

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.

49-20 (AMENDED)

AN ORDINANCE LEVYING SPECIAL ASSESSMENTS FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, AND IMPROVING 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, this Council (the "Council") of the City of Dublin, Ohio (the "City") duly adopted Resolution No. 68-20 on November 16, 2020 (the "Resolution of Necessity") and declared the necessity of acquiring, constructing, improving and installing energy efficiency improvements on its real property, including, without limitation, building envelope improvements, LED lighting, HVAC system improvements, plumbing fixtures, and related improvements (the "Project"), as described in the Resolution of Necessity and as set forth in the Petition requesting those improvements; and

WHEREAS, this Council duly passed Ordinance No. ____-21 on February 22, 2021 and determined to proceed with the Project and adopted the estimated Special Assessments (as defined in the Resolution of Necessity) filed with the Clerk of Council and the Director of Finance pursuant to the Resolution of Necessity.

WHEREAS, the actual costs of the Project have been ascertained and have been certified to the City in the Petition and the Supplemental Plan for the Project.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Dublin, State of Ohio, _____ of the elected member 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 Resolution of Necessity.

Section 2. The list of Special Assessments to be levied and assessed on the Property in an amount sufficient to pay the costs of the Project, which is \$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, which costs were set forth in the Petition and previously reported to this Council and are now on file in the offices of the Clerk

of Council and the Director of Finance, is adopted and confirmed, and that the Special Assessments are levied and assessed on the Property. The interest portion of the Special Assessments, which shall accrue at the annual rate of 5.35% until the Special Assessments shall have been fully paid, together with amounts used to pay administrative expenses, has been determined by the District to be substantially equivalent to the fair market rate that would have been borne by notes or bonds issued by the District to facilitate the financing of the costs of the Project.

The Special Assessments are 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. The annual installment of the Special Assessments shall be collected in each calendar year equal to a maximum annual amount of Special Assessments as shown in Exhibit A, attached hereto and incorporated into this Ordinance.

All Special Assessments shall be certified by the Director of Finance to the County Auditor pursuant to the Petition and Ohio Revised Code Chapter 727.33 to be placed on the tax list and duplicate and collected with and in the same manner as real property taxes are collected and as set forth in the Petition.

The Special Assessments shall be allocated among the parcels constituting the Property as set forth in the Petition and the List of Special Assessments attached hereto and incorporated into this Ordinance as Exhibit A.

Section 3. This Council finds and determines that the Special Assessments are in proportion to the special benefits received by the Property as set forth in the Petition and are not in excess of any applicable statutory limitation.

Section 4. The Owner has waived its right to pay the Special Assessments in cash, and all Special Assessments and installments of the Special Assessments shall be certified by the Director of Finance to the County Auditor of Franklin County, Ohio as provided by the Petition and Ohio Revised Code Section 727.33 to be placed by him or her on the tax list and duplicate and collected with and in the same manner as real property taxes are collected and as set forth in the Petition.

Section 5. The Special Assessments will be used by the City to pay the cost of the Project in cooperation with the District in any manner, including assigning the Special Assessments actually received by the City to the District or to another party the City deems appropriate, and the Special Assessments are appropriated for such purposes.

Section 6. The Director of Finance shall keep the Special Assessments on file in the Office of the Director of Finance.

Section 7. 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 8. This 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 9. 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.

Passed this _____ day of _____, 20__.

Mayor – Presiding Officer

ATTEST:

Clerk of Council

EXHIBIT A

**LIST OF SPECIAL ASSESSMENTS AND
SCHEDULE OF SPECIAL ASSESSMENTS**

LIST OF SPECIAL ASSESSMENTS

<u>Name</u>	<u>Assessed Properties Description</u>	<u>Portion of Benefit and Special Assessment</u>	<u>Amount of Special Assessments</u>
Dublin Witness, LLC	273-001704-00	40.219%	\$3,512,090.88
Dublin Witness, LLC	273-001311-00	59.781%	\$5,220,325.92

SCHEDULE OF SPECIAL ASSESSMENTS
FOR FRANKLIN COUNTY PARCEL NOS.:

273-001704-00*

The following schedule of Special Assessment charges shall be certified for collection in 48 semi-annual installments to be collected with first-half and second-half real property taxes in calendar years 2022 through 2045:

Special Assessment Payment Date**	Special Assessment Amount***
January 31, 2022	\$73,168.56
July 31, 2022	73,168.56
January 31, 2023	73,168.56
July 31, 2023	73,168.56
January 31, 2024	73,168.56
July 31, 2024	73,168.56
January 31, 2025	73,168.56
July 31, 2025	73,168.56
January 31, 2026	73,168.56
July 31, 2026	73,168.56
January 31, 2027	73,168.56
July 31, 2027	73,168.56
January 31, 2028	73,168.56
July 31, 2028	73,168.56
January 31, 2029	73,168.56
July 31, 2029	73,168.56
January 31, 2030	73,168.56
July 31, 2030	73,168.56
January 31, 2031	73,168.56
July 31, 2031	73,168.56
January 31, 2032	73,168.56
July 31, 2032	73,168.56
January 31, 2033	73,168.56
July 31, 2033	73,168.56
January 31, 2034	73,168.56
July 31, 2034	73,168.56
January 31, 2035	73,168.56
July 31, 2035	73,168.56
January 31, 2036	73,168.56
July 31, 2036	73,168.56
January 31, 2037	73,168.56

July 31, 2037	\$73,168.56
January 31, 2038	73,168.56
July 31, 2038	73,168.56
January 31, 2039	73,168.56
July 31, 2039	73,168.56
January 31, 2040	73,168.56
July 31, 2040	73,168.56
January 31, 2041	73,168.56
July 31, 2041	73,168.56
January 31, 2042	73,168.56
July 31, 2042	73,168.56
January 31, 2043	73,168.56
July 31, 2043	73,168.56
January 31, 2044	73,168.56
July 31, 2044	73,168.56
January 31, 2045	73,168.56
July 31, 2045	73,168.56

* As identified in the records of the County Auditor of Franklin County, Ohio as of September 18, 2020.

** Pursuant to Ohio Revised Code Chapter 323, the Special Assessment Payment Dates identified in this Schedule of Special Assessments are subject to adjustment by the County Auditor of Franklin County, Ohio under certain conditions.

*** The County Auditor of Franklin County, Ohio may impose a special assessment collection fee with respect to each semi-annual Special Assessment payment. If imposed, this special assessment collection fee will be added by the County Auditor of Franklin County, Ohio to each semi-annual Special Assessment payment.

SCHEDULE OF SPECIAL ASSESSMENTS
FOR FRANKLIN COUNTY PARCEL NOS.:

273-001311-00*

The following schedule of Special Assessment charges shall be certified for collection in 48 semi-annual installments to be collected with first-half and second-half real property taxes in calendar years 2022 through 2045:

Special Assessment Payment Date**	Special Assessment Amount***
January 31, 2022	\$108,756.79
July 31, 2022	108,756.79
January 31, 2023	108,756.79
July 31, 2023	108,756.79
January 31, 2024	108,756.79
July 31, 2024	108,756.79
January 31, 2025	108,756.79
July 31, 2025	108,756.79
January 31, 2026	108,756.79
July 31, 2026	108,756.79
January 31, 2027	108,756.79
July 31, 2027	108,756.79
January 31, 2028	108,756.79
July 31, 2028	108,756.79
January 31, 2029	108,756.79
July 31, 2029	108,756.79
January 31, 2030	108,756.79
July 31, 2030	108,756.79
January 31, 2031	108,756.79
July 31, 2031	108,756.79
January 31, 2032	108,756.79
July 31, 2032	108,756.79
January 31, 2033	108,756.79
July 31, 2033	108,756.79
January 31, 2034	108,756.79
July 31, 2034	108,756.79
January 31, 2035	108,756.79
July 31, 2035	108,756.79
January 31, 2036	108,756.79
July 31, 2036	108,756.79
January 31, 2037	108,756.79

July 31, 2037	\$108,756.79
January 31, 2038	108,756.79
July 31, 2038	108,756.79
January 31, 2039	108,756.79
July 31, 2039	108,756.79
January 31, 2040	108,756.79
July 31, 2040	108,756.79
January 31, 2041	108,756.79
July 31, 2041	108,756.79
January 31, 2042	108,756.79
July 31, 2042	108,756.79
January 31, 2043	108,756.79
July 31, 2043	108,756.79
January 31, 2044	108,756.79
July 31, 2044	108,756.79
January 31, 2045	108,756.79
July 31, 2045	108,756.79

* As identified in the records of the County Auditor of Franklin County, Ohio as of September 18, 2020.

** Pursuant to Ohio Revised Code Chapter 323, the Special Assessment Payment Dates identified in this Schedule of Special Assessments are subject to adjustment by the County Auditor of Franklin County, Ohio under certain conditions.

*** The County Auditor of Franklin County, Ohio may impose a special assessment collection fee with respect to each semi-annual Special Assessment payment. If imposed, this special assessment collection fee will be added by the County Auditor of Franklin County, Ohio to each semi-annual Special Assessment payment.

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 20 days after its passage.

Clerk of Council
City of Dublin, Ohio

RECEIPT OF COUNTY AUDITOR FOR
LEGISLATION LEVYING SPECIAL ASSESSMENTS
FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING,
AND IMPROVING 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 levying special assessments for the purpose of acquiring, constructing, and improving certain public improvements in the City of Dublin, Ohio in cooperation with the Columbus Regional Energy Special Improvement District, including the List of Special Assessments and Schedule of Special Assessments, which Special Assessment charges shall be certified for collection in 48 semi-annual installments to be collected with first-half and second-half real property taxes in calendar years 2022 through 2045, was filed in this office on _____, 2021.

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

[SEAL]

Auditor
Franklin County, Ohio