



Legislation Text

File #: 3232-2022, **Version:** 1

BACKGROUND

This legislation authorizes the Director of the Department of Development to modify a grant agreement with Alvis, Inc., in an amount up to \$1,500,000.00, to advance the planning, design and construction of additional space to continue providing residential reentry space treatment and services.

Original grant amount	\$2,000,000.00	Ord. 3035-2022
Mod 1 grant amount	<u>\$1,500,000.00</u>	
Total grant amount	\$3,500,000.00	

Ordinance 3035-2022, passed by City Council on November 14, 2022, authorized the Director of the Department of Development to enter into a grant agreement for the project. This is the second contribution of a two-year capital commitment totaling \$3.5 million.

Alvis, Inc. has been turning lives around since 1967. Alvis offers comprehensive human services to meet the needs of some of our most vulnerable members of our community. They currently operate 6 residential reentry centers, four outpatient centers and one administrative office building. They are looking to expand the Alum Creek facility to construct and connect a two-story building on adjacent land.

The projected cost of the project is \$25 million. Once completed, the additional facility space will enable them to increase their capacity to serve residents from 280 to 350.

Emergency action is requested to begin reimbursing Alvis, Inc. for expenses incurred as a result of the increased demand for services.

FISCAL IMPACT: This project was budgeted in the 2022 Capital Improvement Budget. The funds will not be available to Development until a bond sale takes place related to the 2022 Capital Improvement Budget. Therefore, it is necessary to certify funds in the amount of \$1,500,000.00 the Special Income Tax Fund, Fund 4430.

CONTRACT COMPLIANCE: The vendor number is 004275 and expires 12/15/22.

To authorize the Director of Development to modify a grant agreement in an amount up to \$1,500,000.00 with Alvis, Inc. to advance the planning, design and construction of additional space to continue providing residential reentry space treatment and services; to authorize the reimbursement of expenses incurred prior to the purchase order; to authorize the expenditure of up to \$1,500,000.00; to authorize the City Auditor to appropriate and transfer funds from the Special Income Tax Fund to the Northland & Other Acquisitions fund; to appropriate funds within the Northland & Other Acquisitions fund; and to declare an emergency. (\$1,500,000.00)

WHEREAS, this legislation will authorize the Director of Development to modify a grant agreement in the amount \$1,500,000.00 funded from the 2022 Capital Budget; and

WHEREAS, the City made a commitment of \$3,500,000.00 to Alvis, Inc. to provide a capital grant supporting expansion

of their Alum Creek facility, to be paid in two installments; and

WHEREAS, this is the second installment of the City commitment; and

WHEREAS, Alvis, Inc. is investing \$25,000,000.00 in construction of the expanded facility; and

WHEREAS, funds will need to be appropriated within Fund 4430 (Special Income Tax) and within Fund 7735 (Northland & Other Acquisitions); and

WHEREAS, funds will need to be transferred from the Special Income Tax Fund to the Northland & Other Acquisitions Fund; and

WHEREAS, the City will reimburse the Special Income Tax Fund; and

WHEREAS, this transfer should be considered as a temporary funding method; and

WHEREAS, the aggregated principal amount of obligations which the City will issue to finance this project is presently expected not to exceed \$1,500,000.00; and

WHEREAS, the City anticipates incurring certain Original Expenditures (as defined in Section 1.150-2(c) of the Treasury Regulations (the "Treasury Regulations") promulgated pursuant to the Internal Revenue Code of 1986 (as amended) with respect to the project described in this ordinance (the "Project"); and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to authorize the Director to modify a grant agreement with Alvis, Inc. in order to provide funding for expenses incurred to meet the increased need of services provided by Alvis, Inc., thereby 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 Development be and is hereby authorized to modify a grant agreement, in an amount up to \$1,500,000.00 with Alvis, Inc. to provide a capital grant supporting expansion of their Alum Creek facility and to reimburse expenses incurred prior to the purchase order.

SECTION 2. That from the unappropriated monies and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ended December 31, 2022, the sum of \$1,500,000.00 is appropriated in Fund 4430 (Special Income Tax), Dept-Div 2201 (City Auditor), in Object Class 10 (Transfer Out Operating) per the account codes in the attachment to this ordinance.

SECTION 3. That the transfer of \$1,500,000.00, or so much thereof as may be needed, is hereby authorized from Fund 4430 (Special Income Tax), Dept-Div 2201 (City Auditor) to Fund 7735 (Northland & Other Acquisitions), Dept-Div 44-01 (Administration) per the account codes in the attachment to this ordinance.

SECTION 4. That from the unappropriated monies and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ended December 31, 2022, the sum of \$1,500,000.00 is appropriated in Fund 7735 (Northland & Other Acquisitions), Dept-Div 44-01 (Administration), Project P782026-100000 (Alvis House Facility Expansion), in Object Class 06 (Capital Outlay) per the account codes in the attachment to this ordinance

SECTION 5. That for the purpose as stated in Section 1, the expenditure of \$1,500,000.00, or so much thereof as may be necessary, is hereby authorized in fund 7735 (Northland & Other Acquisitions), Project P782026-100000, Dept. 44-01 (Administration), in Object Class 06 (Capital Outlay) per the accounting codes in the attachment to this ordinance.

SECTION 6. That the monies appropriated in the foregoing Section 2 and Section 4 shall be paid upon order of the Director of Development 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 7. That upon obtaining other funds for this project for the Department of Development, the City Auditor is hereby authorized and directed to repay the Special Income Tax Fund the amount transferred under Section 3.

SECTION 8. That the City intends that this ordinance constitute an "official intent" for purposes of Section 1.150-2(e) of the Treasury Regulations, and that the City reasonably expects to reimburse itself for certain Original Expenditures incurred with respect to the Project from the proceeds of obligations to be issued by the City in a principal amount currently estimated to be \$1,500,000.00 (the "Obligations").

The City intends to make a reimbursement allocation on its books for the Original Expenditures not later than eighteen months following the later to occur of the date of the Original Expenditure to be reimbursed or the date the Project for which such Original Expenditures were made is "placed in service" within the meaning of Treasury Regulations Section 1.150-2(c). Upon the issuance of the Obligations, the proceeds of such Obligations shall be used to reimburse the fund from which the advance for costs of the Project will be made.

SECTION 9. That the City Auditor is hereby authorized to transfer the unencumbered balance in a project account to the unallocated balance account within the same fund upon receipt of certification by the Director of the Department administering said project that the project has been completed and the monies are no longer required for said project.

SECTION 10. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 11. 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 12. 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.