



City of Columbus

Office of City Clerk
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Legislation Text

File #: 1016-2012, **Version:** 1

Background: The City of Columbus and Coca-Cola Refreshments USA, Inc. (Coca-Cola) are working together to demolish an abandoned hotel located at 2124 and 2145 Hamilton Road, adjacent to a Coca-Cola plant at 4500 Groves Rd. The current owners of the hotel have failed to comply with an order of the Franklin County Municipal Court which declared the property a public nuisance based on a complaint initiated by the Columbus City Attorney. The property is also subject to a foreclosure action initiated by a lender and continued by a company which purchased Tax Lien Certificates on the property in excess of \$555,000. The property was offered for sale by the Franklin County Sheriff on four separate occasions, each sale did not result in a sale of the property. Coca-Cola entered into an agreement with the purchaser of the Tax Lien Certificates to acquire interest in the foreclosure proceeding and to have an option to complete the foreclosure and gain title to the property. This legislation authorizes the Director of the Department of Development to enter into an agreement with Coca-Cola to contribute up to \$716,650 of the estimated \$1,120,900 remediation and demolition cost. The agreement will require Coca-Cola to gain ownership of the property and perform an asbestos remediation and demolition of the hotel structure.

Fiscal Impact: Funds are available in the 2011 Capital Improvement Budget in Fund 735 Northland and Other Acquisitions.

Emergency Justification: Emergency action is required in order to complete the work within the timeframe for which the cost estimates were given and to start the demolition of this public nuisance as soon as possible.

To authorize the Director of the Department of Development to enter into an agreement with Coca-Cola Refreshments USA, Inc. to contribute funds for the demolition of a public nuisance structure located at 2124 and 2145 Hamilton Road; to authorize the appropriation and expenditure of \$716,650.00 from the Northland and Other Acquisitions Fund; and to declare an emergency. (\$716,650.00)

WHEREAS, the Columbus City Attorney initiated a complaint at the Environmental Section of the Franklin County Municipal Court for an abandoned hotel located at 2124 and 2145 Hamilton Road. The structure is in a substantially deteriorated condition and is a public nuisance in its current condition; and

WHEREAS, the Franklin County Municipal Court ordered the current owner of the property to abate the nuisance and has found the owner in contempt of that order; and

WHEREAS, the property is subject to a foreclosure action in the Common Pleas Court of Franklin County filed by Perpetual Federal Savings Bank and continued by American Tax Funding (ATF) based on a series of Tax Certificates purchased by ATF for a value in excess of \$555,000; and

WHEREAS, the property was offered for sale at the Franklin County Sheriff Real Estate Sale on four separate occasions and did not sell. The minimum bid at the last sale on February 11, 2011 was \$644,147.63; and

WHEREAS, ATF withdrew the property from a fifth sale under the Tax Certificate Foreclosure since if the property had not sold at that sale, it would have been forfeited to ATF, and ATF does not want to own the property due to the Nuisance Abatement Action and the fact that the cost to abate the nuisance exceeds the value of the property; and

WHEREAS, Coca-Cola Refreshments USA, Inc. (Coca-Cola) owns a plant adjacent to the subject property and has entered into an agreement to purchase ATF's interest in the Tax Certificates and allow Coca-Cola to complete the foreclosure and gain title to the property; and

WHEREAS, both Coca-Cola and the City desire to have the structures on the property demolished and the nuisance thereon abated. However, the cost of doing so is not economically feasible for either of them alone at the present time, therefore the City has determined that it is in the City's best interest to enter into this Agreement with Coca-Cola for purposes of performing asbestos removal, demolition and remediation on the property; and

WHEREAS, cash is currently available in Fund 735 Northland and Other Acquisitions Fund; and

WHEREAS, emergency action is requested in order to complete the work within the timeframe for which the cost estimates were given and to start the demolition of this public nuisance as soon as possible; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to enter into contract with Coca-Cola Refreshments USA, Inc, all for the immediate preservation of the public health, peace, property, safety and welfare; **NOW, THEREFORE,**

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

Section 1. That the Director of Development is authorized to enter into an agreement with Coca-Cola Refreshments USA, Inc. for up to \$716,650.00 to perform asbestos removal and demolition services for the property located at 2124 and 2145 Hamilton Road (010-118422 and 010-041657).

Section 2. That for the purpose stated in Section 1, the expenditure of \$716,650.00 from the Development Department, Division No. 44-01, Fund 735 Northland and Other Acquisitions, Project No. 590415-100006 Hotel Demolition-Tax Exempt, OCA Code 741506, Object Level 3 - 6680 be hereby appropriated and authorized.

Section 3. That the City Auditor is authorized to make any accounting changes to revise the funding source for any contract or contract modification associated with the expenditure of the funds in Section 2 above.

Section 4. 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 passage and approval by the Mayor or ten days after its passage if the Mayor neither approves nor vetoes the same.