



## Legislation Details (With Text)

**File #:** 0456-2020      **Version:** 1

**Type:** Ordinance      **Status:** Passed

**File created:** 2/11/2020      **In control:** Economic Development Committee

**On agenda:** 2/24/2020      **Final action:** 2/27/2020

**Title:** To amend the 2019 Capital Improvement Budget; to authorize the City Auditor to appropriate and transfer funds from the Special Income Tax to the Development Taxable Bond Fund; to authorize the expenditure of \$13,000,000.00, from the Development Taxable Bond Fund, to the Confluence Community Authority; and to declare an emergency. (\$13,000,000.00)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Ord. 0456-2020 DAX Attachment

Date	Ver.	Action By	Action	Result
2/27/2020	1	CITY CLERK	Attest	
2/26/2020	1	MAYOR	Signed	
2/24/2020	1	COUNCIL PRESIDENT	Signed	
2/24/2020	1	Columbus City Council	Approved	Pass

**BACKGROUND:** This legislation authorizes the appropriation and expenditure of \$13,000,000 pursuant to the Contribution Agreement with the Confluence Community Authority, which was authorized by Ordinance 1858-2019 and approved by Columbus City Council on July 22, 2019.

The Confluence Community Authority (or “Authority”) is a New Community Authority that has been organized pursuant to Chapter 349 of the Ohio Revised Code for the purposes of owning and operating a new stadium for the Columbus Crew SC, undertaking private development activities on property adjacent to the new stadium, facilitating the redevelopment and improvements to the area around the MAPFRE Stadium site that will include a new Community Sports Park and training facility, and developing infrastructure necessary to fulfill the needs of the projects.

On July 1, 2019, pursuant to Ordinance No. 1730-2019, City Council authorized the Development Director to enter into a Development Agreement with Franklin County (“County”) and Crew SC Stadium Company, LLC (“Developer”) regarding the proposed financing, development, construction, operation and occupancy of the Stadium, the redevelopment of the MAPFRE Stadium site into a practice facility and training complex for Columbus Crew SC and a community sports campus that will include a community recreation facility and playing fields (“Community Sports Park”), and the development of a mixed-use development project adjacent to the Stadium (“Mixed-Use Development”), collectively, the “Project.” It was the intent of the City, County and the Developer that immediately upon the formation of the Authority, that the Authority would become a party to the Development Agreement and that the City and the Authority would enter into a Contribution Agreement to provide for the timing and other mechanics relating to all or a portion of the City’s Contribution or other amounts to be contributed through the Authority.

As such, Ord 1858-2019 was passed, which authorized the Finance and Management Director, on behalf of the City, to enter into a Contribution Agreement with the Confluence Community Authority. Pursuant to this Contribution Agreement, the City shall contribute funds in the amount of \$38 million to the Authority to pay for Project Costs (other than Stadium Costs). Subject to appropriation by City Council, the City’s contribution shall be made as follows:

- Not later than March 1, 2020, the amount of \$13,000,000
- Not later than March 1, 2021, the amount of \$12,500,000
- Not later than March 1, 2022, the amount of \$12,500,000

**Emergency action** is requested in order to make the payment by the required date in the Contribution Agreement.

**FISCAL IMPACT:** This ordinance authorizes the payment of \$13,000,000.00 to the Authority in connection with the City's funding commitments under the Contribution Agreement. It is necessary to certify the requisite funds in the amount of \$13,000,000 against the Special Income Tax Fund. An amendment to the 2019 Capital Improvement Budget is required to establish sufficient budget authority within the proper project.

To amend the 2019 Capital Improvement Budget; to authorize the City Auditor to appropriate and transfer funds from the Special Income Tax to the Development Taxable Bond Fund; to authorize the expenditure of \$13,000,000.00, from the Development Taxable Bond Fund, to the Confluence Community Authority; and to declare an emergency. (\$13,000,000.00)

**WHEREAS**, the Confluence Community Authority is a New Community Authority that has been organized for the purposes of owning and operating a new stadium for the Columbus Crew SC, undertaking private development activities on property adjacent to the new stadium, facilitating the redevelopment and improvements to the area around the MAPFRE Stadium site that will include a new Community Sports Park and training facility, and developing infrastructure necessary to fulfill the needs of the projects; and

**WHEREAS**, Ordinance No. 1730-2019, passed by Council on July 1, 2019, authorized the Development Director to enter into a Development Agreement with Franklin County and Crew SC Stadium Company, LLC, regarding the financing, development, construction, operation and occupancy of the redevelopment of the MAPFRE Stadium site into a Community Sports Park, and the development of a Mixed-Use project on property adjacent to the Stadium, and the financial commitments for all parties involved; and

**WHEREAS**, it was the intent of the City, County and the Developer, that immediately upon the formation of the Authority, that the Authority would become a party to the Development Agreement; and

**WHEREAS**, pursuant to the Development Agreement and as authorized by Ordinance 1858-2019, the City and the Authority entered into a Contribution Agreement to provide for the timing and other mechanics relating to all or a portion of the City Contribution or other amounts to be contributed through the Authority; and

**WHEREAS**, it is necessary to authorize the appropriation and expenditure of \$13,000,000 in order for the City to honor its funding commitments pursuant to the Contribution Agreement with the Confluence Community Authority; and

**WHEREAS**, it is necessary to amend the 2019 Capital Improvement Budget to establish authority within the correct project; and

**WHEREAS**, it is necessary to transfer funds from the Special Income Tax Fund to fund this project; and

**WHEREAS**, the City will reimburse the Special Income Tax Fund; and

**WHEREAS**, this transfer should be considered as a temporary funding method; and

**WHEREAS**, the aggregated principal amount of obligations which the City will issue to finance this project is presently expected not to exceed \$13,000,000.00; and

**WHEREAS**, the City anticipates incurring Original Expenditures (as defined in Section 1.150-2(c) of the Treasury

Regulations (the “Treasury Regulations”) promulgated pursuant to the Internal Revenue Code of 1986, as amended with respect to the project described in this ordinance (the “Project”); and

**WHEREAS**, an emergency exists in the usual daily operation of the City in that it is immediately necessary to fulfill the obligation of the City’s share of the contribution agreement all for the preservation of public health, peace, property and safety; now therefore

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

**SECTION 1.** That the 2019 Capital Improvements Budget authorized by ordinance 1326-2019 be amended as follows to establish sufficient authority for this project:

**Fund / Project / Project Name / Current / Change /C.I.B. as Amended**

7739 / P590423-100001 / NCA Contribution / \$0.00 / \$13,000,000 / \$13,000,000

**SECTION 2.** That from the unappropriated monies and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ended December 31, 2020, the sum of \$13,000,000.00 is appropriated in Fund 4430 (Special Income Tax), Dept-Div 2201 (City Auditor) in Object Class 10 (Transfer Out Operating) and in Fund 7739 (Development Taxable Bond Fund), Dept-Div 4450 ( Finance Director), Project P590423-100001 (NCA Contribution), in Object Class 06 (Capital Outlay) per the account codes in the attachment to this ordinance.

**SECTION 3.** That the transfer of \$13,000,000.00, or so much thereof as may be needed, is hereby authorized from Fund 4430 (Special Income Tax Fund), Dept-Div 2201 (City Auditor) to Fund 7739 (Development Taxable Bond Fund), Dept-Div 4550 (Finance Director) per the account codes in the attachment to this ordinance.

**SECTION 4.** That the expenditure of \$13,000,000.00 to the Confluence Community Authority, or so much thereof as may be needed, is hereby authorized in Fund 7739 (Development Taxable Bond Fund), Dept-Div 4550 (Finance Director), in object class 06 (Capital Outlay) per the accounting codes in the attachment to this ordinance.

**SECTION 5.** That the monies in the foregoing Section 4 shall be paid upon order of the Director of Finance and Management, and that no order shall be drawn or monies paid except by voucher, the form of which shall be approved by the City Auditor.

**SECTION 6.** That upon obtaining other funds for this project for the Department of Development, the City Auditor is hereby authorized and directed to repay the Special Income Tax Fund the amount transferred under Section 3.

**SECTION 7.** That the City intends that this ordinance constitute an “official intent” for purposes of Section 1.150-2(e) of the Treasury Regulations, and that the City reasonably expects to reimburse itself for certain Original Expenditures incurred with respect to the Project from the proceeds of obligations to be issued by the City in a principal amount currently estimated to be \$13,000,000.00 (the “Obligations”).

The City intends to make a reimbursement allocation on its books for the Original Expenditures not later than eighteen months following the later to occur of the date of the Original Expenditure to be reimbursed or the date the Project for which such Original Expenditures were made is “placed in service” within the meaning of Treasury Regulations Section 1.150-2(c). Upon the issuance of the Obligations, the proceeds of such Obligations shall be used to reimburse the fund from which the advance for costs of the Project will be made.

**SECTION 8.** That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

**SECTION 9.** That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

**SECTION 10.** That the City Auditor is hereby authorized to transfer the unencumbered balance in a project account to the unallocated balance account within the same fund upon receipt of certification by the Director of the Department administering said project that the project has been completed and the monies are no longer required for said project.

**SECTION 11.** 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 passage if the Mayor neither approves nor vetoes the same.