



Legislation Text

File #: 1206-2024, **Version:** 1

Background: This legislation authorizes the amendment to Ordinance No. 2661-2023, passed by City Council on October 16, 2023, to change the amount and funding source for the grant agreement (now a not-for-profit service contract) and to allow for the reimbursement of expenses incurred prior to the execution of a purchase order.

The Downtown Ground Floor Growth Initiative (Program) (formally called the Downtown Commercial Marketplace Program) is a small business program that seeks to achieve multiple goals through one comprehensive program. The Program includes:

- Providing downtown storefront space for small, local businesses who are oriented towards walk in customers (such as retail or restaurant businesses).
- Providing a master lease holder to: 1) sublease to small, local businesses in a way that promotes their growth and gives them a safe place to land, and 2) rent vacant properties downtown and guarantee stability for the property owners of those spaces.
- Providing technical assistance to the Program participants so that the businesses renting the downtown storefronts can grow and succeed.

This Program is designed to decrease vacancy downtown; promote small, local businesses; and promote the amenities of downtown as a neighborhood for Columbus residents living and working inside and outside of downtown. Ground Floor Growth, LLC, whose sole member is the Columbus Downtown Development Corporation (CDDC), will administer the master lease component of the program. The City does not have the human resources to administer the program through existing staffing.

This legislation seeks to amend Ordinance No. 2661-2023. In addition to changing from a grant agreement to a not for profit services contract to better reflect the work to be done, the changes include:

- Replacing capital funds with operating funds;
- Increasing the aggregate amount of funding;
- Allowing for the reimbursement of expenses incurred before the execution of the purchase order but in no event for expenses incurred prior to October 16, 2023;

These changes will allow for the effective and efficient implementation of the Downtown Ground Floor Growth Initiative.

Further this amendment seeks to declare an emergency to ensure that there are no further delays in the implementation of the program.

Fiscal Impact: Funding in the amount of \$50,000.00 is available in the General Fund Job Growth subfund. Funding of \$1,000,000.00 will be provided by the department's 2024 General Fund budget.

Contract Compliance: The vendor's contract compliance is pending.

To amend Ordinance No. 2661-2023, passed by Columbus City Council on October 16, 2023 to change: the amount expended to \$1,000,000.00; the funding source to the General Fund; and from a grant agreement to a not-for-profit

service contract); to authorize the appropriation and expenditure of up to \$50,000.00 from the General Fund Job Growth subfund; to allow for the reimbursement of expenses incurred prior to the execution of a purchase order; to amend the 2023 capital improvements budget; and to declare an emergency. (\$1,050,000.00)

WHEREAS, the Director of the Department of Development seeks to enter into a not-for-profit service contract with Ground Floor Growth LLC per Section 329.30 of the Columbus City Codes; and

WHEREAS, the Downtown Ground Floor Growth Initiative is designed to decrease vacancy downtown; promote small, local businesses; and promote the amenities of downtown as a neighborhood for Columbus residents living and working inside and outside of downtown; and

WHEREAS, the purpose of Ground Floor Growth, LLC, as registered with the Ohio Secretary of State is to “support the activities of Columbus Downtown Development Corporation (“CDDC”), to act solely for the exclusive benefit of CDDC, and to exercise its powers only in furtherance of the exempt purposes of CDDC. Accordingly, the activities of this limited liability company will at all times be consistent with the requirements of Section 501(c)(3) of the Internal Revenue Code (the “Code”), and it shall at all times be operated exclusively for religious, charitable, scientific, literary, or educational purposes within the meaning of Section 501(c)(3) of the Code. No part of the net earnings of this limited liability company shall inure to the benefit of, or be distributable to, its directors, officers, or any other private persons, except that it may pay reasonable amounts for goods and services provided and rendered to it. No substantial part of the activities of the limited liability company shall be the carrying on of propaganda or otherwise attempting to influence legislation, and it shall not participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office. Upon dissolution, all of the assets of the limited liability company will be distributed to CDDC. Subject to the foregoing, the limited liability company is authorized to engage in any lawful act or activity for which limited liability companies may be formed under the Ohio Revised Code”; and

WHEREAS, it is necessary to allow for the reimbursement of expenses incurred prior to the purchase order date; and

WHEREAS, it is necessary to authorize an amendment to the 2023 Capital Improvements Budget; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Department, in that it is immediately necessary to implement the Program in a timely and effective manner, for the immediate preservation of the public health, safety, peace, and property, and in that it is immediately necessary to implement the Program to promote job creation and economic development; **NOW THEREFORE**,

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

SECTION 1. That the title of Ordinance No. 2661-2023 be repealed and replaced as follows:

~~To amend the 2023 Capital Improvement Budget; to authorize the City Auditor to transfer funds within the Taxable Bond Fund; to authorize the Director of the Department of Development to enter into a Capital Contribution Agreements with Columbus Downtown Development Corporation (CDDC) in an amount up to \$550,000.00 for the property renovation portion of the Downtown Ground Floor Growth Initiative; to authorize the advance of funds to CDDC per the agreement schedule; to authorize the modification of Capital Contribution Agreements, up to the amount of funds on the ACPO; to authorize the expenditure of up to \$500,000.00 from the Taxable Bond Fund; to authorize the appropriation and expenditure of up to \$50,000.00 from the General Fund Job Growth subfund. (\$550,000.00)~~

To amend Ordinance No. 2661-2023, passed by Columbus City Council on October 16, 2023 to change: the amount expended to \$1,000,000.00; the funding source to the General Fund; and from a grant agreement to a not-for-profit service contract); to authorize the appropriation and expenditure of up to \$50,000.00 from the General Fund Job Growth subfund; to allow for the reimbursement of expenses incurred prior to the execution of a purchase order; to amend the 2023 capital improvements budget; and to declare an emergency. (\$1,050,000.00)

SECTION 2. That the following sections of Ordinance No. 2661-2023 be repealed and replaced as follows. Any information in the background/explanation and recital sections of Ordinance No. 2661-2023 that contradict the new text below shall be superseded by the new text contained in this amendment:

~~**SECTION 1.** That the 2023 Capital Improvements Budget authorized by ordinance 1711-2023 be amended as follows to establish sufficient authority for this project:~~

~~**Fund / Project / Project Name / C.I.B. / Change / C.I.B. as Amended**~~

~~7739 / P200026-100000 / Land Bank Properties / \$500,000.00 / (\$500,000.00) / \$0.00~~

~~7739 / P200031-100000 / Commercial Downtown Marketplace Initiative / \$0.00~~

~~/\$500,000.00 / \$500,000.00~~

~~**SECTION 2.** That the transfer of \$500,000.00 or so much thereof as may be needed, is hereby authorized within Fund 7739 (Taxable Bond Fund), Dept Div 44-11 (Economic Development) per the account codes in the attachment to this ordinance.~~

~~**SECTION 3.** That for the purpose as stated in Section 6, the expenditure of \$500,000.00, or so much thereof as may be necessary, is hereby authorized in fund 7739 (Taxable Bond Fund), Project 200031-100000, Dept. 44-11 (Economic Development), in Object Class 06 (Capital Outlay) per the accounting codes in the attachment to this ordinance.~~

~~**SECTION 4.** That the City Auditor be and is hereby authorized to appropriate \$50,000.00 in Fund 1000 (General Fund), Subfund 100015 (Jobs Growth Subfund), Dept Div 4402 (Economic Development), in Object Class 05 (Other), per the accounting codes in the attachment to this ordinance.~~

~~**SECTION 5.** That the expenditure of \$50,000.00 or so much thereof as may be needed pursuant to the action authorized in SECTION 6 of this ordinance, is authorized in Fund 1000 (General Fund), Subfund 100015 (Jobs Growth Subfund);~~

~~**SECTION 6.** That the Director of the Department of Development is authorized to enter into a Capital Contribution Agreements with Columbus Downtown Development Corporation (CDDC) in an amount up to \$550,000.00 for the property renovation portion of the Downtown Ground Floor Growth Initiative; **to authorize the modification of Capital Contribution Agreements, up to the amount of funds on the ACPO;** and to make advance payments for projects on a project by project basis for the renovation costs (up to \$500,000.00) and to advance the administration fee in full (up to \$50,000.00).~~

~~**SECTION 7.** Funds are hereby deemed appropriated and expenditures and transfers authorized to carry out the purposes of this ordinance and the City Auditor shall establish such accounting codes as necessary.~~

~~**SECTION 8.** That the City Auditor is authorized to make any accounting changes to revise the funding source for all agreements or agreement modifications associated with this legislation.~~

~~**SECTION 9.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.~~

~~**SECTION 1.** That the Director of the Department of Development is hereby authorized to enter into not-for-profit service contract with Ground Floor Growth, LLC;~~

~~**SECTION 2.** That, of the \$1,050,000.00 authorized under this legislation, up to \$50,000.00 may be used~~

for administrative expenses that Ground Floor Growth LLC incurs as part of administering the master leases for this program.

SECTION 3. That, of the \$1,050,000.00, up to \$1,000,000.00 may be used for the benefit of small businesses that are participating in this program. Eligible expenses shall be limited to costs associated with rental support. Eligible expenses do not include construction or renovation-related costs.

SECTION 4. That the transfer of \$1,000,000.00, or so much thereof as may be needed, is hereby authorized within Fund 1000 (General Fund), from Dept.-Div 44-02 (Economic Development), object class 05 (Other) to object class 03 (Services) per the account codes in the attachment to this ordinance.

SECTION 5. That the City Auditor be and is hereby authorized to appropriate \$50,000.00 in Fund 1000 (General Fund), Subfund 100015 (Jobs Growth Subfund), Dept-Div 4402 (Economic Development), in Object Class 03 (Services), per the accounting codes in the attachment to this ordinance.

SECTION 6. That for the purpose stated in Section 1, the expenditure of \$1,050,000.00 or so much thereof as may be needed, is hereby authorized in Fund 1000 (General Fund), Dept-Div 44-02 (Economic Development Division), in object class 03 (Services) per the accounting codes in the attachment to this ordinance.

SECTION 7. That the 2023 Capital Improvements Budget authorized by Ordinance 1711-2023 be amended as follows:

Fund / Project / Project Name (Funding Source) / C.I.B. / Change / C.I.B. as Amended
7739 / P200031-100000 / Downtown Marketplace Initiative (Councilmanic SIT Supported) / \$1,000,000 / (\$500,000) / \$500,000

SECTION 8. That the funds are hereby deemed appropriated to carry out the purposes of this ordinance and the City Auditor shall establish such accounting codes as necessary.

SECTION 9. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

SECTION 10. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

SECTION 3. That for the 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 approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.