



Legislation Text

File #: 1312-2005, **Version:** 1

BACKGROUND: In June 2004, in response to a petition from the Columbus Downtown Development Corporation ("CDDC"), this Council approved the creation of The RiverSouth Authority and made initial appointments to its Board of Trustees. The Authority then entered into a Master Lease Agreement and a First Supplemental Lease Agreement with the City in support of the Authority's issuance of its \$37,870,000 RiverSouth Area Redevelopment Bonds, 2004 Series A (the "2004 Series A Bonds") to pay costs of CDDC's acquisition of the former Lazarus properties and redevelopment initiatives in and for the RiverSouth District. This ordinance authorizes the City to enter into a Second Supplemental Lease Agreement with The RiverSouth Authority in connection with the continued redevelopment and revitalization of the RiverSouth District and the surrounding area, and authorizes the Director of the Department of Development to execute the Second Supplemental Lease Agreement.

FISCAL IMPACT: No funding is required for this legislation until 2008. Commencing in 2008 and thereafter, the City will need to budget for payments under the Second Supplemental Lease Agreement which will be the source of annual debt service payments for a period not to exceed twenty (20) years on The RiverSouth Authority's 2005 bond issue that will finance the continued revitalization of the RiverSouth Area.

To authorize the City to enter into a Second Supplemental Lease Agreement with The RiverSouth Authority in connection with and supporting redevelopment and revitalization of the RiverSouth District and the surrounding area; and to authorize the Director of the Department of Development to execute the Second Supplemental Lease Agreement.

WHEREAS, in order to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the City of Columbus, Ohio (the "City"), this Council desires to provide for the continued redevelopment and revitalization of that certain area situated within the corporate limits of the City, being generally the area of the City's downtown and surrounding areas known as the "RiverSouth Area"; and

WHEREAS, to further the redevelopment and revitalization of the RiverSouth Area the Columbus Downtown Development Corporation ("CDDC") petitioned this Council for the creation of The RiverSouth Authority (the "Authority") as a new community authority pursuant to Chapter 349 of the Ohio Revised Code (the "Revised Code"), and by adoption of its Resolution No. 1007-2004 on June 21, 2004, this Council approved the creation of that Authority and appointed five members of its Board of Trustees; and

WHEREAS, pursuant to Ordinance No. 1009-2004 passed by this Council on June 21, 2004, the City then entered into a Master Lease Agreement and a First Supplemental Lease Agreement with the Authority in support of the Authority's issuance of its \$37,870,000 RiverSouth Area Redevelopment Bonds, 2004 Series A, to pay costs of CDDC's acquisition of certain former Lazarus properties and redevelopment initiatives in and for the RiverSouth Area; and

WHEREAS, as part of those redevelopment initiatives for the RiverSouth Area, CDDC desires to lease approximately 275,000 square feet in the former Lazarus building to the Ohio Department of Jobs and Family Services ("ODJFS") and ODJFS desires to occupy that space as offices for approximately 800 ODJFS employees when that space has been prepared for this reuse; and

WHEREAS, in order to continue those redevelopment initiatives this Council desires to enter into a Second Supplemental Lease in support of an Authority bond issue in 2005 to provide for the financing of additional improvements in and for the RiverSouth Area, including additional improvements to the former Lazarus building which are necessary to prepare such property for reuse by new tenants including ODJFS; **Now, Therefore,**

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

Section 1. That the Second Supplemental Lease Agreement by and between the City and the Authority, in the form presently on file with the Clerk of Council, providing for, among other things, the financing and construction of certain improvements in the RiverSouth Area, is hereby approved and authorized, with changes therein not inconsistent with this Ordinance and approved by the Director of Development. The character of the changes as not being inconsistent with this Ordinance or substantially adverse to the City and the approval of such changes by the Director of Development of changes shall be rendered conclusively established by the execution thereof. Any expenditure of moneys hereunder shall be subject to the expenditure restrictions and appropriation requirements of Sections 27 through 31 of the Charter of the City.

Section 2. That the Director of Development, for and in the name of the City, is hereby authorized and directed to execute the Second Supplemental Lease Agreement. The City Auditor and other appropriate officials of the City are hereby authorized to execute other instruments and to take any other actions as may be appropriate to implement the Second Supplemental Lease Agreement and this Ordinance.

Section 3. That this Council finds and determines that all formal actions of this Council concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council and that all deliberations of this Council and of any committees that resulted in formal actions were in meetings open to the public in compliance with the law.

Section 4. This Ordinance shall take effect and be in force from and after the earliest period allowed by law.