certain commitments in accordance with the MOU for the continued financing of the current and ongoing construction of the improvements within the Innovation District.

To authorize the Department of Development to enter into an Memorandum of Understanding with The Ohio State

University (“OSU”), and/or other OSU affiliated entities (collectively, the “University”) to outline the plans and certain commitments of the City and the University related to the proposed development of the real property located between Kenny Road to the east, North Star Road to the west, Lane Avenue to the north, and the southern boundary of the parcels south of Kinnear Road within the City between Kenny Road and North Star Road (the “Innovation District”); and to declare an emergency.

WHEREAS, The Ohio State University (“OSU”), and/or other OSU affiliated entities (collectively, the “University”) owns or controls real property currently between Kenny Road to the east, North Star Road to the west, Lane Avenue to the north, and the southern boundary of the parcels south of Kinnear Road within the City between Kenny Road and North Star Road (the “Innovation District”); and

WHEREAS, the University has proposed a three to four billion dollar capital investment in new infrastructure; 1,500 to 2,000 residential units; 100,000 to 200,000 square feet of retail; a 180 to 220-bed hotel; up to 500,000 square feet of medical; and four to six-million square feet of labs and commercial offices within the Innovation District (the “Project”) over a period of twenty to thirty years; and

WHEREAS, more than \$700 million is already in construction including the Project’s \$237.5 million Interdisciplinary Research Facility (IRF), a five-story, 305,000 square feet laboratory building, and the \$47.1 million, four-floor Energy Advancement and Innovation Center among others; and

WHEREAS, these active and future phases of the Project will be part of the University creating up to 12,000 jobs with an estimated payroll of up to \$950 million annually at full build out of the Project; and

WHEREAS, as part of the University’s commitment to the City’s goals of diversity and inclusion, the University will implement good faith efforts to employ minority and women owned business enterprises for the performance of the work totaling a minimum 30% and they will develop residential units within the Innovation District, of which will include 20% of affordable units, per City policy, at the time The University enters into a housing agreement with the City.

WHEREAS, the University is committed to growing STEAMM (Science, Technology, Engineering, Art, Mathematics and Medicine) talent in the City, in collaboration with Columbus City Schools and Columbus State Community College, by engaging K-12 students in learning about exciting STEAMM careers, garnering educational support to reach STEAMM career goals, thrive in STEAMM fields and increase competitiveness for higher education opportunities.

WHEREAS, new public infrastructure improvements, including but not limited to public utilities, public streets and shared use paths, public transit, telecom, and structured parking extending to and/or within the Innovation District, also need to be designed and constructed for the Project; and

WHEREAS, JobsOhio has also supported the Innovation District with a major share of a \$100 million investment that will also be split with Nationwide Children’s Hospital; and

WHEREAS, in consideration of OSU being one of the largest and most highly recognized public institutions of higher education and OSU’s commitments in the MOU, as part of a Public-Private Partnership (P3), the City has committed to provide additional local financial assistance through a 40% new Jobs Growth Incentive (JGI) for 25 years and a non-school 100% Tax Increment Financing (TIF) area for 30 years to further develop the active and future improvements needed to advance the Innovation District; and

WHEREAS, the City and the University desire to memorialize their understanding and commitments with respect to their cooperation on the Project and the public infrastructure improvements for the Innovation District in an Memorandum of Understanding (the “MOU”); and

WHEREAS, an emergency exists in the usual daily operations of the Department of Development in that it is necessary to authorize the Director to enter into the MOU described herein with OSU to provide continued financing for the public

infrastructure improvements and the Project, phases of which are already under construction in the Innovation District, all for the preservation of the public health, peace, safety and welfare without delay; **NOW, THEREFORE,**

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

Section 1. That the Director of the Department of Development or his or her designee (the “Director”), on behalf of the City, is hereby authorized to enter into an Memorandum of Understanding (the “MOU”) presently on file with the Department of Development, along with any changes or amendments thereto not inconsistent 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, and the character of those changes and amendments not being substantially adverse to the City, shall be evidenced conclusively by the execution and delivery of the MOU with the University, as defined herein, to outline the plans and certain commitments of the City and the University relating to the proposed development of the real property within the University’s west campus currently known as the Innovation District.

Section 2. 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 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.