



Legislation Text

File #: 2043-2019, **Version:** 1

BACKGROUND

This legislation authorizes the Director of the Department of Development to enter into an Economic Development Agreement (“EDA”) with NWD Investments, LLC (“Developer”), concerning the continuing redevelopment of additional sites (“Sites”) in the Arena District.

The Developer’s efforts will be undertaken in cooperation and partnership with the City, to result in mixed-use developments that will include commercial office (“Development Projects”) with associated public improvements and amenities.

The EDA will outline the plans and certain commitments of both parties relating to the new investments and the continued revitalization of the Arena District. Per the EDA, the Developer commits to construct a commercial office building on one of the Sites including approximately 130,000 square feet of space located at the northeast corner of Vine and Neil, projected to be completed by December 2021. In addition, the Developer estimates the Development Projects at full-build-out would create as much as 500,000 square feet of new commercial office space. The City estimates that level of investment could result in more than 2,200 new jobs that could generate up to \$5 million in annual City income tax revenue. The City agrees to invest \$20 million toward the cost of the public improvements necessary to improve, expand and renovate existing public infrastructure (including, among other things, streets and utilities) to support the development of the Sites, subject to City Council authorization and the subsequent appropriation of annual requests of \$5 million in the City’s capital improvement budget (C.I.B.) over a period of four (4) consecutive years, beginning in calendar year 2020. The City agrees to make all reasonable efforts to cooperate with the Developer and the Franklin County Convention Facilities Authority (“CFA”) in their efforts toward extending the City’s lease term with the CFA for the Hyatt Regency property to a term that accommodates an agreed-upon lease restructuring between the Developer and the CFA. The City and Developer are both committed to amending and restructuring the Tax Increment Financing (“TIF”) districts now existing in the Arena District (“Existing TIFs”) and to create new TIFs on any sites undergoing redevelopment located in the Arena District in an effort to increase the funds available to pay for public improvements and other obligations. As a result, the City and Developer also commit to taking the opportunity to amend and restate the current TIF agreement between the parties and creating a modernized TIF arrangement that will result in a simplified payment structure intended to maximize the allocation of revenues generated by existing TIFs and the new TIFs for the mutual benefit of both parties’ current and future obligations.

FISCAL IMPACTS

There is no direct fiscal impact for this legislation. Subsequent legislation will be required for any appropriations necessary to implement the terms of the Economic Development Agreement.

To authorize the Director of the Department of Development to enter into an Economic Development Agreement and an amended and restated TIF Agreement with NWD Investments, LLC, concerning the redevelopment of additional sites in the Arena District area of downtown Columbus. **(AMENDED BY ORD. 2932-2021; PASSED 12/6/2021)**

WHEREAS, the Developer intends to continue to invest in the redevelopment of additional sites in the Arena District for mixed-use developments that will include commercial office (the “Development Projects”) with associated public infrastructure improvements and amenities; and

WHEREAS, the Developer currently estimates that the Development Projects will include as much as 500,000 square

feet of new commercial office space and the City estimates that level of development could result in more than 2,200 new jobs that could generate up to \$5 million in annual City income tax revenue; and

WHEREAS, in order to facilitate the continuing redevelopment of the Arena District, public improvements will need to be made to improve, expand and renovate existing public infrastructure (including, among other things, streets and utilities) to support the continued revitalization of the Arena District, which began 22 years ago in 1997; and

WHEREAS, subject to annual appropriations by City Council, the City shall contribute \$20 million over a period of four (4) consecutive years toward the cost of expanding, improving, and renovating existing public improvements necessary to support the development of the Sites; and

WHEREAS, the City agrees to make all reasonable efforts to cooperate with Developer and the Franklin County Convention Facilities Authority (“CFA”) in their efforts toward extending the City’s lease term with the CFA for the Hyatt Regency property to a term that accommodates an agreed-upon lease restructuring between the Developer and the CFA; and

WHEREAS, the Parties desire to restructure existing Tax Increment Financing (“TIF”) districts and create new TIF districts to increase the funds available to pay for public improvements necessary to support the new investments and the Arena District as a whole; and

WHEREAS, the Parties agree that it is in the best interest of the Parties to amend and restate the current TIF agreement between the Parties and create a modernized TIF arrangement that will result in a simplified payment structure intended to maximize the allocation of revenues generated by the existing and new TIFs for the mutual benefit of both Parties’ current and future obligations;

WHEREAS, the Parties desire to memorialize their understandings and agreements with respect to their cooperation relating to past, current and future investments in the Arena District; and

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

SECTION 1. That the Director of the Department of Development is hereby authorized to enter into an Economic Development Agreement on behalf of the City with NWD Investments, LLC, to outline the plans and certain commitments of the parties relating to the continuing redevelopment of sites in the Arena District and such amendments or supplements thereto as may be necessary and which are approved by the City Attorney and which are not inconsistent with this ordinance.

SECTION 2. That the Director of the Department of Development is hereby authorized to execute an amended and restated TIF Agreement on behalf of the City and such amendments or supplements thereto as may be necessary and which are approved by the City Attorney and which are not inconsistent with this ordinance.

SECTION 3. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.