



Legislation Text

File #: 3223-2019, **Version:** 1

BACKGROUND:

The City has undertaken a multi-phase project in cooperation with the Columbus Downtown Development Corporation and Franklin County to redevelop the Scioto Peninsula. As part of that project and to support the redevelopment, the City wishes to engage Capitol South Community Urban Redevelopment Corporation, an Ohio nonprofit corporation ("Capitol South"), to construct a parking garage, which will be financed and owned by the City.

The Project involves the design and construction of a parking facility containing approximately 1,400 parking spaces (the "Facility") to support private development planned to take place on the Scioto Peninsula. The Facility will be located on property bounded by Capital Street on the north, Starling Street on the east, the Norfolk Southern railroad tracks west of Starling Street on the west, and West Town Street to the south.

This ordinance will authorize the Director of Finance and Management, on behalf of the Director of Public Service, to enter into an agreement with Capitol South, pursuant to Columbus City Code Section 329.30, in the initial amount of \$1,500,000.00 for the Starling Street Garage Project and authorize the Director of Finance and Management to amend the agreement to establish a guaranteed maximum price for the project following future appropriation by City Council.

The Contract Compliance Number for Capitol South Community Urban Redevelopment Corporation is #76-0704655.

EMERGENCY JUSTIFICATION: An emergency exists in the usual daily operation of the Department of Finance and Management in that it is immediately necessary to enter into said agreement so that planning for initial design can begin, project financing can be determined, and a cost effective construction start can be planned for 2022 construction completion, thereby preserving the public health, peace, property, and safety.

FISCAL IMPACT: An amendment to the 2019 Capital improvement budget and a certification of reserves in the Special Income Tax fund in the amount of \$1,500,000 is necessary. Bonds will be sold at a future date to replace this temporary funding measure. Additionally, the City is providing approximately \$30,000,000 in bond funds subject to future appropriations by Columbus City Council. Future legislation will appropriate bond funds in 2020.

To authorize the Director of Finance and Management on behalf of the Director of Public Service to enter into an agreement with Capitol South Community Urban Redevelopment Corporation for the design and construction of the Scioto Peninsula Parking Garage Project; to amend the 2019 Capital Improvement Budget; to authorize the City Auditor to appropriate and transfer funds from the Special Income Tax Fund to the Streets and Highways Taxable Bond Fund; to authorize the expenditure of \$1,500,000.00 from the Streets and Highways Taxable Bond Fund; and to declare an emergency. (\$1,500,000.00)

WHEREAS, the City desires to enter into an agreement with Capitol South Community Urban Redevelopment Corporation, an Ohio nonprofit corporation, for the administration of the design and construction of the Starling Street Garage Project; and

WHEREAS, it is necessary to amend the 2019 Capital Improvement Budget to establish authority within the correct project; and

WHEREAS, it is necessary to transfer funds from the Special Income Tax Fund to fund this project; and

WHEREAS, the City will reimburse the Special Income Tax Fund; and

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

WHEREAS, the aggregated principal amount of obligations which the City will issue to finance this project is presently expected not to exceed \$1,500,000.00; and

WHEREAS, the City anticipates incurring 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, an emergency exists in the usual daily operation of the City in that it is immediately necessary to enter into said agreement so that planning, bidding, pre-construction and design can begin, project financing can be determined, construction can start in 2020 and the garage can be completed and open in 2022 all for the preservation of 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, on behalf of the Director of Public Service, be and he is hereby authorized to enter into an agreement with Capitol South Community Urban Redevelopment Corporation, an Ohio nonprofit corporation (“Capitol South”), for the design and construction of the Starling Street Garage Project in the initial amount of \$1,500,000.

SECTION 2. That the 2019 Capital Improvements Budget authorized by ordinance 1326-2019 be amended as follows to establish sufficient authority for this project:

Fund / Project / Project Name / Current / Change / C.I.B. as Amended
7708 / P570091-100000/ Starling Street Garage/ \$0.00/ \$1,500,000/ \$1,500,000

SECTION 3. That from the unappropriated monies 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 ended December 31, 2019, the sum of \$1,500,000.00 is appropriated in Fund 4430 (Special Income Tax), Dept-Div 2201 (City Auditor) in Object Class 10 (Transfer Out Operating) and in Fund 7708 (Streets and Highways Taxable Bond Fund), Dept-Div 4550 (Office of the Finance Director), Project P570091-100000 (Starling Street Garage), in Object Class 06 (Capital Outlay) per the account codes in the attachment to this ordinance.

SECTION 4. That the transfer of \$1,500,000.00, or so much thereof as may be needed, is hereby authorized from Fund 4430 (Special Income Tax), Dept-Div 2201 (City Auditor) to Fund 7708 (Streets and Highways Taxable Bond Fund), Dept-Div 4550 (Office of the Finance Director) per the account codes in the attachment to this ordinance.

SECTION 5. That to pay the cost of said agreement, the expenditure of \$1,500,000.00 or so much thereof as may be necessary, be and is hereby authorized per the account codes in the attachment to this ordinance

SECTION 6. That the Director of Finance and Management be and he is hereby authorized to amend the agreement for design and construction of the Starling Street Garage Project to establish a guaranteed maximum price to complete the project subject to future appropriation by this Council for that purpose.

SECTION 7. That the monies in the foregoing Section 5 shall be paid upon order of the Director of Finance and Management, and that no order shall be drawn or monies paid except by voucher, the form of which shall be approved by

the City Auditor.

SECTION 8. That upon obtaining other funds for this project for the Department of Finance and Management, the City Auditor is hereby authorized and directed to repay the Special Income Tax Fund the amount transferred under Section 4.

SECTION 9. 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 \$1,500,000.00 (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 the fund from which the advance for costs of the Project will be made.

SECTION 10. 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 a necessary.

SECTION 11. 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 12. 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 the monies are no longer required for said project.

SECTION 13. That the project described in this ordinance is a Major Project and an Approved Project and that any expenses borne by Capitol South in furtherance thereof are Qualifying Expenses for the purposes of the Operative Agreement between the City and Capitol South.

SECTION 14. 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.