



Legislation Details (With Text)

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On agenda: 12/7/2020 **Final action:** 12/11/2020

Title: To authorize the Director of Public Utilities to enter into a Guaranteed Maximum Reimbursement Agreement with The Gravity Project 2, LLC, for the partial reimbursement of construction of conduits, manholes, vaults, and pads; to appropriate, transfer and expend up to \$190,000.00 from the Electricity Permanent Improvements Fund; to authorize an amendment to the 2019 Capital Improvement Budget; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ord. 2423-2020 Funding Template GMRA Electricity Gravity Project 2 Reimbursement.pdf

Date	Ver.	Action By	Action	Result
12/11/2020	1	CITY CLERK	Attest	
12/10/2020	1	MAYOR	Signed	
12/7/2020	1	COUNCIL PRESIDENT	Signed	
12/7/2020	1	Columbus City Council	Approved	Pass

1. BACKGROUND: The Department of Public Utilities, Division of Power has a need to enter into a Guaranteed Maximum Reimbursement Agreement with The Gravity Project 2, LLC, hereinafter designated the “Developer”.

On behalf of The Gravity Project 2, LLC, a private developer seeking to procure electric service with the Division of Power (DOP), DOP has agreed to reimburse the developer for a portion of the cost, up to \$190,000 for the construction of concrete switchgear, manholes, five concrete transformer pads, and approximately 1,000 linear feet of electric duct bank. This work will be bid out through the city bid process, and the construction contract will be executed and administrated by the developer. DOP will provide all inspections at no cost.

Most of the work will be on private property at 455 W. Broad Street in the Franklinton planning area. However, there will be electric duct bank crossings installed on W. State Street and McDowell Street adjacent to the same parcel.

2. EMERGENCY DESIGNATION: Emergency designation is requested in order to meet the developer’s schedule.

3. VENDOR INFORMATION: The Gravity Project 2, LLC Tax ID# 83-1164189; DAX#033987, Expiration Date 11/4/2022

4. ECONOMIC IMPACT: By reimbursing the developer for costs related to procuring electric service from the Division of Power, the Division is able to enter into a long-term agreement with the developer to continue using the Division for service. By doing so, this will increase the Division’s net revenue, which will allow for increased system maintenance, system expansion, street lighting programs, and kilowatt-hour tax proceeds for the City’s general fund.

5. FISCAL IMPACT: The Division of Power will reimburse The Gravity Project 2 LLC up to a maximum of \$190,000.00 from the Electricity Permanent Improvements Fund - Fund No. 6310. A transfer of funds within the Electricity Permanent Improvements Fund - Fund 6310 will be necessary, as well as an amendment to the 2019 Capital Improvement Budget.

To authorize the Director of Public Utilities to enter into a Guaranteed Maximum Reimbursement Agreement with The Gravity Project 2, LLC, for the partial reimbursement of construction of conduits, manholes, vaults, and pads; to appropriate, transfer and expend up to \$190,000.00 from the Electricity Permanent Improvements Fund; to authorize an amendment to the 2019 Capital Improvement Budget; and to declare an emergency.

WHEREAS, the Developer has a need to construct electricity infrastructure in order to access Division of Power service; and

WHEREAS, the Developer and the Division of Power will enter into a Guaranteed Maximum Reimbursement Agreement with the Developer; and

WHEREAS, the Developer will use the City's competitive bid process to award a construction contract for the necessary work; and

WHEREAS, the Division of Power has agreed to partially reimburse the Developer for a portion of the total cost to add electricity infrastructure, up to \$190,000.00; and

WHEREAS, it is necessary to appropriate, transfer within and expend up to \$190,000.00 from the Electricity Permanent Improvements Fund 6310; and

WHEREAS, it is necessary to authorize an amendment to the 2019 Capital Improvement Budget for the purpose of providing sufficient spending authority for the aforementioned project expenditures; and

WHEREAS, an emergency exists in the usual daily operation of the Division of Power, Department of Public Utilities, in that it is immediately necessary to authorize the Director of Public Utilities to enter into a Guaranteed Maximum Reimbursement Agreement with The Gravity Project 2, LLC, for a portion of the construction costs related to the installation of conduits, manholes, and other infrastructure to extend power infrastructure to meet the developer's schedule, 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 Director of Public Utilities is hereby authorized to enter into a Guaranteed Maximum Reimbursement Agreement with The Gravity Project 2, LLC, c/o Kaufman Development, 30 Warren Street, Columbus, OH 43215 for construction costs related to electricity infrastructure, up to a maximum amount of \$190,000.00.

SECTION 2. That the City Auditor is hereby authorized to appropriate, transfer within and expend \$190,000.00 from the Electricity Permanent Improvements Fund 6310 as indicated in the funding template attached to this ordinance.

SECTION 3. That the 2019 Capital Improvement Budget is amended as follows:

Fund No. | Project No. | Project Name | Current Authority | Revised Authority | (Change)

6310 | P565999-100000 | 60-07 Unallocated Balance Fd. 565 (carryover) | \$11,390 | \$ 154,464 | + 143,074 (authority to match cash)

6310 | P670868-100000 | General Engineering Services - Power (carryover) | \$0 | \$65,511 | +\$65,511 (authority to match cash)

6310 | P565999-100000 | 60-07 Unallocated Balance Fd. 565 (carryover) | \$154,464 | \$ 29,975 | -\$124,489

6310 | P670868-100000 | General Engineering Services - Power (carryover) | \$65,511 | \$0 | -\$65,511

6310 | P 670105-100000 | The Gravity Project 2 LLC (carryover) | \$0 | \$190,000 | +\$190,000

SECTION 4. 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 5. That the City Auditor is hereby authorized and directed to transfer any unencumbered balance in the project account to the unallocated balance 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 no longer required for said project; except that no transfer shall be made from a project account by monies from more than one source.

SECTION 6. That the City Auditor is to establish proper project accounting numbers as appropriate.

SECTION 7. 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 8. That for reasons stated in the preamble hereto, which is hereby made a part hereof, this Ordinance is declared to be an emergency measure and shall take effect and be in 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.