



## Legislation Text

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**File #: 3063-2016, Version: 1**

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**Background:** The City of Columbus has leased to Capitol South Community Urban Redevelopment Corporation (hereinafter “Capitol South”) that certain real property identified as Franklin County Tax Parcel 010-211623, 225 S. Third Street, consisting of approximately 1.2933 acres located along Third Street at the corner of Rich Street (the “Third Street Lot”) associated with the former City Center Mall sites (now the “Columbus Commons”) for a term of 99 years, renewable forever. After conducting a competitive process, Capitol South has identified a team of well recognized local developers, Daimler Group and Kaufman Development, partners under Two 25 Commons LLC (the “Developer”) interested in developing a portion of the Third Street Lot, consisting of the real property described in the legal description attachment hereto, (hereinafter the “Property”), with construction of a twelve-story building containing office, retail and residential uses (“Two25 Commons Project”). Capitol South proposes to acquire the City’s fee title to the Property. Capitol South proposes to convey title to the Property to the Developer, reserving necessary easements for utilities, signs, and improvements and subject to other restrictions of record, for a purchase price of \$2.4 million. The net proceeds from the sale are subject to the terms of the Operative Agreement, as amended and entered into on July 30, 2001, between the City and Capitol South and shall be treated as positive cash flow. The conveyance from the City to Capitol South shall be conditioned on the Developer proceeding to closing.

The following legislation authorizes the Director of Finance and Management to execute a quit claim deed to Capitol South conveying title to the Property to be split from the Third Street Lot, to execute joinders and consents to utility, encroachment, maintenance, temporary construction easements necessary for the redevelopment, and to execute other pertinent documents. It is in the City’s best interest to waive the requirements of Chapter 329 of City Code relating to the sale of city-owned real property.

**Fiscal Impact:** No expenditure of funds by the City is required. The City will receive a portion of the sale proceeds in accordance with the terms of the Operative Agreement.

**Emergency action** is requested to expedite the redevelopment of this portion of the Columbus Commons area.

To authorize the Director of Finance and Management to execute a quit-claim deed generally providing for the transfer of all of the City’s interest in that portion of Property described in the attachment hereto, being a portion of Franklin County Tax Parcel 010-211623, located on South Third Street at the corner of Rich Street, reserving necessary easements for utilities, signs, or other improvements and subject to other restrictions of record, to Capitol South Community Urban Redevelopment Corporation, and to enter into and execute other documents pertinent to such conveyance; to the extent applicable, to waive the requirements of Chapter 329 the Columbus City Codes relating to the sale of city-owned real property; and to declare an emergency.

**WHEREAS**, the City of Columbus owns fee interest of that 1.2933 acre real property, situated generally along Third Street, at the northwest corner of Rich Street (hereinafter the “Third Street Lot”), and has previously leased this real property to Capitol South Community Urban Redevelopment Corporation (hereinafter “Capitol South) for a term of 99 years, renewable forever; and

**WHEREAS**, to facilitate redevelopment on a portion of the Third Street Lot, the City desires to release from the operation of the lease and convey the City’s fee interest in the Property described in the attachment hereto to Capitol South, subject to the reservation of easements for utilities, signs, or other improvements and subject to other restrictions of record; and

**WHEREAS**, Capitol South will convey that certain Property to the “Developer”, Two25 Commons LLC, an Ohio limited liability company, a development entity, formed by Daimler Group and Kaufman Development; and

**WHEREAS**, the Developer proposes to develop a twelve-story building with office and retail space together with market rate apartments (the “Two25 Commons Project”) on the Property; and

**WHEREAS**, it is in the city's best interest to waive City Code Chapter 329 relating to the sale of city-owned real property; and

**WHEREAS**, an emergency exists in the usual daily operation of the City of Columbus in that it is immediately necessary to authorize the Director of Finance and Management to execute those documents necessary to transfer fee title and execute a quit-claim deed in order to expedite the development of the Columbus Commons area to provide office, retail and residential improvements; and for the immediate preservation of the public health, peace, property and safety; now, therefore:

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

**SECTION 1.** That the Director of Finance and Management be and hereby is authorized to execute a quit-claim deed and necessary documents, as approved by the City Attorney's Office, Department of Law, Real Estate Division, and providing generally for the transfer of the City's fee interest in the real property identified in the attachment hereto, being a portion of Franklin County Tax Parcel 010-2112623, to Capitol South Community Urban Redevelopment Corporation, subject to the reservation of easements for utilities, signs, or other improvements and other restrictions of record, including other pertinent documents contemporaneous to the conveyance of the real property to Developer for construction of the Two25 Commons Project.

**SECTION 2.** That the Director of Finance and Management be and hereby is authorized to execute a mutual release of any previous lease and any other previous agreement or document between the City and Capitol South Community Urban Redevelopment Corporation or others that may be required or helpful in clearing title to the Property.

**SECTION 3.** That the Director of Finance and Management be and hereby is authorized to execute those easement agreements, approved by the Director and the City Attorney's Office, Department of Law, Real Estate Division, and providing generally for consent to utility, encroachment, maintenance, and temporary construction easements as necessary to facilitate the construction of the project.

**SECTION 4.** That this Council has determined that it is in the best interest of the City of Columbus to waive and does hereby waive the requirements of Columbus City Codes Chapter 329 relating to the sale of city-owned real property to the extent that they may apply to this transaction with regards to this ordinance only.

**SECTION 5.** That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is 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.