File #: 2510-2020, **Version:** 1

BACKGROUND: The Council of the City of Columbus previously adopted an ordinance levying property assessed clean energy ("PACE") special assessments on certain property located at 3255 McKinley Avenue. The special assessments repay and secure financing for special energy improvement projects installed at the property. The financing was provided by Greenworks Lending LLC ("Greenworks").

Under the authority granted by that ordinance, the City entered into an Energy Project Cooperative Agreement dated as of October 24, 2018 (the "Energy Project Cooperative Agreement") with the Columbus Regional Energy Special Improvement District, Inc. (the "District"), Greenworks, and Belmont House LLC, an Ohio limited liability company (the "Owner"), and a Special Assessment Agreement dated as of October 24, 2018 (the "Special Assessment Agreement") with the County Treasurer of Franklin County, Ohio, the District, Greenworks, and the Owner. Under the Energy Project Cooperative Agreement and 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.

Greenworks assigned its interest in the Energy Project Cooperative Agreement and the Special Assessment Agreement to its affiliate, PACEWell 1 LLC, a Delaware limited liability company, and PACEWell 1 LLC assigned those same interests to another Greenworks affiliate, PACEWell 3 LLC, a Delaware limited liability company,

The District and PACEWell 3 LLC, as assignee of Greenworks, 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 (3255 McKinley Avenue Project); and declare an emergency.

WHEREAS, this Council (the "Council") of the City of Columbus, Ohio (the "City") duly passed Ordinance No. 2752-2018 on October 8, 2018 (the "Ordinance Levying Assessments") and levied special assessments for the purpose of acquiring, constructing, and improving certain public improvements at 3255 McKinley Avenue in the City in cooperation with the Columbus Regional Energy Special Improvement District, Inc. (the "District");

WHEREAS, the City entered into that certain Energy Project Cooperative Agreement dated as of October 24, 2018 (the "Energy Project Cooperative Agreement") with the District, Greenworks Lending LLC ("Greenworks"), and Belmont House LLC, an Ohio limited liability company (the "Owner") and that certain Special Assessment Agreement dated as of October 24, 2018, and recorded on November 1, 2018 as Instrument Number 201811010149001 in the records of the Franklin County Recorder (the "Special Assessment Agreement") by and among the City, the District, the County Treasurer of Franklin County, Ohio, the Owner, and Greenworks;

WHEREAS, Greenworks assigned its interest in the Energy Project Cooperative Agreement and the Special Assessment Agreement to its affiliate, PACEWell 1 LLC, a Delaware limited liability company, and PACEWell 1 LLC assigned those same interests to another Greenworks affiliate, PACEWell 3 LLC, a Delaware limited liability company;

WHEREAS, as described in the Energy Project Cooperative Agreement and the Special Assessment Agreement, Greenworks authorized and made available the amount of $1,960,000 to the Owner for the purpose of paying and financing the costs of certain special energy improvement projects to be owned by the Owner at 3255 McKinley Avenue (the "Project Advance");

WHEREAS, the Owner has advised PACEWell 3 LLC, as assignee of Greenworks, that it intends to prepay all amounts outstanding with respect to the Project Advance, and, as provided in the Special Assessment Agreement, the District and PACEWell 3 LLC, as assignee of Greenworks, have notified the City that the remaining Special Assessments should be reduced to $0.00;

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to remove Special Assessments previously levied for certain public improvements in the City of Columbus 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 Energy Project Cooperative Agreement.

SECTION 2. That, as provided by Sections 2.2 and 4.7 of the Energy Project Cooperative Agreement, in the event the Project Advance is prepaid, 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, premium, and fees, if any, on the Project Advance through its final repayment.

PACEWell 3 LLC, as assignee of Greenworks, 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, premium, and fees on the Project Advance will be $0.00, and the amount of Special Assessments necessary to pay principal of and interest, premium and fees on the Project Advance 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.

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