



City of Columbus

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

Legislation Text

File #: 0128-2005, **Version:** 1

Background:

The Development and Reimbursement Agreement, entered into on June 25, 2002 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 Development and Reimbursement Agreement, entered into on June 25, 2002 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 the First Amendment to the Development and Reimbursement agreement with Gateway Area Revitalization Initiative pertaining to the design of public improvements in the vicinity of the Gateway Area, and increasing the cost of the Gateway Public Improvements Work to be constructed by Gateway Area Revitalization Initiative, and the City's reimbursements of the costs thereof, up to a maximum of \$7,000,000; and to declare an emergency.

WHEREAS, pursuant to an Economic Development Agreement (the "EDA"), dated December 23, 1999, between the City and Gateway Area Revitalization Initiative ("GARI"), the City and GARI entered into a Development and Reimbursement Agreement, dated June 25, 2002 (the "D & R Agreement"); and

WHEREAS, the D & R Agreement provides, among other matters, for GARI to design certain public improvements defined therein as the Gateway Public Improvements Work, to be reimbursed by the City for the cost of such design and construction out of the \$5,000,000 provided for the Public Improvements Work in the EDA, to be reimbursed by the City for some of the costs of the design of Non-Gateway Public Improvements from said \$5,000,000, and to be reimbursed by the City for other costs of the design of Non-Gateway Public Improvements; and

WHEREAS, the EDA is being amended by Ordinance No. 0127-2005 to increase the \$5,000,000 maximum amount to a maximum of \$7,000,000; and

WHEREAS, the City and GARI desire to enter into a First Amendment to the Development and Reimbursement agreement, a copy of which is attached hereto as Exhibit "A" (the "D & R Agreement Amendment"), amending the D & R Agreement to recognize said increase from \$5,000,000 to \$7,000,000; and

WHEREAS, an emergency exists in the usual daily operations of the Department of Development in that it is immediately necessary to enter into the D & R Agreement Amendment with GARI in order to avoid delays in the continuation and completion of various public improvements in the Gateway Area, 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 a D & R Agreement Amendment with GARI substantially in the form of Exhibit A attached hereto for the purpose of amending the D & R Agreement to recognize the increase under the amended EDA, from \$5,000,000 to \$7,000,000, of the maximum cost of Gateway Public Improvements Work to be constructed by GARI and of the maximum amount of costs of the Gateway Public Improvements Work to be reimbursed by the City to GARI.

Section 2. That for purposes of meeting the increased obligation of the City to reimburse GARI an additional \$2,000,000 under the D & R Agreement, as amended by the D & R Agreement Amendment, the expenditure of \$2,000,000 is authorized by and contingent upon passage of Ordinance No. 2220-2004.

Section 3. 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 enforced from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.