



Legislation Text

File #: 0547-2018, **Version:** 1

BACKGROUND: In August, 2017 the Department of Development issued a Request for Applications for New Home Construction to solicit development proposals for 23 lots owned by the City and the Central Ohio Community Improvement Corporation (COCIC) in the Milo-Grogan neighborhood. Proposals to construct single family houses submitted by New City Homes, LLC and Milo Grogan Development, LLC were selected by the review committee. Ten of the lots are owned by the COCIC after receiving funds under the Neighborhood Improvement Program (NIP) to demolish blighted structures on the parcels. In order to make the COCIC owned lots available for the project, the City proposes to pay COCIC an amount equal to the anticipated purchase price. The funds will be used to settle NIP mortgages placed on the property by the Ohio Housing Finance Agency for the demolition and allow the properties to transfer to the City to incorporate into one purchase agreement. Authorization is requested for the Director of the Department of Development to sell and transfer the lots.

Emergency action is requested to allow for spring construction to start without delay.

FISCAL IMPACT: This ordinance authorizes an expenditure of \$41,974 in the Development Taxable Bonds Fund; sale proceeds to be received by the City shall be deposited as determined by the City Auditor.

To authorize the Director of the Department of Development to enter into agreements and execute documents as needed to sell and transfer by quitclaim deed 23 lots to New City Homes, LLC and Milo Grogan Development, LLC for \$99,418.00; to authorize the expenditure of \$41,974.00 from the Development Taxable Bonds Fund; to purchase 10 parcels from the Central Ohio Community Improvement Corporation for \$41,974.00; and to declare an emergency. (\$41,974.00)

WHEREAS, by Ordinance 1325-98, Council adopted and elected to use the Revised Code Chapter 5722, Land Reutilization Program, to facilitate effective reutilization of nonproductive land acquired through a sale pursuant to a foreclosure proceeding initiated by the Franklin County Treasurer, or through a sale of forfeited lands by the Franklin County Auditor, or through a conveyance in lieu of foreclosure to foster either return of such land to tax revenue generating status or its devotion to public use, or any other land acquired as part of the land reutilization program; and

WHEREAS, a proposal for the sale of the property which was acquired pursuant to Ohio Revised Code Section 5722.06 and 5722.03 meets the Land Reutilization Program's Disposition Policies and Guiding Principles and has been approved by the Land Redevelopment Office Administrator; and

WHEREAS, in conformity with Ohio Revised Code Section 5722.07, the property will be sold at not less than fair market value, defined as the appraised value of the nonproductive land made with reference to any redevelopment and reutilization restrictions as may be imposed by the electing subdivision as a condition of sale or as may otherwise be applicable to such; therefore, competitive bidding is not required; and

WHEREAS, in order to complete the transfer of such property to the purchaser, authority is needed for the Director of the Department of Development to execute any and all necessary agreements and deeds of conveyance for the real property; and

WHEREAS, the Department of Development desires to sell and transfer 23 parcels to New City Homes, LLC and Milo Grogan Development, LLC, developers selected as a part of the Request for Applications for New Home Construction in Milo Grogan; and

WHEREAS, 10 of the 23 lots are currently owned by the Central Ohio Community Improvement Corporation (COCIC) after blighted structures were demolished on the lots under the Neighborhood Improvement Program (NIP); and

WHEREAS, under the NIP, a resale of the property for redevelopment must be for market value and the funds must be recaptured by the NIP prior to the release of a NIP Mortgage; and

WHEREAS, the City desires to include all lots within one agreement for each developer necessitating the transfer of lots from COCIC to the City; and

WHEREAS, to meet the NIP recapture requirement, the City proposes to pay COCIC an amount equal to the market value of the COCIC owned lots which will release the NIP, an amount equal to what the City will sell the lots to the developers; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, Land Redevelopment Office, in that it is immediately necessary to authorize the City to purchase the parcels and enter into agreements to sell the lots and allow for spring construction start, all for the immediate preservation of the public health, peace, property, safety and welfare; and **now therefore**,

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

SECTION 1. That the Director of the Department of Development, or his designee, is hereby authorized to enter into an agreement and purchase the following parcels from the Central Ohio Community Improvement Corporation for amounts listed as follows,

Parcel Number	Address	Price
010-049027	636 E 4th Ave	\$5,600.00
010-047999	617 E Gibbard Ave	\$4,200.00
010-025756	658 E 3rd Ave	\$4,200.00
010-056449	655 E 3rd Ave	\$4,200.00
010-009131	648 E Starr Ave	\$4,130.00
010-049980	661 E Starr Ave	\$4,095.00
010-020007	578 E 2nd Ave	\$4,095.00
010-046746	582 E 2nd Ave	\$4,095.00
010-056034	593 E 2nd Ave	\$4,095.00
010-035514	582-584 Reynolds Ave	\$3,264.00

SECTION 2. That the Director of the Department of Development is hereby authorized to execute those documents on behalf of the City of Columbus, as approved by the Department of Law, Division of Real Estate, necessary to enter into a contract for the sale and to execute a quitclaim deed and any ancillary documents as may be necessary to transfer title thereto to New City Homes, LLC or Milo Grogan Development, LLC of the following properties for the amounts listed as follows,

Parcel Number	Address	Price
010-049027	636 E 4th Ave	\$5,600.00
010-047999	617 E Gibbard Ave	\$4,200.00
010-044139	621 E Gibbard Ave	\$4,200.00
010-042079	666 E Gibbard Ave	\$4,200.00
010-028658	620 E 3rd Ave	\$8,400.00

010-025756	658 E 3rd Ave	\$4,200.00
010-056449	655 E 3rd Ave	\$4,200.00
010-014462	669 E 3rd Ave	\$4,200.00
010-034741	613 E Starr Ave	\$4,095.00
010-009131	648 E Starr Ave	\$4,130.00
010-049980	661 E Starr Ave	\$4,095.00
010-020007	578 E 2nd Ave	\$4,095.00
010-046746	582 E 2nd Ave	\$4,095.00
010-027493	589 E 2nd Ave	\$4,095.00
010-056034	593 E 2nd Ave	\$4,095.00
010-029539	647 E 2nd Ave	\$4,095.00
010-017650	651 E 2nd Ave	\$4,095.00
010-009883	661 E 2nd Ave	\$2,691.00
010-035514	582-584 Reynolds Ave	\$3,264.00
010-001747	590 E Reynolds Ave	\$6,528.00
010-039053	503 Starr Ave	\$4,125.00
010-010769	475 E 2nd Ave	\$3,360.00
010-054352	488 Reynolds Ave	\$3,360.00

SECTION 3. That for the purpose stated in Section 1, the expenditure of \$41,974 or so much thereof as may be needed, is hereby authorized in Fund 7739 Development Taxable Bonds in Object Class 06 Capital Outlay per the accounting codes in the attachment to this ordinance.

SECTION 4. That the City Auditor is authorized to make any accounting changes to revise the funding source for any contract or contract modification associated with 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 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 monies are no longer required for said project.

SECTION 7. That, for the property stated in Section 2, the Director of the Department of Development is hereby authorized to execute any agreement, deed restriction, or mortgage to ensure compliance with land bank program rules and the submitted application and to release such restriction or mortgage upon compliance.

SECTION 8. That, for good cause shown, the provisions of City Code Chapter 329 relating to the sale of city-owned realty are hereby waived.

SECTION 9. That Council hereby finds that the selection process utilized in this matter is in accordance with the Land Bank Disposition Process created pursuant to the City's Land Reutilization Program and hereby approves the same.

SECTION 10. 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.