



Legislation Text

File #: 0994-2011, **Version:** 1

Background: In order to allow for growth, increase operational efficiencies, and reduce operating expenses, the City desires to consolidate and relocate a number of its functions and operations currently housed in leased and city-owned buildings. A property has been identified for acquisition to fulfill these requirements. Located at 4252 Groves Road, across the street from the City's property at 4211 Groves Road, the property consists of approximately nineteen (19) acres including a warehouse office building of approximately 208,000 square feet, a covered outdoor storage building of approximately 60,000 square feet and paved parking for 375 vehicles. The site also contains approximately 2.75 acres of undeveloped land.

This purchase provides the City with a singular opportunity to acquire a strategic site proximate to its Fleet Maintenance operations that will allow the City to foster synergy in cross-department operations and provide flexibility to serve a variety of identified space needs for several departments, and to reduce lease expense. This legislation authorizes the Director of Finance and Management to execute those documents necessary to purchase that real property from 4252 Groves Road Equities LLC, an Ohio limited liability corporation, and to expend up to \$2,400,000.00 for all costs associated with said acquisition. Purchase contingencies include, but are not limited to, the satisfactory completion of Environmental Site Assessments (Phase I ESA and Phase II, if necessary) and a Property Condition Assessment.

Fiscal Impact: This project is funded in the 2011 Capital Improvement Budget. However, bonds have yet to be sold for the project, necessitating a certification of \$2,400,000.00 against the Special Income Tax Fund. Funding for this purchase will be certified against the Special Income Tax Fund and then subsequently reimbursed when the next bond sale is completed.

Emergency Justification: Emergency action is requested to allow for the immediate execution of the purchase agreement by the City so that the acquisition can proceed in agreement with the closing transaction deadlines and other terms of the purchase contract.

To authorize the Director of the Department of Finance and Management to execute those documents necessary to purchase that real property known as 4252 Groves Road from 4252 Groves Road Equities LLC, an Ohio limited liability corporation, for the relocation and consolidation of various City functions; to authorize and direct the City Auditor to transfer \$2,400,000.00 from the Special Income Tax Fund to the Construction Management Capital Improvement Fund; to authorize the expenditure not to exceed \$2,400,000.00 from the Construction Management Capital Improvement Fund; and to declare an emergency. (\$2,400,000.00)

WHEREAS, the City, desires to enter into a purchase contract with 4252 Groves Road Equities LLC, an Ohio limited liability corporation, for the purchase of real property 4252 Groves Road, Columbus, Ohio, Franklin County Tax Parcel ID 010-192053; and

WHEREAS, the acquisition of the property will provide the City with flexibility to serve a variety of identified space needs for several departments and to reduce lease expense; and

WHEREAS, it is necessary to transfer funds from the Special Income Tax Fund to 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 \$2,400,000.00; 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 Finance and Management Department, Office of Real Estate Management, in that it is immediately necessary to authorize the Finance and Management Director to contract with 4252 Groves Road Equities LLC for the purchase of that real property located at 4252 Groves Road, Columbus, Ohio now, therefore:

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

SECTION 1. That the Director of the Department of Finance and Management be, and hereby is, authorized to execute those documents approved by the Department of Law, Division of Real Estate necessary for the purchase of that real property known as 4252 Groves Rd, Columbus, Ohio, Franklin County Tax Parcel ID 010-192053.

SECTION 2. That the sum of \$2,400,000.00 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, 2011 to the City Auditor, Department 22-01, Object Level One 10, OCA code 902023, Object Level Three 5502.

SECTION 3. That the City Auditor is hereby authorized to transfer said funds to the Construction Management Capital Improvement Fund, at such time is deemed necessary by the City Auditor, and to expend said funds, or so much thereof as may be necessary.

SECTION 4. That the amount of \$2,400,000.00 is hereby transferred and appropriated to the Construction Management Capital Improvement Fund, 45-01, Fund 733, Project Number 570057-100000 - 4252 Grove Rd. Building, Object Level One 06, Object Level Three Code 6603, OCA Code 733057

SECTION 5. That upon obtaining other funds for the purchase of that real property known as 4252 Groves Rd, Columbus, Ohio, Franklin County Tax Parcel ID 010-192053, the City Auditor is hereby authorized and directed to repay the Special Income Tax Fund the amount transferred under Section 3.

SECTION 6. That the City Auditor is authorized to establish the proper accounting project number and to make any accounting changes to review the funding any contract or contract modification associated with the expenditure of funds transferred.

SECTION 7. That the City intends 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 \$2,400,000.00 (the "Obligations").

The City intends to make a reimbursement allocation on its books for the Original Expenditures not later than eighteen (18) 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 as "placed in service" within the meaning of the 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. All funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated.

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; except that no transfer shall be so made from a project account funded by monies from more than one source.

SECTION 10. That the expenditure up to \$2,400,000.00, or so much thereof that may be necessary in regard to the action authorized in SECTION 1, be and is hereby authorized and approved as follows:

Division: 45-01
Fund: 733
Project/Detail: 570057-100000
Project Name: 4252 Groves Road Building

OCA: 733057
Object Level 1: 06
Object Level 6603
Amount: \$2,400,000.00

SECTION 11. 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