



Legislation Text

File #: 1993-2019, **Version:** 1

1. BACKGROUND

This legislation authorizes the Director of the Department of Development to enter into an Economic Development Agreement with the North Market Development Authority (the “NMDA”), and NM Developer LLC (the “Development Team”).

The current location of the North Market at 59 Spruce Street is a former warehouse and parking lot owned by the City of Columbus. In 2016 the City began a Request for Proposals (RFP) process for the site with the goal of creating a sustainable, long-term financial structure to support the North Market.

After completing a two-phase RFP, an evaluation committee recommended selecting the proposal submitted by the Development Team, which includes a twenty-six (26)-story mixed-use development, including an expansion of the North Market, a grand atrium, an outdoor patio and entrance, additional retail, residential units, class A commercial office, hotel; and structured parking. The Economic Development Agreement (the “EDA”) will outline the plans and certain commitments of the NMDA, Development Team, and the City as it relates to the Project.

The Project will be comprised of an approximately four thousand three hundred eighty (4,380) square foot grand atrium (“North Market Atrium”) to be used as public space joining the existing North Market building to the remainder of the Project; an approximately three thousand eight hundred ninety-eight (3,898) square foot expansion of North Market vendor space (“North Market Expansion”); an approximately three thousand two hundred sixty-four (3,264) square foot outdoor patio space and entrance into the North Market to be used for seating, dining and event space (“North Market Patio”); a new outdoor plaza, comprised of approximately five thousand one hundred and seventy two (5,172) square feet of shared space (the “Shared Plaza”); up to approximately ninety-two thousand (92,000) square feet of class A commercial office space; approximately one hundred fifty (150) multi-family residential units; a boutique hotel with approximately two hundred ten (210) rooms; and approximately three hundred fifty two (352) structured parking spaces, with approximately eighty (80) of those spaces publicly available for North Market patrons.

To achieve its goal of creating a sustainable, long-term financial structure to support the North Market, the City will create a North Market Capital Maintenance Fund with seventy-five percent (75%) of the City’s bed tax proceeds from the hotel portion of the Project for a period of thirty (30) years. The City will also designate additional capital funding of up to one hundred thousand dollars (\$100,000.00) annually for a period of ten (10) years for the North Market Capital Maintenance Fund. These funds shall be subject to and contingent upon such funds first having been appropriated and authorized to be expended such for purposes by the Columbus City Council. The City will create North Market Housing Fund with twenty-five percent (25%) of the City’s bed tax proceeds from the hotel portion of the Project for a period of ten (10) years. The mixed-income units will be split evenly between the eighty percent Area Median Income (80% AMI) and one hundred percent Area Median Income (100% AMI). As the hotel bed tax and the North Market Housing Fund increase over time, the Development Team will increase the mixed-income units up to a maximum of twenty percent (20%) of the residential portion of the Project. The City will also supplement the North Market Housing Fund through from the North Market Capital Maintenance Fund of up to one hundred thousand dollars (\$100,000.00) annually for a period of ten (10) years to ensure adequate funds are available for the affordable housing within the project. These funds shall be subject to and contingent upon such funds first having been appropriated and authorized to be expended such for purposes by the Columbus City Council.

Further, the City will cooperate with the Development Team for the establishment of a New Community Authority to enable a community development charge to be used to finance community facilities and land development. The City will also design and construct streetscape improvements within the public Rights of Way for Vine Street from Park Street to

High Street, Wall Street from Vine Street to Spruce Street, and Spruce Street from Park Street to High Street (the “Streetscape Improvements”) and contribute up to \$2 million for the construction of the public plaza fronting Spruce Street (the “Plaza Improvements”) adjacent to the existing North Market building and public atrium to support the existing North Market building and the Project.

2. FISCAL IMPACTS

There is no fiscal impact for this legislation.

To authorize the Director of the Department of Development to enter into an Economic Development Agreement with the North Market Development Authority and NM Developer LLC.

WHEREAS, in 2016 the City began a Request for Proposals (RFP) process for the surface parking lot adjacent to the existing North Market building with the goal of creating a sustainable, long-term financial structure to support the North Market; and

WHEREAS, an evaluation committee selected a proposal by the North Market Development Authority (the “NMDA”), and NM Developer LLC (the “Development Team”) that includes a twenty-six (26)-story mixed-use development, including an expansion of the North Market, a grand atrium, an outdoor patio and entrance, additional retail, residential units, class A commercial office, hotel; and structured parking (the “Project”); and

WHEREAS, the Project is being undertaken as a Public-Private Partnership (3P) with the City that will enhance the North Market and surrounding North Market Historic District, provide opportunities to augment and expand the North Market’s services and operations, and create a sustainable, long-term structure to ensure the financial viability of the North Market in perpetuity; and

WHEREAS, the Project will include housing Columbus residents can afford at a minimum of fifteen percent (15%) of residential units, increasing up to twenty percent (20%) of units over time based on the stabilization of funding, for a minimum of ten (10) years within the residential portion of the Project; and

WHEREAS, the Development Team’s Project has been undertaken in cooperation and partnership with the NMDA and the City as a signature project for Downtown and the North Market Historic District; and

WHEREAS, the Parties desire to memorialize their understanding and agreements with respect to such cooperation; and

WHEREAS, the City’s obligation to provide financial assistance as set forth herein is contingent upon the subsequent adoption of appropriate legislation by Columbus City Council authorizing such assistance; and

WHEREAS, the City’s agreement to provide financial assistance as set forth herein is contingent upon authorization pursuant to subsequent passage of appropriate legislation by Columbus City Council; **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 is hereby authorized to enter into an Economic Development Agreement on behalf of the City with the North Market Development Authority and NM Developer LLC to outline the plans and certain commitments of the parties relating to the redevelopment of surface parking lot adjacent to the existing North Market building.

SECTION 2. This ordinance shall take effect and be in force from and after the earliest period allowed by law.