



Legislation Text

File #: 2316-2020, **Version:** 1

BACKGROUND: The Council of the City of Columbus previously adopted Ordinance Number 3061-2015 to levy property assessed clean energy (“PACE”) special assessments on certain property located at 155 East Broad Street. The special assessments repay and secure financing for special energy improvement projects installed at the property. The financing was provided by the Columbus-Franklin County Finance Authority (the “Finance Authority”).

Under the authority granted by that ordinance, the City entered into a Special Assessment Agreement with the Columbus Regional Energy Special Improvement District, Inc. (the “District”), the County Treasurer of Franklin County, Ohio, and 155 SPE, LLC, an Ohio limited liability company, as assignee of NC Plaza LLC. Under the Special Assessment Agreement, the City agreed to cooperate with the other parties to reduce the amount of the special assessments levied if all or a portion of the financing was prepaid.

The District and the Finance Authority have notified the City that the financing provided for the special energy improvement projects is to be prepaid in full and have requested that the City reduce the special assessments previously levied down to \$0.00.

This legislation is to reduce the amount of the special assessments previously levied down to \$0.00 and to cause the County Auditor to remove the special assessments from the tax bills for the property.

Emergency action is requested on this legislation to allow the reduction of the special assessments to be certified to the County Auditor before real property tax bills for tax year 2020 are prepared.

FISCAL IMPACT: No funding is required for this legislation.

To remove special assessments previously levied for certain public improvements in the City of Columbus, Ohio in cooperation with the Columbus Regional Energy Special Improvement District (155 East Broad Street Project), and to declare an emergency.

WHEREAS, this Council (the “Council”) of the City of Columbus, Ohio (the “City”) duly passed Ordinance No. 3061-2015 on December 14, 2015 (the “Ordinance Levying Assessments”) and determined to proceed with the Project and adopted the estimated Special Assessments filed with the Clerk of Council and the Director of Finance; and

WHEREAS, the City entered into that certain Special Assessment Agreement dated as of January 1, 2016, and recorded on June 2, 2016 as Instrument Number 201606020068722 in the records of the Franklin County Recorder (the “Special Assessment Agreement”) by and among the City, the Columbus Regional Energy Special Improvement District, Inc. (the “District”), the County Treasurer of Franklin County, Ohio, and 155 SPE, LLC, an Ohio limited liability company, as assignee of NC Plaza LLC (the “Owner”); and

WHEREAS, as described in the Special Assessment Agreement, the Columbus-Franklin County Finance Authority (the “Authority”) authorized, executed, sold and delivered \$2,785,000 Taxable Development Revenue Bonds (Central Ohio Regional Bond Fund) Series 2016A (Columbus Regional Energy Special Improvement Project - PNC Plaza Project) (Taxable Bond) (the “Bonds”) for the purpose of making a Series 2016A Bond Fund loan to the District and further loaned the amount of \$400,000 to the District (the “Direct Loan”); and

WHEREAS, the District has advised the Authority that it intends to redeem and prepay all amounts outstanding with respect to the Bonds and the Direct Loan, and, as provided in the Special Assessment Agreement, the Authority has

notified the City that the remaining Special Assessments should be reduced to \$0.00; and

WHEREAS, an emergency exists in the usual daily operation of the City in that it is immediately necessary for this Ordinance to take effect at the earliest possible date in order to certify the appropriate reduction in the amount of the Special Assessments to the County Auditor in order to effect such reduction prior to the preparation of real property tax bills for tax year 2020 and for the immediate preservation of public peace, property, health and safety; **NOW THEREFORE**,

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

SECTION 1. That each capitalized term not otherwise defined in this Ordinance or by reference to another document shall have the meaning assigned to it in the Special Assessment Agreement.

SECTION 2. That, as provided by Sections 1.3 and 1.4 of the Special Assessment Agreement, in the event the Bonds and the Direct Loan are prepaid or redeemed, in whole or in part, the parties shall, in cooperation with the Owner, and to the extent permitted by law, cause the aggregate lien of the Special Assessments to be no greater than the remaining principal of and interest and premium, if any, on the Bonds and the Direct Loan through maturity.

The Finance Authority has notified the City that all Special Assessments certified by the City Auditor to the County Auditor pursuant to Ohio Revised Code Chapter 727.33, are to be reduced by the amount of the aggregate Special Assessments prepaid. The remaining principal of and interest and premium on the Bonds and the Direct Loan will be \$0.00, and the amount of Special Assessments necessary to pay principal of and interest and premium on the Bonds and the Direct Loan will be \$0.00.

SECTION 3. That the aggregate Special Assessments previously levied by this Council and certified by the City Auditor to the County Auditor are hereby reduced to \$0.00. The City Auditor and the Department of Development of the City are hereby authorized to take any actions as may be necessary in order to cause the County Auditor to reduce the amount of the Special Assessments to \$0.00.

SECTION 4. That, in compliance with Ohio Revised Code Section 319.61, the Clerk of the Council is directed to deliver a certified copy of this Ordinance to the County Auditor of Franklin County, Ohio within 20 days after its passage.

SECTION 5. 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.