



## Legislation Text

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**File #:** 1477-2016, **Version:** 1

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**BACKGROUND:** This legislation authorizes the Director of Public Utilities to enter into a Guaranteed Maximum Reimbursement Agreement (GMRA) with the Homewood Corporation for the Big Walnut Sewer Trunk, Central College Road project, pursuant to Section 186 of the Columbus City Charter. The project will include extension of the Central College Subtrunk sewer from its current terminus just east of the intersection of Central College Road and Course Drive to just east of Hamilton Road, and north into the proposed Homewood Development. The project consists of 5,474 linear feet of sewer installation ranging in size from 30-in diameter to 12-in diameter. This project consist of two parts: Part 1 - West - North of the Central College / Hamilton Intersection (estimated cost: \$4,800,946.81) and Part 2 - East of Hamilton (estimated cost: \$1,842,905.00).

Upon passage of this Ordinance, the City of Columbus will agree to pay a guaranteed maximum reimbursement of up to \$6,643,851.81 to the Homewood Corporation for the Central College Big Walnut Subtrunk Project. The developer has agreed to construct the improvements at their cost and then obtain reimbursement from the City. Funding for the reimbursement is provided by the Department of Public Utilities.

A guaranteed maximum cost reimbursement with Homewood Corporation provides that they construct the public improvement on the City's behalf; and that the project is publicly bid and subject to reimbursement agreement with the City.

**DESIGNATION:** An emergency designation **is not** requested for this legislation.

**CONTRACT COMPLIANCE NO.:** 31-0685947 | Exp. 08/20/2017 | MAJ | Vendor # 004216

**FISCAL IMPACT:** This ordinance authorizes the appropriation and transfer of \$6,643,851.81 from the Sanitary Sewer Reserve Fund to the Sanitary Sewer General Obligation (G.O.) Bond Fund, Fund 6109; to authorize the expenditure of up to \$6,643,851.81 from the G.O. Bond Fund, Fund 6109 and amend the 2016 Capital Improvements Budget to establish sufficient budget authority for this ordinance. Monies for this contract from the Sanitary Sewer Reserve Fund will be provided from a future bond sale via the transfer detailed in this ordinance.

To authorize the Director of Public Utilities to enter into a Guaranteed Maximum Reimbursement Agreement with the Homewood Corporation, pursuant to Section 186 of the Columbus City Charter for a sewer extension as part of the Central College Big Walnut Subtrunk Sewer Project; to authorize the appropriation and transfer of \$6,643,851.81 from the Sanitary Sewer Reserve Fund to the Sanitary Sewer General Obligation Bond Fund; to authorize the expenditure of up to \$6,643,851.81 from the Sanitary Sewer General Obligation Bond Fund for the Division of Sewerage and Drainage; and to amend the 2016 Capital Improvements Budget. (\$6,643,851.81)

**WHEREAS,** the Director of Public Utilities needs to enter into a Guaranteed Maximum Reimbursement agreement with Homewood Corporation for extension of the Central College Subtrunk Sewer; and

**WHEREAS,** this project consist of two parts: Part 1 - West of North of Central College / Hamilton Intersection (estimated cost: \$4,800,946.81) and Part 2 - East of Hamilton (estimated cost: \$1,842,905.00); and

**WHEREAS,** the Department of Public Utilities will pay a guaranteed maximum reimbursement of up to \$6,643,851.81;

and

**WHEREAS**, it is necessary to amend the 2016 Capital Improvements Budget for purposes of creating and providing sufficient budget authority for the aforementioned expenditures; and

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

**WHEREAS**, the City will sell notes or bonds to fund this project and will reimburse the Sanitary Reserve Fund; and

**WHEREAS**, the aggregate principal amount of obligations which the City will issue to finance this project is presently expected not to exceed \$6,643,851.81; and

**WHEREAS**, the City anticipates incurring certain 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**, it has become necessary in the usual daily operation of the Department of Public Utilities, Division of Sewerage and Drainage, to authorize the Director to enter into a Guaranteed Maximum Reimbursement Agreement (GMRA) with the Homewood Corporation for the Big Walnut Sewer Trunk, Central College Road project to be implemented at the earliest practical date; **now, therefore**

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

**SECTION 1.** That the Director of Public Utilities is authorized to enter into a Guaranteed Maximum Reimbursement Agreement (GMRA) with the Homewood Corporation, 2700 East Dublin Granville Rd, Columbus. Ohio 43231, pursuant to Section 186 of the Columbus City Charter for the construction of a sewer extension of the Central College Subtrunk to serve the proposed Homewood Development, for the Division of Sewerage and Drainage.

**SECTION 2.** That from the unappropriated monies in the Sanitary Sewer Reserve Fund No. 6102, Sub-fund 610201, 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, 2016, the sum of \$6,643,851.81 is hereby appropriated to the Division of Sewerage and Drainage.

**SECTION 3.** That the City Auditor is hereby authorized to transfer and appropriate a total \$6,643,851.81 from the Sanitary Sewer Reserve Fund to the Sanitary Sewer Bond Fund, Fund 6109, into Central College Subtrunk Phase 1 & 2, CIP#650033-100000 at such time as deemed necessary by the Auditor, or so much thereof as may be necessary per the account codes in the attachment to this ordinance.

**SECTION 4.** That the Director of Public Utilities be and hereby is authorized to expend up to \$6,643,851.81 from the Sanitary Sewer General Obligation Bond Fund, Fund 6109 | Div. 60-05 | per the account codes in the attachment to this ordinance.

**SECTION 5.** That the 2016 Capital Improvements Budget is hereby amended as follows:

<u>Fund</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Current Authority</u>	<u>Revised Authority</u>	<u>Change</u>
6109	P650800-100000	General CA/CI Projects	\$16,693,099	\$10,049,247	(-\$6,643,852)
6109	P650033-100000	Central College Subtrunk Phase 1 & 2	\$0	\$6,643,852	(+\$6,643,852)

**SECTION 6.** That the City Auditor is hereby authorized 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 are no longer required for said project; except that no transfer shall be made from a project by monies from more than one source.

**SECTION 7.** That 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 8.** 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 9.** That upon obtaining other funds for the purpose of funding sanitary sewer system capital improvement work, the City Auditor is hereby authorized to repay the Sanitary Sewer Reserve Fund the amount transferred above (Section 3), and said funds are hereby deemed appropriated for such purposes.

**SECTION 10.** 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 \$6,643,851.81 (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 Sanitary/Sewer Reserve Fund 6102, which is the fund from which the advance for costs of the Project will be made.

**SECTION 11.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.