



## Legislation Text

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**File #:** 1608-2013, **Version:** 1

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### **1. BACKGROUND**

This ordinance seeks authorization for the Director of the Department of Public Service to enter into a Design Guaranteed Maximum Reimbursement Agreement with Central Ohio Housing Development Organization (COHDO) for up to \$336,354.99 to design Phases 2 and 3 public roadway improvements within the American Addition neighborhood for the American Addition Infrastructure (Phases 2 and 3) project.

The City of Columbus and the Central Ohio Housing Development Organization (COHDO) are engaged in a Public-Private Partnership (3P) to redevelop the American Addition neighborhood. The American Addition is located in the northeast quadrant of Columbus and is contained within the boundaries of Joyce Avenue to the west, Petrel Alley to the east, the alley north of 12th Avenue to the north and Dewey and Dolphin Alleys to the south.

On November 3, 2011, the City and COHDO entered into an Economic Development Agreement (EDA) under the authorization of Ordinance No. 1200-2011, passed by its Council on July 25, 2011, through which the City agreed to participate in building and maintaining public infrastructure improvements up to a maximum amount of \$10 million and COHDO agreed to cause the redevelopment of all or a portion of the American Addition.

American Addition public infrastructure improvements will be completed in 4 phases. Phase 1 is anticipated to complete design in July 2013 for construction to start this fall. Phases 2 and 3 have been combined and are ready to begin design. Phase 4 public improvements will move forward based on the market's absorption of the new housing.

Upon completion, the redevelopment of the American Addition will include construction of up to 120 new homes, renovation of existing homes and the construction of improvements to public rights-of-way that will provide more adequate storm water dispersal, street lights, provide fire protection and offer multiple mobility options for the neighborhood.

The scope of public improvements for the American Addition Infrastructure (Phases 2 and 3) project includes, but is not limited to, upgrading existing public infrastructure, coordinating the adjustment of private utilities, and clearing public right-of-way to accommodate public and private utility upgrades on the following roadways and alleys: Twelfth Avenue, Helena Alley, Woodford Avenue, Katahdin Alley, Key West Avenue, Olympia Alley, Puritan Avenue, Petrel Alley, and Dewey Avenue.

### **2. CONTRACT COMPLIANCE INFORMATION**

The contract compliance number for Central Ohio Housing Development Organization (COHDO) is 311579335. The expiration date is 4/18/14.

### **3. FISCAL IMPACTS**

This project is funded in the 2013 Capital Improvements Budget. Bonds have yet to be sold for this project therefore it is necessary to certify funds needed in the amount of \$336,354.99 against the Special Income Tax Fund. Upon sale of the bonds, this will be reimbursed.

### **4. EMERGENCY DESIGNATION**

The Department of Public Service is requesting this ordinance to be considered an emergency measure in order to allow for immediate execution of this design guaranteed maximum reimbursement agreement, which is necessary to facilitate the design of these improvements to maintain the project schedule and meet community commitments; thereby

immediately preserving the public health, peace, property, safety and welfare.

To authorize and direct the City Auditor to appropriate and transfer \$336,354.99 from the Special Income Tax Fund to the Streets and Highways Bonds Fund; to authorize the City Auditor to appropriate \$336,354.99 within the Streets and Highways Bonds Fund; to authorize the Director of Public Service to enter into a Design Guaranteed Maximum Reimbursement Agreement with Central Ohio Housing Development Organization (COHDO) for up to \$336,354.99 for the American Addition Infrastructure (Phases 2 and 3) project within the American Addition neighborhood; to authorize the expenditure of \$336,354.99 from the Streets and Highways Bond Fund and to declare an emergency. (\$336,354.99)

**WHEREAS**, The City of Columbus and the Central Ohio Housing Development Organization (COHDO) are engaged in a Public-Private Partnership (3P) to redevelop the American Addition neighborhood and the American Addition Infrastructure (Phases 2 and 3) project in particular; and

**WHEREAS**, the City and the Central Ohio Housing Development Organization (COHDO) entered into an Economic Development Agreement (EDA) on November 3, 2011, under the authorization of Ordinance No. 1200-2011, passed by its Council on July 25, 2011, through which the City agreed to participate in building and maintaining public infrastructure improvements up to a maximum amount of \$10 million and COHDO agreed to cause the redevelopment of all or a portion of the American Addition; and

**WHEREAS**, American Addition Phase 1 is anticipated to complete design in July 2013 for construction to start this fall and American Addition Phases 2 and 3 have been combined and are ready to begin design; and

**WHEREAS**, public infrastructure improvements for the American Addition Infrastructure (Phases 2 and 3) project includes, but are not limited to, upgrading existing public infrastructure, coordinating the adjustment of private utilities and clearing public right-of-way to accommodate public and private utility upgrades on the following roadways and alleys: Twelfth Avenue, Helena Alley, Woodford Avenue, Katahdin Alley, Key West Avenue, Olympia Alley, Puritan Avenue, Petrel Alley, and Dewey Avenue; and

**WHEREAS**, the Department of Public Service has identified the need to enter into a design guaranteed maximum reimbursement agreement with Central Ohio Housing Development Organization (COHDO) for the American Addition Infrastructure (Phases 2 and 3) project; and

**WHEREAS**, this ordinance authorizes the Director of the Department of Public Service to enter into a design guaranteed maximum reimbursement agreement with Central Ohio Housing Development Organization (COHDO), in an amount up to \$336,354.99 for the design of public infrastructure improvements in connection with the American Addition Infrastructure (Phases 2 and 3) project; and

**WHEREAS**, it is necessary to transfer funds from the Special Income Tax Fund to fund this project; and

**WHEREAS**, the City will sell notes or bonds to fund this project and 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 \$336,354.99; 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 Public Service, in that it is

immediately necessary to authorize said design guaranteed maximum reimbursement agreement and the expenditure of such funds to maintain the project schedule and meet community commitments; thereby immediately preserving the public health, peace, property, safety and welfare; now, therefore,

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

**SECTION 1.** The sum of \$336,354.99 be and is hereby appropriated from the unappropriated balance of the Special Income Tax Fund, Fund 430, 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 ending December 31, 2013 to the City Auditor, Department 22-01, Object Level One 10, OCA code 902023, Object Level Three 5502.

**SECTION 2.** That the City Auditor is hereby authorized to transfer and appropriate said funds in SECTION 1 to the Streets and Highways G.O. Bonds Fund, Fund 704 as follows:

Fund / Project Number / Project Name / O.L. 01-03 Codes / OCA / Amount  
704 / 590131-100003 / American Addition Infrastructure / 06-6631 / 743103 / \$336,354.99

**SECTION 3.** That the Director of Public Service be and is hereby authorized enter into a design guaranteed maximum reimbursement agreement with Central Ohio Housing Development Organization (COHDO), in an amount up to \$336,354.99 for the design of public infrastructure improvements in connection with the American Addition Infrastructure (Phases 2 and 3) project.

**SECTION 4.** That the monies appropriated in the foregoing Section 2 shall be paid upon order of the Director of Public Service 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 5.** That upon obtaining other funds for this project for the Department of Public Service, the City Auditor is hereby authorized and directed to repay the Special Income Tax Fund the amount transferred under Section 2.

**SECTION 6.** That the City Auditor is authorized to make any accounting changes to revise the funding source for any contract(s) or contract modification(s) associated with the expenditure of the funds transferred under 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, 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 \$336,354.99 (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 8.** That for the purpose stated in Section 3, the expenditure of up to \$336,354.99 from the Public Service Department, Division 59-09, Fund No. 704, Project No. 590131-100003 American Addition Infrastructure, OCA Code 743103, Object Level 06-6631 is hereby authorized.

**SECTION 9.** 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 10.** 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 11.** 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 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 passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.