



Legislation Text

File #: 3212-2019, **Version:** 1

Background: The City has leased to Scioto Peninsula Holdings, Ltd. (hereinafter “SPH”), a subsidiary of Columbus Downtown Development Corporation, the real property which has the general boundaries of West Broad Street to the north, Belle Street to the east, West Town Street to the south, and the Norfolk Southern right of way west of Starling Street to the west (the “Scioto Peninsula Land”) for a term of 99 years, renewable forever. After conducting a competitive process, SPH has identified a team of well recognized developers interested in redeveloping the Scioto Peninsula Land: The Daimler Group, Rockbridge Capital, and Flaherty & Collins (each, along with its subsidiaries, a “Developer” and, collectively, the “Developers”).

The Developers have proposed to construct approximately 240,000 square feet of office space, 350 apartment units, and 197 hotel rooms as part of the first phase of redevelopment. SPH proposes to acquire the City’s fee title to a portion of the Scioto Peninsula Land, identified as Lots 4, 6, 8, and 9 of the Scioto Peninsula Subdivision (each, a “Lot” and, collectively, the “Property”) and then to convey title to each Lot to a Developer, reserving necessary easements for utilities, signs, and improvements and subject to other restrictions of record, for a cumulative purchase price of approximately \$5.3 million. The net proceeds from the sale are subject to the terms of the Economic Development Agreement, entered into on February 7, 2017, between the City and SPH. The conveyance of each Lot from the City to SPH shall be conditioned on the respective Developer proceeding to closing on that Lot.

The following legislation authorizes the Director of Finance and Management to execute quit claim deeds to SPH conveying title to the Property, to execute joinders and consents to utility, encroachment, maintenance, temporary construction easements necessary for the redevelopment, and to execute other pertinent documents.

Fiscal Impact: No expenditure of funds by the City is required. The City will receive sale proceeds in accordance with the terms of the Economic Development Agreement.

Emergency action is requested to expedite the redevelopment of this portion of the Scioto Peninsula Land.

To authorize the Director of Finance and Management to execute quit claim deeds generally providing for the transfer of all of the City’s interest in Lots 4, 6, 8, and 9 of the Scioto Peninsula Subdivision, reserving necessary easements for utilities, signs, or other improvements and subject to other restrictions of record, to Scioto Peninsula Holdings, Ltd., and to enter into and execute other documents pertinent to such conveyance; and to declare an emergency.

WHEREAS, the City owns fee interest of that real property identified as Lots 4, 6, 8, and 9 of the Scioto Peninsula Subdivision (each a “Lot” and collectively the “Property”), and has previously leased this real property to Scioto Peninsula Holdings, Ltd. (hereinafter “SPH”) for a term of 99 years, renewable forever; and

WHEREAS, to facilitate redevelopment on the Property, the City desires to release from the operation of the lease and convey the City’s fee interest in the Property to SPH, subject to the reservation of easements for utilities, signs, or other improvements and subject to other restrictions of record; and

WHEREAS, SPH will convey each Lot to The Daimler Group, Rockbridge Capital, or Flaherty & Collins (each, along with its subsidiaries, a “Developer” and, collectively, the “Developers”); and

WHEREAS, the Developers propose to construct approximately 240,000 square feet of office space, 350 apartment units, and 197 hotel rooms on the Property as part of the first phase of redevelopment of the Scioto Peninsula; and

WHEREAS, the residential developer, Flaherty and Collins, has agreed to fulfill inclusive housing requirements to help increase the stock of affordable workforce housing in the City as follows: (a) ten percent (10%) of residential units affordable to households at or below eighty (80%) AMI and (b) ten percent (10%) of residential units affordable to households at or below one hundred percent (100%) AMI, and will enter into an agreement with the City to memorialize that commitment prior to the conveyance of the sites planned for residential development; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Finance and Management in that it is immediately necessary to authorize the Director to execute those documents necessary to transfer fee title and execute quit claim deeds in order to expedite the development of the Scioto Peninsula area to provide office, hotel and residential improvements; and for the immediate preservation of the public health, peace, property and safety; now, therefore:

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

SECTION 1. That the Director of Finance and Management be and hereby is authorized to execute quit claim deeds and necessary documents, as approved by the City Attorney's Office, Department of Law, Real Estate Division, and providing generally for the transfer of the City's fee interest in the real property identified as Lots 4, 6, 8, and 9 of the Scioto Peninsula Subdivision, to Scioto Peninsula Holdings, Ltd., subject to the reservation of easements for utilities, signs, or other improvements and other restrictions of record, including other pertinent documents contemporaneous to the conveyance of each Lot to a Developer the first phase of redevelopment of the Scioto Peninsula.

SECTION 2. That the Director of Finance and Management be and hereby is authorized to execute a mutual release of any previous lease and any other previous agreement or document between the City and Scioto Peninsula Holdings, Ltd. or others that may be required or helpful in clearing title to the Property.

SECTION 3. That the Director of Finance and Management be and hereby is authorized to execute those easement agreements, approved by the Director and the City Attorney's Office, Department of Law, Real Estate Division, and providing generally for consent to utility, encroachment, maintenance, and temporary construction easements as necessary to facilitate the construction of the Scioto Peninsula redevelopment project.

SECTION 4. That the residential developer, Flaherty and Collins, has agreed to fulfill inclusive housing requirements to help increase the stock of affordable workforce housing in the City as follows: (a) ten percent (10%) of residential units affordable to households at or below eighty (80%) AMI and (b) ten percent (10%) of residential units affordable to households at or below one hundred percent (100%) AMI, and will enter into an agreement with the City to memorialize that commitment prior to the conveyance of the sites planned for residential development.

SECTION 5. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is 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.