**PROPOSED SUGAR FARM/RENNER SOUTH DEVELOPMENT AGREEMENT OUTLINE:**

**SUBMITTED BY APPLICANTS/DEVELOPERS**

**July 1, 2019**

The Sugar Farm/Renner South applicants/developers have reviewed the Big Darby Accord, the Darby Revenue Program, and past Pay As We Grow (PAWG) agreements and provide this proposed outline for a comprehensive development agreement to the City of Columbus and stakeholders. This document outlines a proposed structure for a Development Agreement guided by the Big Darby Accord principles and compares past PAWG agreements.

**Top Line Summary**

The Sugar Farms South of Renner Road Project:

* Earned recommendations for rezoning approval by the Big Darby Accord Advisory Panel (December 11, 2018) and the Columbus Development Commission (May 1, 2019);
* Meets the Big Darby Accord recommendations on density, central sewer service, open space, and, most importantly, exceeds water quality requirements;
* Establishes a Darby Revenue Program, guided by Big Darby Accord, Darby Revenue Program Guidance, and existing PAWG agreements;
* Seeks reimbursements or credits for developer-initiated improvements consistent with Big Darby Accord language, Darby Revenue Program Guidance, and existing Pay As We Grow (PAWG) agreements, however, does not pursue such payments for every eligible PAWG improvement;
* Anticipated to generate over $100 million in developer and resident contributions and after requested reimbursements and credits, will leave the City with over $90 million for Darby purposes and regional improvements;
* Pays an additional $6,187 thousand per unit in developer contributions for front door traffic improvements, parklands, right of way, and engineering without seeking reimbursement or credit.

The following narrative and tables provide details for the points above.

**Our Approach to Infrastructure Improvements**

Our proposal advances a development agreement that addresses necessary infrastructure improvements with an approach grounded in Big Darby Accord language and PAWG agreements. Here are the core categories of improvements:

**Central Sewer and Water Services:** The Big Darby Accord proposes this area be served with central sewer and identifies the sewer line to serve the area. We seek public utilities improvements to serve our development. We are exploring gravity sewer improvements and alternatives that include necessary upgrading of a county pump station to City standards to serve existing residents, our development, and other future users. Traditionally, large offsite improvements would be part of a public agency’s capital improvement plan for the area and our provision of these improvements would qualify for reimbursement.

***Such improvements are outlined in the Big Darby Accord Plan recommendations for the use of TIFs, NCAs, or Developer Contributions, especially the discussion on traditional revenue sources, like “...utility revenues in support of sewer and water extensions into developing areas.***” (Big Darby Accord page 5-27)

The following summarizes how existing PAWG agreements and our proposal treat Sanitary Sewer and Waterline Improvements:

* **Sanitary Sewer Improvements:** In the NW and NE PAWG areas, standard agreements with the Dept. of Public Utilities provided for reimbursement of construction costs for Capital Improvement Project (CIP) sewer improvements. Under such CIP reimbursement projects engineering costs were bore by the developers as non-reimbursable costs however the construction costs were reimbursed under a Guaranteed Maximum Price Contract. Our proposal approaches the planned off-site/regional sewer improvements in the same manner with construction costs being reimbursed and the engineering costs borne by the developers.
* **Water Improvements:** In the NW PAWG, construction costs for water improvements were shared among the three initial developers as part of the overall agreement. Also, in the NW, additional key waterline connections were constructed as part of city-directed and managed roadway improvement projects, including (for example) the Hayden Run Blvd. project. In the NE area, developers paid no costs for off-site water improvements as the sites were served by existing waterline improvements previously undertaken by the city. Our proposal seeks reimbursement the construction of off-site/regional waterline improvements which provide regional connections and treats the engineering costs as a developer-contribution.

**Roadway Improvements:** We are working with City, County, and Hilliard to implement the recommendations of our Traffic Impact Study (TIS). We agreed to make necessary front door improvements and also will address our traffic impacts on the regional system in accordance with City PAWG policy and the TIS findings which allows developer expenditures to address these regional impacts to be reimbursed or credited against developer and residential contributions. The TIS has been updated, revised and re-submitted to the City; we believe the TIS to be in *final form* and expect the city to consider it complete upon the conclusion of its’ current review.

***The Accord acknowledges this approach through reference to 21st Century growth policies and as is outlined in the Big Darby Accord Plan recommendations for the use of TIFs, NCAs, or Developer Contributions.*** (Big Darby Accord pages 5-25 and 5-27.)

The following summarizes how existing PAWG agreements and our proposal treat Roadway Improvements:

* **Regional Roadway Improvements**: The NE and NW PAWG agreements identified developer impacts and regional needs and dedicated revenue program resources, generated from developer and residential contributions to address these improvements, either through public agency projects or through providing reimbursements and credits for developer-initiated improvements. Consistently, our revised TIS identifies developer impacts. Our agreement proposes reimbursements and credits from the Darby Revenue Program, funded by developer and residential contributions for regional roadway improvements;
* **Front Door Improvements:** In the NW and NE PAWG agreements, developer front door improvements were wrapped into the above regional roadway improvements and funded by or reimbursed by the revenue program or credited against developer contributions. Our Agreement proposal makes the funding of these improvements with additional developer funds and will not seek reimbursement or credit.

**Onsite Storm Water Best Management Practices:** We are pursuing significant and innovative storm water best management practices (BMPs) on site and measures beyond those required by Ohio EPA and Columbus storm water regulations. These “above and beyond” BMPs will improve water quality and their construction and maintenance serve a Darby purpose.

***Regarding the construction and maintenance of “above and beyond storm water BMPs,” the Accord makes reference to this coverage in the recommendations for the use of TIFs, NCAs, or Developer contributions and the Big Darby Revenue Program also describes such improvements and their maintenance as a Darby Purpose.*** (Big Darby Accord pages 5-25, 5-26 and 5-27)

The following summarizes how existing PAWG agreements and our proposal treat Stormwater and BMPs:

* **Onsite Stormwater BMPs:** There are no onsite stormwater BMPs in the NW and NE PAWG areas; however, there was an off-site regional stormwater improvement in the NE PAWG funded through the revenue program. Our proposal offers funds for reimbursement and credit of developer-initiated stormwater BMP improvements and funding for their maintenance from the Darby Revenue Fund as a Darby purpose;

**Land Donations:**  Our developers are making a contribution of over 80 acres of parkland to the City, including critical lands for a future City stream restoration project, as well as right-of-way for public infrastructure improvements. The Big Darby Accord provides ample language on land acquisition for conservation and for such land to facilitate stream and other restoration efforts to improve water quality as well as identifies the use of Darby generated funding mechanisms to fund land conveyances. (Big Darby Accord, 5-25 and 5-27)

The following summarizes how existing PAWG agreements and our proposal treat Land Donation for Parkland and road Right-of-Way:

* **Right of Way lands:** In the NW and NE PAWG agreements, a credit to developers for the dedication of right of way was provided for. Our proposal treats this as a developer contribution and naked cost and does not seek credit for right of way costs;
* **Parkland:** The NW and NE PAWG agreements generally do not speak to parkland in their agreements. However, through subsequent amendment(s) to the NE PAWG agreement, there was funding from the revenue program (CDA) for the acquisition of parkland north of Central College Rd. within the Upper Albany West community and the construction of a new city park at the northeast corner of Ulry and Warner Rds. has been funded through the revenue program (TIF proceeds). Our proposal dedicates parkland as a developer contribution and treats it as naked cost, without seeking reimbursement.

On the final page of this outline, there is chart that summarizes the treatment of these various categories of improvements under existing PAWG agreements.

**Darby Revenue Program Sources and Developer and Public Agency Contributions**

Our proposed Darby Revenue Program identifies sources of contributions for land and improvements and streams. Developer and resident contributions will total over $100 million and public agency contributions will total over $6.7 million. The developer and residential contributions average $91,344.40 per unit.

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| --- | --- | --- | --- | --- |
| **Source of Contributions** | **Description** | **Amount** | **Per Unit** | **Comments** |
| **Private Developer** | Land Contributions, Front Door Improvements, Right of Way, Engineering | $ 6,855,600 | $ 6187.36 | Construction costs only – does not include Right of Way and Engineering costs. |
| **Private Developer** | Impact Fees | $ 2,770,000 | $ 2500.00 |  |
| **Residents and Property Owners** | CDA Fees | $13,880,000 | $12,527.08 | Works out to a blended average of $417.57 per unit per year for 30 years. |
| **Resident Property Owners** | TIF payments | $77,704,000 | $70,129.96 | Works out to a blended average of $2,337.67 per unit per year for 30 years. |
| **Columbus Water & Sewer Funds** | Water and Sewer Capacity Reimbursements | $6,752,000 | N/A | Consistent with prior practice |
| **TOTAL** |  | $107,961,600 | $91,344.40 |  |

**Developer’s Proposal for Usage of Funds**

From this significant universe of $108 million, we propose that about $9.6 million from the Darby Revenue Program and $6.8 million from the City’s water and sewer funds go to credit or reimburse developer-initiated infrastructure improvements and applicable maintenance. These uses are consistent with funding of improvements in other PAWG agreements and identified in the Big Darby Accord. The remaining developer contributions of land, right of way, front door improvements, and engineering totaling nearly $6.9 million are not covered and are identified as “naked” or developer/project costs. These naked costs average $6,187.36 per unit in addition to developer and residential contributions to the Darby Revenue Program.

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| --- | --- | --- | --- | --- |
| **Uses of Funds** | **Description** | **Amount** | **Developer Credit or Reimbursement** | **Total Unreimbursed Costs** |
| **Developer Naked Costs** | Land, ROW, Front Door Roadway Improvements and Engineering\* | $ 6,855,600 | $ 0 | $ 6,855,600 |
| **Regional Roadways** | Roadway Improvements consistent with PAWG | $ 3,316,000 | $ 3,316,000 | 0 |
| **Stormwater BMPs** | Estimated Extraordinary cost in install BMPs | $ 2,996,000 | $ 2,996,000 | 0 |
| **Stormwater BMPs Maintenance** | Estimated extraordinary cost to maintain BMPs at $150,000 per year for 30 years. | $ 3,250,000 | $ 3,250,000 | 0 |
| **Water and Sewer Improvements** | Reimbursements to extend water and sewer service to project and broader area | $ 6,753,000 | $ 6,753,000 | 0 |
| **TOTAL** |  |  |  | $6,855,600 |

**Summary Chart of PAWG Agreements, Applicant/Developer Proposal.**

The following chart summarizes key investment categories and how developer and future resident contributions of land, revenues, and engineering costs are handled. It demonstrates that our proposal is consistent with existing PAWG (MOU) development agreements. Further, our proposal does not pursue reimbursement or credits for millions of dollars in developer contributions and improvements which were provided for and allowed in prior and existing PAWG (MOU) development agreements.

To provide some perspective:

* The NW PAWG had 3 initial developers and 2,630 units;
* The NE PAWG had 3 initial developers and 2,525 units in 2006; as amended, it now has 2,270 and 4 developers;
* The Sugar Farms South of Renner project has two developers and 1,108 units. Additionally, our proposal would serve 348 existing resident-units.

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| --- | --- | --- | --- |
|  | **NW PAWG** | **NE PAWG** | **Developer Proposal** |
| **For the following categories, the revenue program permits either:**   * **Reimbursement or credit for developer-initiated activities; or** * **Use of funds generated from developer and resident contributions to be applied to a broader public improvement.** |  |  |  |
| **Water Engineering Costs** | **NO** | **NO** | **NO** |
| **Water-Construction** | **YES** | **YES** | **YES** |
| **Sanitary Sewer Engineering Costs** | **NO** | **NO** | **NO** |
| **Sanitary Sewer Construction** | **YES** | **YES** | **YES** |
| **Conventional Onsite Storm Water** | **NO** | **NO** | **NO** |
| **Extra-Ordinary Storm Water** | **N/A** | **YES** | **YES** |
| **Extra-Ordinary Storm Waste Maintenance** | **N/A** | **N/A** | **YES** |
| **Front Door Road Roadway Improvements** | **YES** | **YES** |  |
| **Regional Roadway Engineer Costs** | **YES** | **YES** | **NO** |
| **Regional Roadways** | **YES** | **YES** | **YES** |
| **Right of Way** | **YES** | **YES** |  |
| **Park Land** | **N/A** | **YES** |  |