



## Legislation Text

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**File #:** 2257-2014, **Version:** 1

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**BACKGROUND:** The need exists to further amend the Reimbursement Agreement dated August 4, 2008, as amended by the First Amendment to the Reimbursement Agreement on November 14, 2012 (together, the "Reimbursement Agreement"), by and between the City of Columbus, Ohio and MORSO Holding Company. Ordinance 1028-2008 authorized the Director of Development to enter into the Reimbursement Agreement to provide for the construction and reimbursement of public improvements benefiting and serving the Easton area. An amendment is now needed to modify the calculation date for determining the reimbursement amount payable to MORSO Holding Co. pursuant to the Reimbursement Agreement.

Emergency action is necessary so that investment and construction may proceed to provide for the creation of jobs and economic opportunities, which are vitally needed to enhance revenues for the City and to improve the economic welfare of the people.

**FISCAL IMPACT:** No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the Reimbursement Agreement with MORSO Holding Co. for the purpose of modifying the calculation date for determining the reimbursement amount payable to the Developer for the construction of public improvements benefiting and serving the Easton area; and to declare an emergency.

**WHEREAS**, the City, pursuant to authorization under Ordinance 1028-2008 passed by City Council on June 23, 2008, entered into a Reimbursement Agreement, dated as of August 4, 2008 (the "*Original Agreement*"), with the Developer for the purpose of providing for the payment to the Developer of amounts remaining from certain service payments in lieu of taxes (as defined in the Original Agreement, the "*Service Payments*") available after providing for debt service charges and other deposits required under a Trust Agreement (the "*Trust Agreement*"), dated as of November 1, 2004, between the City and The Bank of New York Mellon Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), as trustee, relating to the original issuance of \$36,430,000 Tax Increment Financing Bonds, Series 2004A (Easton Project), dated November 23, 2004 (the "*Refunding Bonds*") in order to reimburse the Developer for Costs (as such term is defined in the Original Agreement) and interest accruing on such unreimbursed Costs; and

**WHEREAS**, the City issued its Various Purpose Limited Tax Refunding Bonds, Series 2012-8 (Federally Taxable) dated November 27, 2012 (the "*2012 Bonds*") to refund the outstanding Refunding Bonds and to defease the Trust Agreement; and

**WHEREAS**, the parties amended the Original Agreement on November 14, 2012 (the "*First Amendment*") in order to provide for the priority application of Service Payments to pay debt service charges on the 2012 Bonds with respect to payments to the Developer under the Original Agreement (as was also the structure under the Trust Agreement); and

**WHEREAS**, the City has determined to amend the Original Agreement to modify the calculation date for determining the reimbursement amount payable to the Developer; and

**WHEREAS**, this Ordinance constitutes an emergency measure necessary for the immediate preservation of the public peace, property, health and safety of the City, and for the further reason that this Ordinance is required to be immediately effective so that investment and construction may proceed to provide for the creation of jobs and economic opportunities, which are vitally needed to enhance revenues for the City and to improve the economic welfare of the people; **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 and directed to amend, as necessary, the Reimbursement Agreement, dated as of August 4, 2008, and as amended by the First Amendment to the Reimbursement Agreement, dated as of November 14, 2012, between the City and MORSO Holding Company for the purpose of modifying the calculation date for determining the reimbursement amount payable to the Developer for the construction of public improvements benefiting and serving the Easton area and to take any additional actions as shall be necessary to facilitate the continued construction and reimbursement of public infrastructure improvements pursuant to the Reimbursement Agreement.

**SECTION 2.** The City of Columbus Department of Development is hereby directed to forward a certified copy of this Ordinance to the Franklin County Auditor.

**SECTION 3.** For the reasons stated in the preamble hereto, which is 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 (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.