



## Legislation Text

File #: 0998-2015, Version: 2

**BACKGROUND:** This ordinance authorizes: 1) the Director of the Department of Development to enter into a Guaranteed Maximum Reimbursement and Construction Contribution Agreement, along with future amendments for contribution agreements if needed, with **Nationwide Realty Investors, Ltd. (NRI) NWD Investments LLC (NWD)** for purposes of **NRI NWD** contributing construction funds for the Department of Public Utilities' Power Duct Improvements in the Arena West area of Downtown Columbus (the "Project"); and 2) the City Auditor to deposit the funding contribution from **NRI NWD** into the Street & Highway Improvements Fund.

The City entered into a Tax Increment Financing Agreement (the "TIF Agreement") with **NRI NWD** pursuant to Ordinance 2356-98 and Ordinance 2357-98 passed by its City Council on September 14, 1998; Ordinance 2092-01 and Ordinance 2093-01 passed on December 17, 2001 (the "Original TIF Ordinances") as amended by Ordinance 1534-2011 and Ordinance 1535-2011 passed by its City Council on September 26, 2011 for the purpose of funding public improvements in the Arena District area.

On September 17, 2009, the City and **NRI NWD** entered into a TIF Agreement amendment under the authority of Ordinance 1554-2008 passed by its City Council on October 20, 2008, to pay costs of additional public infrastructure improvements in the Nationwide Arena District TIF, Pen Site TIF, Pen West East TIF and Pen West West TIF agreement areas (the "Arena TIFs"). As part of the City and **NRI's NWD's** commitment to the ongoing development of the Arena District, the parties continue to collaborate through the Public-Private Partnership Process (3P), on the design and construction of TIF-eligible public infrastructure improvement projects that support private development activities.

**NRI NWD** has undertaken the design of the West Nationwide Boulevard Improvements that will include the reconstruction of Nationwide Boulevard and Hocking Street and will include the installation of a new underground power duct bank for existing overhead utilities in the Arena West area of Downtown Columbus that will be constructed in two phases. The Nationwide Boulevard Division of Power Duct and Manhole System project is Phase 1 of the West Nationwide Boulevard Improvements (the "Project") and Roadway Improvements - Nationwide Boulevard and Hocking Street Improvements is Phase 2. On December 9, 2014, the City and **NRI NWD** entered into an Economic Development Agreement pursuant to Ordinance 2898-2014, passed by Columbus City Council on December 8, 2014 (the "EDA"), through which **NRI NWD** agreed to provide up-front funding equal to sixty percent (60%) of the cost for the West Nationwide Boulevard improvements. Phase 1 (the "Project") is anticipated to start construction in Spring 2015 to meet a critical completion deadline on an associated City project. The total cost of the Project is estimated to be \$2,104,448.94. **NRI's NWD** share of sixty percent (60%) of Project costs is estimated to be \$1,262,669.36 and the City's share of funding for the Project is equal to forty percent (40%) of Project costs and is estimated to be \$841,779.58.

The Department of Development has determined that it is in the City's best interest to enter into a Guaranteed Maximum Reimbursement and Construction Contribution Agreement with **NRI NWD** for purposes of **NRI NWD** contributing funds for the Project and to accept a contribution from **NRI NWD** for construction of the Project.

**FISCAL IMPACT:** Nationwide Realty Investors, Ltd. has agreed to provide funding to the Department of Development, through a lump sum payment of \$1,262,669.36 to construct the Power Duct Improvements project.

**EMERGENCY DESIGNATION:** The Department of Development is requesting this ordinance to be considered an emergency measure in order to allow for immediate execution of this Guaranteed Maximum Reimbursement and Construction Contribution Agreement, which is necessary to facilitate the construction of these improvements to maintain the project schedule and meet community commitments.

To authorize the Director of the Department of Development to enter into a Guaranteed Maximum Reimbursement and Construction Contribution Agreement, and future amendments for contribution agreements if needed, with ~~Nationwide Realty Investors, Ltd.~~ **NWD Investments LLC**, and to accept funding for a public infrastructure improvement project pursuant to Section 186 of the Columbus City Charter, for the construction of public infrastructure improvements in connection with the Department of Public Utilities' Power Duct Improvements in the Arena West area of Downtown Columbus in an amount up to \$1,262,669.36; to authorize the City Auditor to deposit the funding contribution from ~~NRI~~ **NWD** into the Street & Highway Improvements Fund; and to declare an emergency.

**WHEREAS**, the City and ~~NRI~~ **NWD** entered into a TIF Agreement under the authority of Ordinance 1554-2008 passed by Council on October 20, 2008, to pay costs of additional public infrastructure improvements in the Nationwide Arena District TIF areas; and

**WHEREAS**, ~~NRI~~ **NWD** has undertaken the design of the West Nationwide Boulevard improvements, which includes the next phase of public infrastructure improvements in the Nationwide Arena District TIF areas including Power Duct Improvements in the Arena West area of downtown Columbus (the "Project"); and

**WHEREAS**, the West Nationwide Boulevard Improvements includes the reconstruction of Nationwide Boulevard and Hocking Street and the installation of a new underground power duct bank for existing overhead utilities in the Arena West area of Downtown Columbus that will be constructed in two phases; and

**WHEREAS**, the Nationwide Boulevard Division of Power Duct and Manhole System project is Phase 1 of the West Nationwide Boulevard Improvements and Roadway Improvements - Nationwide Boulevard and Hocking Street Improvements is Phase 2; and

**WHEREAS**, on December 9, 2014, the City and ~~NRI~~ **NWD** entered into an Economic Development Agreement under the authority of Ordinance No. 2898-2014, passed by Columbus City Council on December 8, 2014 (the "EDA"), through which ~~NRI~~ **NWD** agreed to provide up-front funding for the West Nationwide Boulevard improvements equal to sixty percent (60%) of the cost of the project; and

**WHEREAS**, Phase 1 is anticipated to start construction in Spring 2015 to meet a critical completion deadline on an associated City project; and

**WHEREAS**, the total cost of Phase 1 is estimated to be \$2,104,448.94, which represents the sum total of the construction and inspection costs; and

**WHEREAS**, ~~NRI's~~ **NWD** share of sixty percent (60%) of Phase 1 costs is estimated to be \$1,262,669.36, which shall be eligible for reimbursement from the Arena TIFs and the City's share of forty percent (40%) of Phase 1 costs is estimated to be \$841,779.58; and

**WHEREAS**, ~~NRI~~ **NWD** has agreed to contribute \$1,262,669.36 toward Phase 1 costs; and

**WHEREAS**, this ordinance authorizes: 1) the Director of the Department of Development to enter into a Guaranteed Maximum Reimbursement and Construction Contribution Agreement, and future amendments for contribution agreements if needed, with ~~Nationwide Realty Investors, Ltd.~~ **NWD Investments LLC** and to accept funding for the construction of the Project; and 2) the City Auditor to deposit the funding contribution from ~~NRI~~ **NWD** into the Street & Highway Improvements Fund; and

**WHEREAS**, an emergency exists within the Department of Development to accept funds to construct the Project, 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 Director of the Department of Development be and hereby is authorized to enter into a Guaranteed Maximum Reimbursement and Construction Contribution Agreement, and future amendments for contribution agreements if needed, with ~~Nationwide Realty Investors, Ltd.~~ **NWD Investments LLC**, 375 North Front Street, Suite 200, Columbus, Ohio 43215, and to accept funding for a public infrastructure improvement project pursuant to Section 186 of the Columbus City Charter for the construction of public infrastructure improvements in connection with Power Duct Improvements in the Arena West area of Downtown Columbus.

**SECTION 2.** That the City Auditor is hereby authorized to deposit the funding contribution from ~~Nationwide Realty Investors, Ltd.~~ **NWD Investments LLC** in the Street & Highway Improvements Fund 766, Roadway Improvements West Nationwide, Project 530161-100172, Dept. 44, OCA 761172, Object Level Three 0827.

**SECTION 3.** 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 4.** 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 5.** 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 its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.