

To: Members of Dublin City Council
From: Dana L. McDaniel, City Manager
Date: February 16, 2021
Initiated By: Colleen Gilger, CECD, Director of Economic Development
Sara O'Malley, Economic Development Administrator
Re: Ordinances 48-20, 49-20, and 50-20 for Property Assessed Clean Energy (PACE)
Special Improvement for 600 Metro Place North

Background

The building ownership for 600 Metro Place North requested the use of PACE financing assessments totaling \$8,732,416.80 for the retrofit and conversion of a former Crowne Plaza hotel into a DoubleTree hotel by Hilton. As part of this process, the two resolutions were approved at the City Council meeting on Nov. 16, 2020. The three ordinances were tabled, at the request of the applicant, at the second reading/public hearing on Dec. 7, 2020. At the Council Meeting on Feb. 8 2021, building ownership requested Ordinances 48-20, 49-20, and 50-20 be removed from the table and scheduled for second reading/public hearing on February 22, which was approved, in order to move forward with the PACE project.

Process

PACE allows qualifying energy improvements to be financed through special assessments on a property owner's real estate tax bill. To satisfy this request, Dublin City Council must pass a series of two resolutions and three ordinances:

- The first resolution approves the owner's petition to the City to levy special assessments. (Approved Nov. 16, 2020)
- The second resolution and two of the ordinances, provide for the steps set forth in the Ohio Revised Code for levying special assessments. (Resolutions approved Nov. 16, 2020; Ordinances were introduced)
- The last ordinance approves the transaction documents. (Introduced Nov. 16, 2020)

This process, while detailed, follows the requirements of the Ohio Revised Code and City's Charter. The City has no financial obligations with any PACE project and serves only as a pass-through entity for financing.

Recommendation

Staff recommends Council approve Ordinances 48-20, 49-20, and 50-20 on Feb. 22, 2021. Please contact Sara O'Malley with any questions.

48-20 (AMENDED)

AN ORDINANCE DETERMINING TO PROCEED WITH THE ACQUISITION, CONSTRUCTION, AND IMPROVEMENT OF CERTAIN PUBLIC IMPROVEMENTS IN THE CITY OF DUBLIN, OHIO IN COOPERATION WITH THE COLUMBUS REGIONAL ENERGY SPECIAL IMPROVEMENT DISTRICT (600 METRO PLACE NORTH, DUBLIN, OHIO PROJECT)

WHEREAS, the Council ("Council") of the City of Dublin, Ohio (the "City") duly adopted Resolution No. 68-20 on November 16, 2020 (the "Resolution of Necessity"), (i) declaring the necessity of acquiring, constructing, improving, and installing energy efficiency improvements including, without limitation, building envelope improvements, LED lighting, HVAC system improvements, plumbing fixtures, and related improvements (the "Project," as more fully described in the Petition referenced in this Ordinance) located on real property owned by Dublin Witness, LLC (the "Owner") and identified by the County Auditor of Franklin County, Ohio as Parcel Numbers 273-001311-00 and 273-001704-00 within the City (the "Property", as more fully described in Exhibit A to the Petition); (ii) providing for the acquisition, construction, and improvement of the Project by the Owner, as set forth in the Owner's *Petition for Special Assessments for Special Energy Improvement Projects and Affidavit* (the "Petition"), including by levying and collecting special assessments to be assessed upon the Property (the "Special Assessments") in an amount sufficient to pay the costs of the Project, which is estimated to be \$8,732,416.80, including other related costs of financing the Project, which may include, without limitation, the payment of principal of and interest on nonprofit corporate obligations issued to pay the costs of the Project and other interest, financing, credit enhancement, and issuance expenses and ongoing trustee fees and Columbus Regional Energy Special Improvement District ("District") administrative fees and expenses; and (iii) determining that the Project will be treated as a special energy improvement project to be undertaken cooperatively by the City and the District; and

WHEREAS, the claims for damages alleged to result from, and objections to, the Project have been waived by one hundred percent (100%) of the Owners, and following notice of the adoption of the Resolution of Necessity which was personally delivered by the Clerk of Council to the Owner on November 18, 2020, no claims for damages alleged to result from, or objections to, the Project have been filed within the times prescribed by Sections 727.15 and 727.18 of the Ohio Revised Code.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Dublin, State of Ohio, _____ of the elected members concurring that:

Section 1. Each capitalized term not otherwise defined in this Ordinance or by reference to another document shall have the meaning assigned to it in the Petition.

Section 2. This Council declares that its intention is to proceed or to cooperate with the District to proceed with the acquisition, construction, and improvement of the Project described in the Petition and the Resolution of Necessity. The Project shall be made in accordance with the provisions of the Resolution of Necessity and with the plans, specifications, profiles, and

estimates of cost previously approved and now on file with the Director of Finance and the Clerk of Council.

Section 3. The Special Assessments to pay costs of the Project, which are estimated to be \$8,732,416.80, including any and all architectural, engineering, legal, insurance, consulting, energy auditing, planning, acquisition, installation, construction, surveying, testing, and inspection costs; the amount of any damages resulting from the Project and the interest on such damages; the reasonable costs incurred in connection with the preparation, levy and collection of the special assessments; the cost of purchasing and otherwise acquiring any real estate or interests in real estate; reasonable expenses of legal services; costs of labor and material; trustee fees and other financing costs incurred in connection with the issuance, sale, and servicing of securities, nonprofit corporate obligations, or other reasonable obligations issued or incurred to provide a loan or to secure an advance of funds to the Owner or otherwise to pay costs of the Project in anticipation of the receipt of the Special Assessments, capitalized interest on, and financing reserve funds for, such securities, nonprofit corporate obligations, or other obligations so issued or incurred, including any credit enhancement fees, trustee fees, program administration fees, financing servicing fees, and reasonable District administrative fees and expenses; an amount to reflect interest on unpaid Special Assessments which shall be treated as part of the cost of the Project for which the Special Assessments are made at an interest rate which shall be determined by the District to be substantially equivalent to the fair market rate that would have been borne by notes or bonds if notes or bonds had been issued by the District or another issuer of notes or bonds to pay the costs of the Project; together with all other necessary expenditures, shall be assessed against the Property in the manner and in the number of semi-annual installments provided in the Petition and the Resolution of Necessity. Each semi-annual Special Assessment payment represents the payment of a portion of any principal repayment and interest and administrative fees payable with respect to the Project. The Special Assessments shall be assessed against the Property commencing in tax year 2021 for collection in 2022 and shall continue through tax year 2044 for collection in 2045; provided, however, if the proceedings relating to the Special Assessments are completed at such time that the County Auditor of Franklin County, Ohio determines that collections shall not commence in 2022, then the collection schedule may be deferred by one year. In addition to the Special Assessments, the County Auditor of Franklin County, Ohio may impose a special assessment collection fee with respect to each semi-annual payment, which amount, if imposed, will be added to the Special Assessments by the County Auditor of Franklin County, Ohio.

Section 4. The estimated Special Assessments for costs of the Project prepared and filed in the office of the Clerk of Council and in the office of the Director of Finance, in accordance with the Resolution of Necessity, are adopted.

Section 5. In compliance with Ohio Revised Code Section 319.61, the Clerk of Council is directed to deliver a certified copy of this Ordinance to the County Auditor of Franklin County, Ohio within 15 days after the date of its passage.

Section 6. All contracts for the construction of the Project will be let in accordance with the Petition, the Program Plan, and the Supplemental Plan, and the costs of the Project shall be financed as provided in the Resolution of Necessity.

Section 7. Council finds and determines that all formal actions of this Council concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Ohio Revised Code Section 121.22.

Section 8. Under Section 4.04 of the Charter of the City, this Ordinance is an Ordinance for improvements petitioned for by owners of the requisite majority (100%) of the front footage or the area of the property benefited and to be assessed and shall be in full force and effect immediately upon its passage.

[Signature Page Follows]

Passed this _____ day of _____, 20__.

Mayor – Presiding Officer

ATTEST:

Clerk of Council

CERTIFICATE

The undersigned Clerk of Council hereby certifies that the foregoing is a true copy of Ordinance No. ____-21 duly passed by the Council of the City of Dublin, Ohio on _____, 2021, and that a true copy of such Ordinance was certified to the County Auditor of Franklin County, Ohio within 15 days after its passage.

Clerk of the Council
City of Dublin, Ohio

RECEIPT OF COUNTY AUDITOR FOR
LEGISLATION DETERMINING TO
PROCEED WITH ACQUISITION, CONSTRUCTION,
AND IMPROVEMENT OF CERTAIN PUBLIC
IMPROVEMENTS IN THE CITY OF DUBLIN, OHIO
IN COOPERATION WITH THE COLUMBUS REGIONAL
ENERGY SPECIAL IMPROVEMENT DISTRICT

I, Michael Stinziano, the duly elected, qualified, and acting Auditor in and for Franklin County, Ohio hereby certify that a certified copy of Ordinance No. ____-21 duly passed by the Council of the City of Dublin, Ohio on _____, 2021, determining to proceed with the acquisition, construction, and improvement of certain public improvements in the City of Dublin, Ohio in cooperation with the Columbus Regional Energy Special Improvement District, was filed in this office on _____, 2021.

WITNESS my hand and official seal at Columbus, Ohio on _____, 2021.

[SEAL]

Auditor
Franklin County, Ohio