



Legislation Text

File #: O-188-20, **Version:** 1

Colony Development Project
Economic Development
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Authorizing the appropriation and expenditure in an amount not to exceed \$450,000 from the unappropriated balance of the Water Distribution Infrastructure Development Fund; authorizing the appropriation and transfer of an amount not to exceed \$1,449,840 from the unappropriated balance of the Storm Water Replacement fund to the Storm Water Utility Improvement fund; authorizing the appropriation and expenditure of \$1,449,840 from the unappropriated balance of the Storm Water Improvements Fund; authorizing the Mayor to prepare or review plans and specifications and enter into contracts for the utility improvements as necessary; authorizing the Mayor to enter into a development agreement with Toledo Colony Apartments, LLC and Colony-Concord Hotel, LLC for the Colony Development Project; and declaring an emergency.

SUMMARY & BACKGROUND:

Developers have committed to invest an estimated \$50,000,000 collectively, in the development of the (i) Residential Development and (ii) Commercial Development on a Project Site located in the Colony area (“Project”). The Project site consists of approximately 10.8 acres depicted on Exhibit A of the Development Agreement the Development Agreement being in substantial final form attached to this ordinance. The Project will further the development of the Colony and represents an important economic development opportunity for the City, involving both public and private investment along the West Central Avenue corridor, and will generate new jobs on the Project Site. The Project consists of the construction of new residential apartments, a new hotel, and new and revitalized commercial and retail space on the Project Site. The hotel portion of the Project will include approximately 120 hotel rooms and is anticipated to operate as a Home2 Suites by Hilton (the “Commercial Development”). The residential portion of the Project shall include approximately 262 residential units and is expected to be known as the Colony Lofts, along with a club house, restaurant and a space for a retail-oriented business (the “Residential Development”).

In order for the Project to move forward and become a success, the City and the Developers need to cooperate and collaborate with respect to infrastructure issues.

Based on the City’s determination that it is in the best interests of the City to support development at the Colony, this ordinance authorizes the appropriation and expenditure of funds for public improvements and authorizes the Mayor to enter into agreements making these improvements; and further authorizes the Mayor to enter into a development agreement with Toledo Colony Apartments, LLC and Colony - Concord Hotel, LLC detailing the respective responsibilities and financial commitments for this residential, retail and hotel Project.

Council established the Water Distribution Infrastructure Development Fund and the Sanitary Sewer

Infrastructure Development Fund (aka the 2% Funds) for the purposes stated which includes new housing development, job creation and retention. The developers approached the Department of Development and Department of Public Utilities (“DPU”) for financial assistance for public water and storm sewer improvements. Sanitary Sewer Infrastructure Development Funds are not being utilized on this project.

This ordinance authorizes the appropriation and expenditure of \$450,000 from the Water Distribution Infrastructure Development Fund and \$1,449,840 from the Storm Water Improvement Funds. The Developer is committed to paying \$700,000 of the cost of the needed storm water improvements either in cash or by electing to have these costs assessed to the Project’s real property tax duplicate. All of the funds included in this ordinance are for work that is scheduled to begin in the summer of 2020. Appropriation of these critical funds now will allow for timely bidding and construction to ensure the work is completed with the Project timeline.

The fiscal impact of this ordinance is as follows:

- The amount of funds requested: \$1,899,840
- The expenditure budget line item:
\$450,000 - 6065-31000-4UI2420STDSTD
\$1,449,840 - 607B-31000-4UC2420STDSTD
- New revenue generated (operational revenue, grants, if any): n/a
- Revenue budget line item (if any): n/a
- Are funds budgeted in the current fiscal year (yes/no)?: No
- Is this a capital project (yes/no)? Yes
- If yes, is it new or existing (new/existing)? New
- What section of the City’s Strategic Plan does this support:
 - o Excellence in Basic Services (yes/no) Yes
 - o Quality Community Investment (Livable City, Development) (yes/no) Yes
 - o Workplace Culture & Customer Service (yes/no) No
 - o Environment (yes/no) No

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That this Council finds and determines it is in the best interests of the city to support this Colony Development Project and approves the use for the Colony Development Project of the Water Distribution Infrastructure Development Fund (2% Fund) to pay the cost of water line improvements within the City of Toledo right-of-way or easement in an amount not to exceed \$450,000 and approves the use of Storm Water Improvement Funds to pay the cost of storm water improvements within the City of Toledo right-of-way or easement in the amount not to exceed \$749,840.

SECTION 2. That an amount not to exceed \$1,449,840 is appropriated from the unappropriated balance of the Storm Water Replacement fund account code 607D/558100/31000/4UC2420STDSTD and transferred to the Storm Water Utility Improvement fund account 607B/408690/31000/4UC2420STDSTD.

SECTION 3. That \$1,449,840 is appropriated from the unappropriated balance of the Storm Water Utility Improvement Fund into account code 607B-31000-4UC2420STDSTD; authorizing the expenditure of same for the installation of water distribution improvements related to the Project.

SECTION 4. That an amount not to exceed \$450,000 is appropriated from the unappropriated balance

of the Water Distribution Infrastructure Development Fund into Account Code 6065-31000-4UI2420STDSTD and the same is authorized for expenditure for the installation of water distribution improvements related to the Project.

SECTION 5. That the Mayor is authorized to prepare or review plans and specifications, accept bids and enter into contracts as necessary to complete the improvements identified above including such items as labor, materials, and construction testing. Contracts shall contain such terms and conditions as the Mayor may deem requisite and proper and shall be subject to approval by the Directors of Law, Development and Public Utilities.

SECTION 6. That the Mayor is authorized to execute a development agreement with Toledo Colony Apartments, LLC and Colony -Concord Hotel, LLC as required under TMC Ch. 933, related to the authorizations contained herein for the Colony Development Project including defining the project, roles, financial commitments and timelines, upon such terms and terms and conditions as shall be approved by the Director of Public Utilities, Director of Economic Development and the Director of Law. A copy of said development agreement being in substantial final form is attached hereto as Exhibit A.

SECTION 7. That the disappropriation of any remaining budget to fund balance is authorized at project closeout.

SECTION 8. That the Finance Director is authorized to draw his warrant or warrants against the above Account Codes in payments of the above authorized obligations in amounts not to exceed those authorized above upon presentation of the proper voucher or vouchers.

SECTION 9. That this Ordinance is declared to be an emergency measure and shall be in force and effect from and after its passage. The reason for the emergency lies in the fact that this Ordinance is necessary for the immediate preservation of the public peace, health, safety, and property and for the further reason that this Ordinance must be immediately effective in order to facilitate this work beginning early this year to meet construction schedule and completion deadlines.

Vote on emergency clause: yeas _____, nays _____.

Passed: _____, as an emergency measure: yeas _____, nays _____.

Attest: _____
Clerk of Council

President of Council

Approved: _____

Mayor

I hereby certify that the above is a true and correct copy of an Ordinance passed by Council

_____.

Attest: _____
Clerk of Council