



Legislation Text

File #: 2067-2021, **Version:** 1

Background: The purpose of this ordinance is to authorize the Director of Development to enter into a Memorandum of Understanding (the “MOU”) with Campus Partners for Community Urban Redevelopment (“Campus Partners”) to outline the certain commitments relating to the redevelopment of a +/-9 acre district in the vicinity of 15th Avenue and High Street that will include new commercial office, restaurant/retail space, hotel, residential and a public parking garage (“15+HIGH”), in addition to other public infrastructure improvements that include the reconnection of side streets to High Street, the transformation of Pearl Alley into a pedestrian alley, and public utility work. As part of a Public-Private Partnership (P3) and pursuant to Ordinance 2888-2014 approved by Council on December 8, 2014, the City created the University TIF generally between High Street and Pearl Alley to the west and east, and Lane Avenue and Chittenden Avenue to the north and south as described on Exhibit A of the TIF Ordinance (the “TIF Area”). The City and Campus Partners entered into a Tax Increment Financing Agreement dated September 15, 2016, as authorized by Ordinance 0644-2016, approved by Council on June 6, 2016 to provide revenue generated from parcels within the TIF Area for reimbursement of certain public infrastructure improvements of 15+HIGH.

After the passage of the TIF Ordinance, Council approved Ordinance 0643-2015 on March 9, 2015 to expand the Weinland Park-University Area F Community Reinvestment Area (the “Weinland Park CRA”), the boundaries of which initially overlapped with the TIF Area. City Council approved Ordinance 2196-2018 on July 30, 2018, which included removal of the TIF Area from the Weinland Park CRA. During the period of time in which the boundaries overlapped, certain parcels in the TIF Area were provided a superior exemption to the one provided by the TIF Ordinance with the result being that certain years’ service payments in lieu of taxes from those parcels (the “Service Payments”) that would have been available to fund 15th+HIGH public infrastructure improvements would no longer be available to be paid under the TIF Agreement. The City and Campus Partners recognize that those Service Payments are still necessary to provide adequate financing for the 15th+HIGH public infrastructure improvements; therefore, the City and Campus Partners have agreed to enter into this MOU regarding the compensation of those Service Payments. The Department of Development will submit, through the City’s 2022 Capital Improvement Budget (CIB), a request for funding in the sum of \$1,358,395.00 for the anticipated loss of the Service Payments. Subsequent to the availability of funding from the 2022 CIB, payment will be made in accordance with terms outlined in a subsequent agreement(s) between the City and Campus Partners, which will be subject to approval by City Council.

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

Emergency Justification: Emergency legislation is necessary to allow Campus Partners and the City to timely execute the MOU in order to begin the implementation of the certain commitments in accordance with the MOU for the continued financing of public infrastructure improvements of 15th+HIGH.

To authorize the Director of Development to enter into a Memorandum of Understanding (the “MOU”) with Campus Partners for Community Urban Redevelopment (“Campus Partners”) to outline the certain commitments of the City and Campus Partners related to the 15+HIGH development project and public infrastructure improvements; and to declare an emergency.

WHEREAS, Campus Partners for Community Urban Redevelopment (“Campus Partners”) is undertaking redevelopment of a +/-9 acre district in the vicinity of 15th Avenue and High Street that will include new commercial office, restaurant/retail space, hotel, residential and a public parking garage (“15+HIGH”), in addition to other public infrastructure improvements that include the reconnection of side streets to High Street, the transformation of Pearl Alley and public utility work; and

WHEREAS, as part of a Public-Private Partnership (P3), the City committed to establishing the “University TIF” pursuant to Ordinance 2888-2014 and entered into a Tax Increment Financing Agreement with Campus Partners dated September 15, 2016 (the “TIF Agreement”) authorized by Ordinance 0644-2016 to provide revenue generated from parcels within the University TIF area for reimbursement of certain public infrastructure improvements of 15th+High described in Exhibit B of the TIF Agreement; and

WHEREAS, Council approved Ordinance 0643-2015 to expand the Weinland Park-University Area F Community Reinvestment Area (the “Weinland Park CRA”), the boundaries of which initially overlapped with the University TIF area but were subsequently adjusted to remove the University TIF area from the Weinland Park CRA as part of Ordinance 2196-2018; and

WHEREAS, during the period of time in which the boundaries of the Weinland Park CRA overlapped with the University TIF area, certain parcels in the University TIF area were provided a superior exemption to the one provided by the University TIF ordinance with the result being that certain years’ service payments in lieu of taxes from those parcels (the “Service Payments”) that would have been available to fund 15th+HIGH public infrastructure improvements would no longer be available to be paid under the TIF Agreement; and

WHEREAS, the Department of Development will request funding in the amount of \$1,358,395.00 through the 2022 Capital Improvement Budget (CIB) to compensate Campus Partners for the anticipated loss of those Service Payments needed for the 15th+HIGH public infrastructure improvements; and

WHEREAS, subject to the availability of funding from the 2022 CIB and further authorization by Council, the City and Campus Partners will enter into a subsequent agreement(s) outlining the terms and conditions for the compensation of the Service Payments; and

WHEREAS, the City and Campus Partners desire to memorialize their understanding and commitments with respect to their cooperation on the compensation of the Service Payment for the 15th+HIGH public infrastructure improvements in a 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 Campus Partners in order to provide continued financing for the public infrastructure improvements, which are already under construction for 15th+HIGH, 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 a 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 Campus Partners to outline the certain commitments of the City and Campus Partners relating to the redevelopment of the 15th Avenue and High Street front door of The Ohio State University with the City’s adjacent neighborhood (15th+HIGH) and the financing of related public infrastructure improvements for 15th+HIGH.

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.