



## Legislation Text

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**File #:** 0127-2005, **Version:** 1

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**Background:** The Economic Development Agreement, entered into on December 23, 1999 between the City of Columbus and the Gateway Area Revitalization Initiative (GARI), a non-profit affiliate of Campus Partners, allowed for reimbursements up to \$5 million to GARI for the design and construction of public improvements.

The original \$5 million estimate for the Gateway Public Improvements was established in 1999, based upon preliminary engineering, as part of the city's Economic Development Agreement with GARI. Phase I, which included underground roadway and utility improvements, incurred higher costs in four areas; 1) the scope of work was significantly expanded by the City to include the addition of a completely new water distribution system and the total reconstruction of the roadways, 2) the Public Utilities Department provided reimbursement for a portion of these system wide sanitary and storm costs, 3) higher than anticipated costs were incurred to bury the many overhead utilities located in this area, and 4) GARI was required to incur the project inspection fees, not contemplated in the original estimates. The net effect of these items has increased the cost of the Gateway Public Improvements from \$5 million (as estimated in 1999) to \$7 million.

Phase II of the South Campus Gateway, which consists largely of streetscape improvements to the right-of-way, will begin construction in February 2005. Because the additional project cost has eliminated the funds available for the Phase II improvements, the City finds it necessary to provide for an additional reimbursement to GARI of two million dollars, to fund the cost of all of these public improvements.

The Economic Development Agreement, entered into on December 23, 1999 between the City of Columbus and the Gateway Area Revitalization Initiative must be amended from \$5,000,000 to \$7,000,000 to allow for this additional payment.

**Fiscal Impact:**

No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a first amendment to the Economic Development Agreement with Gateway Area Revitalization Initiative pertaining to the redevelopment of the Gateway Area, increases to \$7,000,000 the maximum amount of public improvements to be constructed thereunder and the maximum amount of the payment or reimbursement by the City of the costs thereof; and to declare an emergency.

**WHEREAS**, on June 30, 1997, this Council, by Ordinance No. 1634-97, adopted the *University Neighborhoods Revitalization Plan: Concept Document* (the "Revitalization Plan") which recommends the development of a major mixed-use project in the Gateway Area; and

**WHEREAS**, Gateway Area Revitalization Initiative (the GARI) is an Ohio non-profit corporation formed exclusively for charitable purposes, including facilitating the redevelopment of major portions, or all, of the Gateway Area by constructing, enlarging, improving or equipping, or causing the construction, enlargement, improvement or equipping of, property and facilities within the Gateway Area for use or development for industry, commerce, housing, distribution or research (the "Gateway Project"); and

**WHEREAS**, pursuant to Ordinance No. 2925-99, the City and the GARI entered into an Economic Development Agreement (the "EDA"), dated December 23, 1999, to have the Gateway Area redeveloped by the GARI in accordance with the redevelopment concepts described in the Revitalization Plan, and, among other matters, to provide for the execution by the City and GARI of a Development and Reimbursement Agreement (the "D & R Agreement") providing for the construction by GARI of certain public

improvements contemplated by the Revitalization Plan having a total cost not to exceed \$5,000,000.00 and, subject to the satisfaction of certain conditions, providing for the reimbursement of GARI by the City for said costs; and

**WHEREAS**, pursuant to the EDA, the City and GARI entered into the D & R Agreement, which is dated April 25, 2003; and

**WHEREAS**, the City and GARI desire to increase the maximum total costs for the said public improvements to be constructed under the D & R Agreement, and the maximum total payment or reimbursement of such costs by the City, to \$7,000,000.00; and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to enter into the EDA Amendment with the GARI in order to avoid delays in the continuation and completion of the Gateway Project, and in order to preserve the public health, peace, safety and welfare; now, therefore,

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

**Section 1.** That the Director of the Department of Development is hereby authorized to enter into the First Amendment to the EDA substantially in the form attached hereto as Exhibit A with the GARI for the purpose of providing for an amendment to the D & R Agreement to increase to the maximum amount which may be spent by the GARI on public improvements in the Gateway Area, and to increase the maximum amount of costs thereof for which the City may, upon passage of future legislation, become obligated to pay or reimburse the GARI, to \$7,000,000.00.

**Section 2.** 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.