

**Columbus Consolidated Government
Council Meeting Agenda Item**

TO:	Mayor and Councilors
AGENDA SUBJECT:	South Columbus River District Tax Allocation District Fund Grant – NeighborWorks as Developer
AGENDA SUMMARY:	Approval is requested to authorize the City Manager to enter into an agreement with NeighborWorks Columbus to provide South Columbus River Tax Allocation District (TAD) Funds for infrastructure improvements and financing to develop single/multi-family residential units in a blighted area located at 1104 Leslie Drive.
INITIATED BY:	Planning Department

Recommendation: Authorize the City Manager to enter into an agreement with NeighborWorks Columbus to provide South Columbus River Tax Allocation District (TAD) Funds for infrastructure improvements and financing to develop single/multi-family residential units in a blighted area located at 1104 Leslie Drive.

Background: On January 11, 2022, the Council approved Resolution 004-22 authorizing the City Manager to enter into negotiations with NeighborWorks Columbus as the developer of the proposed project known as Elliot’s Walk. The resolution authorized the use of South Columbus River District TAD Funds to provide for infrastructure and financing for this project. The applicant Columbus Housing Initiative, Inc. dba NeighborWorks Columbus is proposing the development of the property located at 1104 Leslie Drive. In the past portions of this site contained a mobile home park, but are currently vacant. Under this proposal, affordable single-family and multi-family residences would be constructed in phases. Phases I and II would see the development of 43 single-family homes. Phase III would provide for 130 55+ affordable multi-family units, while Phase IV would provide 56 affordable multi-family “big houses.” Under this application, the TAD funds would be used to provide for financial costs and for needed infrastructure including grading, storm drainage, sanitary sewers, water lines, streets, sidewalks, and street lights.

Analysis: The adoption of Resolution 004-22 was only the first step in authorizing the use of these funds. The next step required that the City Manager and/or his representatives enter into negotiations with the developer to determine how the funds would be distributed. The staff has concluded those negotiations with an agreement that defines the number of payments, the timing of the payments, and the overall length of time the agreement will be enforced. The agreement also establishes a City Administrative Fee of \$5,000 per year to be paid out of the South Columbus River District Tax Allocation Fund and before any other payments are made.

Financial Considerations: The payout of the funds will not exceed \$10,170,366 paid in increments beginning on December 15, 2023. Funding would come from the South Columbus River District TAD Funds. The payout schedule is for nineteen (19) years. If for some

unknown reason the South Columbus River District TAD Funds are inadequate to make the scheduled payments for this and all South Columbus River District TAD projects approved by the Council, then each project will receive its proportional share based on the amount for its scheduled payment due that year. Should a shortfall of this type occur, the agreement allows for the Developer to recoup the full payment of up to \$577,949.00 per year for six (6) additional years until the shortfall has been completed. Under these conditions, the maximum length of the agreement would be twenty five (25) years, and neither the TAD Fund nor the City would have a further obligation to make payments under the Agreement.

Legal Considerations: The Council approved the establishment of the South Columbus River District TAD in 2020 and in doing so designated itself as the redevelopment agency to exercise the provisions of this district and the use of these funds. An application for the use of these funds was requested by NeighborWorks as Developer, which the Council approved on January 11, 2022, authorizing the City Manager to enter into these negotiations to allocate the requested fund amount. Approval of this resolution will authorize the City Manager to sign the agreement, allowing the South Columbus River District TAD Funds to be paid out over a specified time as established in the proposed agreement.

Recommendation/Action: Authorize the City Manager to enter into an agreement with NeighborWorks Columbus to provide South Columbus River Tax Allocation District (TAD) Funds for infrastructure improvements and financing to develop single/multi-family residential units in a blighted area located at 1104 Leslie Drive.

A RESOLUTION

NO. _____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH COLUMBUS HOUSING INITIATIVE, INC. DBA NEIGHBORWORKS COLUMBUS (“DEVELOPER”) FOR THE PURPOSES OF ALLOCATING SOUTH COLUMBUS RIVER DISTRICT TAX ALLOCATION DISTRICT FUNDS FOR THE CONSTRUCTION AND FINANCING OF CERTAIN PUBLIC INFRASTRUCTURE IMPROVEMENTS TO DEVELOP A SINGLE/MULTI-FAMILY REDEVELOPMENT OF A BLIGHTED AREA LOCATED AT 1104 LESLIE DRIVE TO BE KNOWN AS ELLIOT’S WALK IN AN AMOUNT NOT TO EXCEED TEN MILLION ONE HUNDRED SEVENTY THOUSAND THREE HUNDRED AND SIXTY-SIX DOLLARS (\$10,170,366).

WHEREAS, Columbus is duly authorized to exercise the redevelopment powers granted to cities and counties in the State pursuant to the Redevelopment Powers Law and in accordance with House Bill 773 enacted by the General Assembly in 2006 (2006 GA. LAWS p. 4507, *et seq.*) and approved in a referendum on November 6, 2006; and,

WHEREAS, by a Resolution duly adopted Resolution No. 408-20 on December 15, 2020 (the "TAD Resolution"), following a public hearing as required by law, the Columbus Council approved the South Columbus River District Redevelopment Plan and created Tax Allocation District Number 8 - South Columbus River District (the "South Columbus River District TAD"); and,

WHEREAS, the Redevelopment Powers Law provides that Columbus may enter into public-private partnerships to effect the redevelopment projects contemplated in the Redevelopment Plan; and,

WHEREAS, the TAD Resolution expressed the intent of Columbus, as set forth in the Redevelopment Plan, to provide funds to induce and stimulate redevelopment in the South Columbus River District TAD; and,

WHEREAS, the undertakings contemplated by the Redevelopment Plan include, among other renewal activities, redevelopment of portions of the Central Riverfront District and Columbus; and,

WHEREAS, NeighborWorks Columbus is the developer of the tract to be developed as Elliott’s Walk which is located within the South Columbus River District TAD; and,

WHEREAS, in order to induce and further facilitate the successful accomplishment of this portion of the Redevelopment Plan, the Council has indicated its intent to exercise its authority under the Redevelopment Powers Law and in accordance with State law to enter into this Development Agreement with Developer, pursuant to which, subject to the conditions described herein, a portion of the Tax Allocation Increment collected in the South Columbus River District TAD will be used to reimburse Developer for certain Redevelopment Costs advanced by Developer in connection with the TAD Project; and,

WHEREAS, the Developer, pursuant to the terms of this Agreement, has undertaken this critical revitalization in Columbus and developed the Elliot’s Walk project consistent with the South Columbus River District Redevelopment Plan; and,

WHEREAS, the Council, after full review and consideration authorized the City Manager on December 15, 2020, to enter negotiations with the Developer for the purposes of a Project Allocation from the South Columbus River District TAD in an amount not to exceed TEN MILLION ONE HUNDRED SEVENTY THOUSAND THREE HUNDRED AND SIXTY-SIX DOLLARS (\$10,170,366) to provide for infrastructure and financing improvements to develop a single/multi-family residential redevelopment of a blighted area located in the block between at 1104 Leslie Drive to be known as Elliott’s Walk.

NOW, THEREFORE, THE COUNCIL OF COLUMBUS, GEORGIA HEREBY RESOLVES AS FOLLOWS:

The Council of Columbus hereby authorizes the City Manager to enter into an Agreement, in substantially the form attached setting forth the terms and conditions relating to the South Columbus River District TAD funding support of the Project and all instruments, documents, and certificates related thereto for an amount not to exceed \$10,170,366. Funds to be paid under the Agreement will be paid from the Tax Allocation Increment collected in the South Columbus River District TAD and will not be a liability of the General Fund of Columbus, Georgia.

Introduced at a regular meeting of the Council of Columbus, Georgia, held the ____ the day of April 2022, and adopted at said meeting by the affirmative vote of _____ members of said Council.

Councilor Allen	voting _____
Council Barnes	voting _____
Councilor Crabb	voting _____
Councilor Davis	voting _____
Councilor Garrett	voting _____
Councilor House	voting _____
Councilor Huff	voting _____
Councilor Thomas	voting _____
Councilor Thompson	voting _____
Councilor Woodson	voting _____

Sandra T Davis
Clerk of Council

B. H. “Skip” Henderson, III
Mayor