



## Legislation Text

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**File #:** 1068-2021, **Version:** 1

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**Background:** The Gravity Project 2, LLC (together with its affiliate Gravity 2 Garage, LLC, collectively, the “Developer”) will design and construct Gravity Phase II urban redevelopment project (“Project”) located between Broad Street, State Street, McDowell Street and the CSX railroad. The City, the Developer, and Columbus Housing Partnership (dba “Homeport”) have entered into an Economic Development Agreement dated September 27, 2019 (the “EDA”) to further the Project and McDowell Place, the LIHTC project to be constructed by Homeport. Pursuant to that EDA, the Developer committed to dedicating at least two hundred (200) spaces for public use (the “Dedicated Public Spaces”) of the approximate nine-hundred (900) parking spaces structured parking facility (the “Parking Facility Project”), and the City agreed to a contribution of ten thousand dollars (\$10,000) for each of the Dedicated Public Spaces in an amount not to exceed a total contribution of two-million dollars (\$2,000,000, the “Contribution”). City Council previously passed Ordinance 0911-2020 on May 18, 2020 to authorize the Director of the Development to enter into a Neighborhood Structured Parking Incentive Contribution Agreement (the “Agreement”) with the Developer and to authorize the transfer, appropriation, and expenditure of the first 25% of the Contribution. Due to the COVID-19 pandemic, the Project’s private financing was delayed. With the Project moving forward again, the City is submitting subsequent legislation for the remainder of the Contribution following the passage of the 2020 Capital Improvement Budget. This legislation will authorize the expenditure of the remaining 75% of the Contribution.

**Emergency Justification:**

Emergency legislation is necessary to allow for the immediate disbursement from the City of the remaining 75% of the Contribution pursuant to the Agreement for the construction of the Dedicated Public Spaces, which is necessary to facilitate the timely completion of the Developer’s closing on other financing for the above-described Project and Parking Facility Project.

**Fiscal Impact:** From the 2020 Capital Improvement Budget, the City will contribute the remaining 75% of the Contribution from funding in the amount of \$1,500,000 from the Development Taxable Bonds Fund (7739) to the Developer in two disbursements, which 65% of the total Contribution will be made available upon the issuance of the Building Permit and 10% of the total Contribution will be made available upon issuance of the Certificate of Occupancy, each for the Parking Facility Project.

To authorize the expenditure of \$1,500,000.00 in the Development Taxable Bonds Fund (7739) for the remaining 75% of the contribution towards the two hundred dedicated public spaces in the Gravity Project 2 structured parking facility; and to declare an emergency. (\$1,500,000.00)

**WHEREAS,** The Gravity Project 2, LLC (together with its affiliate Gravity 2 Garage, LLC, the “Developer”) is redeveloping the real property known as the Gravity Phase II (the “Project”) located between Broad Street, State Street, McDowell Street and the CSX railroad; and

**WHEREAS,** this Council previously passed Ordinance 1732-2019 on July 22, 2019, authorizing an Economic Development Agreement dated September 27, 2019 (the “EDA”) by and among the City, the Developer, and Columbus Housing Partnership (dba “Homeport”) with respect to the Project and McDowell Place, a LIHTC project to be constructed by Homeport; and

**WHEREAS,** pursuant to the EDA, the Developer agreed to construct the Project’s approximately nine-hundred (900) spaces structured parking facility (the “Parking Facility Project”) comprised of a minimum of two hundred (200) parking spaces dedicated for public use (the “Dedicated Public Spaces”); and

**WHEREAS**, pursuant to the EDA, the City agreed to make a contribution of ten thousand dollars (\$10,000.00) for each of the Dedicated Public Spaces included in the Parking Facility Project in an amount not-to-exceed a total of two-million dollars (\$2,000,000, the “Contribution”); and

**WHEREAS**, the City’s disbursements of the Contribution is contingent on the Developer dedicating the Dedicated Public Spaces through a recorded Declaration of Public Parking Garage Covenants (first 25% disbursed), the issuance of the Building Permits (next 65%), and the issuance of the Certificate of Occupancy (final 10%); and

**WHEREAS**, City Council previous passed Ordinance 0911-2020 on May 18, 2020 to authorize the Director of the Development to enter into a Neighborhood Structured Parking Incentive Contribution Agreement (the “Agreement”) with the Developer and to authorize the transfer, appropriation, and expenditure of the first 25% of the Contribution in the amounts of \$451,357.55 in the West Edge II TIF Fund (7422) and \$48,642.45 in the East Franklinton TIF Fund (7463); and

**WHEREAS**, due to the COVID-19 pandemic delaying the Project’s private financing, it was contemplated funding for the remaining \$1,500,000.00 equal to 75% of the Contribution would be authorized for expenditure through subsequent legislation after the passage of the 2020 Capital Improvement Budget; and

**WHEREAS**, it is now necessary to authorize for expenditure the remaining 75% of the Contribution in the amount of \$1,500,000 from the Development Taxable Bonds Fund (7739) to be disbursed pursuant to the Agreement; and

**WHEREAS**, if Homeport does not obtain a Certificate of Occupancy by the McDowell Place Completion Deadline as described in the EDA, with the City’s assistance, the Developer, or any future purchasers, buyers, transferees, assignees, or successors in interest of the Project, the Project site, or any portion thereof will submit a petition to the City requesting a special assessment on the Project site, excluding the area of the Project site consisting of the Parking Facility Project, to repay the City’s Contribution for the Dedicated Public Spaces; and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to authorize the expenditure of the remaining 75% of the Contribution in order to allow the developer to immediately close on its other financing for the Project and the Parking Facility Project and to provide for additional parking in the three districts within East Franklinton thereby preserving the public health, peace, property, safety and welfare without delay; **NOW, THEREFORE,**

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

**SECTION 1.** That for the purpose stated herein the expenditure is hereby authorized of the remaining 75% of the \$2,000,000 contribution in the amount of \$1,500,000 or so much thereof as may be needed, in the Development Taxable Bonds Fund (7739) Dept-Div 44-02 (Economic Development), Project P440104-100104 (Gravity 2.0 Garage Contribution), in Object Class 06 (Capital Outlay), per the account codes in the attachment to this ordinance.

**SECTION 2.** 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 as necessary.

**SECTION 3.** 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 4.** 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 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 full 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.