



Legislation Details (With Text)

File #: 0911-2020 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 4/6/2020 **In control:** Economic Development Committee

On agenda: 5/18/2020 **Final action:** 5/21/2020

Title: To authorize the transfer within and to appropriate \$451,357.55 in the West Edge II TIF Fund (7422) and \$48,642.45 in the East Franklinton TIF Fund (7463); to authorize the Director of the Department of Development to enter into a Neighborhood Structured Parking Incentive Contribution Agreement with the Gravity Project 2, LLC; to authorize the expenditure of \$451,357.55 in the West Edge II TIF Fund (7422) and \$48,642.45 in the East Franklinton TIF Fund (7463); and to declare an emergency. (\$500,000.00)

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD0911-2020 Gravity II Contribution Agreement Legislation DAX string 4-2-2020 v2

Date	Ver.	Action By	Action	Result
5/21/2020	1	CITY CLERK	Attest	
5/20/2020	1	MAYOR	Signed	
5/18/2020	1	COUNCIL PRESIDENT	Signed	
5/18/2020	1	Columbus City Council	Approved	Pass
5/18/2020	1	Columbus City Council	Approved	Pass

Background: Kaufman Development dba The Gravity Project 2, LLC (together with its affiliate Gravity 2 Garage, LLC, hereafter designated the “Developer”) has finalized plans for its Gravity Phase II urban redevelopment project (“Project”) located at 455 W. Broad Street and identified as Franklin County Tax Parcel 010-039621. The City, the Developer, and Columbus Housing Partnership (dba “Homeport”) have entered into an Economic Development Agreement (the “EDA”) to further the Project. Pursuant to that EDA, the Developer committed to dedicating a minimum of two hundred (200) spaces to public use of the approximately nine hundred parking spaces (900) garage, and the City agreed to a contribution of ten thousand dollars (\$10,000) for each of the 200 public parking spaces in an amount not to exceed a total contribution of two million dollars (\$2,000,000). This legislation authorizes the Director of the Department of Development to enter into a Neighborhood Structured Parking Incentive Contribution Agreement with the Developer and the transfer, appropriation, and expenditure of the first 25% of the contribution.

Emergency Justification:

Emergency legislation is required to allow for the immediate contribution from the City for the construction of the structured parking garage, which is necessary to facilitate the timely completion of the above described Project.

Fiscal Impact: The City will contribute the first 25% of the \$2,000,000 contribution from funding in the amount of \$451,357.55 in the West Edge II TIF Fund (7422) and \$48,642.45 in the East Franklinton TIF Fund (7463) to the Developer upon their recording of the recorded covenants (\$500,000). Funding for the remaining \$1,500,000.00 of the contribution will be appropriated through subsequent legislation after the passage of the 2020 Capital Improvement Budget.

To authorize the transfer within and to appropriate \$451,357.55 in the West Edge II TIF Fund (7422) and \$48,642.45 in the East Franklinton TIF Fund (7463); to authorize the Director of the Department of Development to enter into a

Neighborhood Structured Parking Incentive Contribution Agreement with the Gravity Project 2, LLC; to authorize the expenditure of \$451,357.55 in the West Edge II TIF Fund (7422) and \$48,642.45 in the East Franklinton TIF Fund (7463); and to declare an emergency. (\$500,000.00)

WHEREAS, Kaufman Development dba The Gravity Project 2, LLC (the “Developer”) has proposed to redevelop the real property known as the Gravity Phase II (the “Project”) located at 455 W. Broad Street and identified as Franklin County Tax Parcel 010-039621; and

WHEREAS, this Council has previously adopted Ordinance 1732-2019 on July 22, 2019, authorizing an Economic Development Agreement (the “EDA”) between the City, the Developer, and Columbus Housing Partnership (dba “Homeport”) with respect to the Project; and

WHEREAS, pursuant to the EDA, the Developer agreed to construct the Project’s structured parking garage (the “Garage”) comprised of a minimum of two hundred (200) parking spaces available for public use (the “Required Public Spaces”); and

WHEREAS, pursuant to the EDA the City agreed to make a contribution of ten thousand dollars (\$10,000.00) for each Required Public Space included in the Garage in an amount not-to-exceed a total of two million dollars (\$2,000,000) (the “Contribution”); and

WHEREAS, it is necessary to authorize the Director of the Department of Development to enter into a Neighborhood Structured Parking Incentive Contribution Agreement with the Developer to outline the terms and conditions for the Contribution; and

WHEREAS, the City’s disbursement of the Contribution is contingent upon the Developer dedicating the Required Public Spaces through recorded Declaration of Public Parking Garage Covenants (first 25% disbursed), the issuance of the building permits (next 65%), and the issuance of a Certificate of Occupancy (final 10%); and

WHEREAS, it is necessary for Council to authorize a transfer of funds within the West Edge II TIF Fund (7422) and the East Franklinton TIF Fund (7463) to establish sufficient cash to pay for the first 25% of the Contribution; and

WHEREAS, it is now necessary to appropriate and authorize the expenditure of the first 25% of the \$2,000,000 Contribution in the amount of \$451,357.55 in the West Edge II TIF Fund (7422) and \$48,642.45 in the East Franklinton TIF Fund (7463); and

WHEREAS, funding for the remaining \$1,500,000.00 of the Contribution will be appropriated for expenditure through subsequent legislation after the passage of the 2020 Capital Improvement Budget; and

WHEREAS, if Homeport does not obtain a Certificate of Occupancy by the McDowell Place Completion Deadline in the EDA, with the City’s assistance, the Developer, or any future purchasers, buyers, transferees, assignees, or successors in interest of the Garage, or any portion thereof, will submit a petition to the City requesting a special assessment on the Project site, excluding the future split Garage parcel, to repay the City’s Contribution for the Required Public Spaces; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to authorize the Director of the Department of Development to enter into said Neighborhood Structured Parking Incentive Contribution Agreement and to appropriate and expend such funds in order to maintain the Project schedule and meet community commitments, thereby immediately preserving 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 cash transfer of \$451,357.55, or so much thereof as may be needed, is hereby authorized within Fund 7422 (West Edge II TIF Fund), from Dept-Div 44-02 (Economic Development), Project P422001-100000 (West

Edge II TIF), and that the cash transfer of \$48,642.45, or so much thereof as may be needed, is hereby authorized within Fund 7463 (East Franklinton TIF Fund) from Dept-Div 44-02 (Economic Development), Project P463001-100000 (East Franklinton TIF 90-200), to Dept-Div 44-02 (Economic Development), Project P440104-100104 (East Franklinton Parking Garage Capital Improvement Project), per the account codes in the attachment to this ordinance.

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 ending December 31, 2020, the sum of \$451,357.55 is appropriated in Fund 7422 (West Edge II TIF Fund) and \$48,642.45 is appropriated in Fund 7463 (East Franklinton TIF Fund), Dept-Div 44-02 (Economic Development), Project P440104-100104 (East Franklinton Parking Garage Capital Improvement Project), in Object Class 05 (Other Expenditures), per the account codes in the attachment to this ordinance.

SECTION 3. That the Director of the Department of Development be and is hereby authorized to enter into a Neighborhood Structured Parking Incentive Contribution Agreement that outlines the contribution, disbursement, and assessment of city funds for the Required Public Spaces of the Garage with The Gravity Project 2, LLC (together with its affiliate Gravity 2 Garage, LLC, the “Developer”).

SECTION 4. That for the purpose stated in Section 2, the expenditure is hereby authorized of the first 25% of the \$2,000,000 contribution in the amount of \$451,357.55 or so much thereof as may be needed, in the West Edge II TIF Fund (7422) and \$48,642.45 or so much thereof as may be needed, in the East Franklinton TIF Fund (7463), Dept-Div 44-02 (Economic Development), Project P440104-100104 (East Franklinton Parking Garage Capital Improvement Project), in Object Class 05 (Other Expenditures), per the account codes in the attachment to this ordinance.

SECTION 5. 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 6. 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 7. 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 8. 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 full 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.