



## Legislation Details (With Text)

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**Type:** Ordinance      **Status:** Passed

**File created:** 10/1/2008      **In control:** Finance & Economic Development Committee

**On agenda:** 10/6/2008      **Final action:** 10/6/2008

**Title:** Authorizing the issuance of limited tax general obligation bonds in an amount not to exceed \$1,200,000 for the purpose of providing funds to currently refund certain outstanding special obligation bonds of the City. (\$1,200,000)

Section 55(B) of the City Charter.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
10/6/2008	1	Columbus City Council	Waive the 2nd Reading	Pass
10/6/2008	1	Columbus City Council	Approved	Pass
10/6/2008	1	COUNCIL PRESIDENT	Signed	
10/2/2008	1	Finance Drafter	Sent for Approval	
10/2/2008	1	Auditor Reviewer	Reviewed and Approved	
10/2/2008	1	CITY AUDITOR	Reviewed and Approved	
10/2/2008	1	Finance Drafter	Sent for Approval	
10/2/2008	1	CITY ATTORNEY	Reviewed and Approved	
10/2/2008	1	Finance Drafter	Sent to Clerk's Office for Council	
10/1/2008	1	Finance Drafter	Sent for Approval	
10/1/2008	1	FINANCE DIRECTOR	Reviewed and Approved	

This ordinance authorizes the issuance of limited tax general obligation bonds in an amount not to exceed \$1,200,000 for the purpose of providing funds to currently refund certain outstanding special obligation bonds designated "City of Columbus, Ohio Tax Increment Financing Bonds, Series B (Brewery District Project)" of the City.

Authorizing the issuance of limited tax general obligation bonds in an amount not to exceed \$1,200,000 for the purpose of providing funds to currently refund certain outstanding special obligation bonds of the City. (\$1,200,000)

Section 55(B) of the City Charter.

**WHEREAS**, pursuant to Ordinance No. 1266-02 (the "2002 Ordinance") passed by the City Council (the "Council"), of the City of Columbus, Ohio (the "Municipality") issued and sold special obligation bonds designated "City of Columbus, Ohio Tax

Increment Financing Bonds, Series B (Brewery District Project)" in the principal amount of \$2,900,000, dated August 29, 2002, of which \$1,200,000 remains currently outstanding (the "Outstanding Bonds"), for the purposes described in the 2002 Ordinance and the Outstanding Bonds; and

**WHEREAS**, due to current market conditions, this Council believes that it is in the best interest of the Municipality to retire the Outstanding Bonds by issuing fixed rate refunding securities pursuant to Section 133.34(A)(1), Ohio Revised Code;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. Bonds of the Municipality shall be issued in the principal sum of One Million Two Hundred Thousand Dollars (\$1,200,000) (the "Bonds"), or such lesser amount as shall be determined by the Director of Finance and Management and certified to this Council, for the purpose of currently refunding all or a portion of the outstanding portion of the Outstanding Bonds. The Bonds shall be issued in one lot.

Section 2. There shall be and is hereby levied annually on all the taxable property in the Municipality, in addition to all other taxes and within the ten mill limitation, a direct tax the ("Debt Service Levy") for each year during which any of the Bonds are outstanding, for the purpose of providing, and in an amount which is sufficient to provide, funds to pay interest upon the Bonds as and when the same falls due and to provide a fund for the repayment of the principal of the Bonds at maturity or upon redemption. The Debt Service Levy shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Ohio Constitution.

Section 3. The Debt Service Levy shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of such years are certified, extended and collected. The Debt Service Levy shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from the Debt Service Levy shall be placed in a separate and distinct fund, which shall be irrevocably pledged for the payment of the premium, if any, and interest on and principal of the Bonds when and as the same falls due. Notwithstanding the foregoing, if the Municipality determines that funds will be available from other sources for the payment of the Bonds in any year, the amount of the Debt Service Levy for such year shall be reduced by the amount of funds which will be so available, and the Municipality shall appropriate such funds to the payment of the Bonds in accordance with law.

Section 4. The Bonds shall be issued as fully registered bonds, in the denomination of \$5,000 or any integral multiple thereof, but not exceeding the principal amount maturing on any one date; shall be numbered R-1 upward; shall be dated as set forth in the Certificate of Fiscal Officer Relating to Terms of Bonds (the "Certificate of Fiscal Officer"); shall bear interest payable semi-annually on May 1 and November 1 of each year (the "Interest Payment Dates") commencing May 1, 2009, until the principal sum is paid; and shall bear interest at the rates and shall mature on the dates as shall be set forth in the Certificate of Fiscal Officer.

The Bonds shall be subject to redemption, either in whole or in part, at any time, at the option of, and in the manner determined by, the Municipality, upon one (1) days notice to the Bond Registrar. If less than all of the then outstanding Bonds are called for redemption, the Bonds so called shall be selected by the Municipality in such manner as it shall determine.

Section 5. The Bonds shall set forth the purposes for which they are issued and that they are issued pursuant to this Ordinance. The Bonds shall be executed by the Mayor and the City Auditor of the Municipality, in their official capacities, provided that any of those signatures may be a facsimile. No Bond shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Ordinance unless and until a certificate of authentication, as printed on the Bond, is signed by the Bond Registrar (as defined in Section 6 hereof) as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued and delivered under this Ordinance and is entitled to the security and benefit of this Ordinance.

The principal of and premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. The principal of the Bonds shall be payable upon presentation and surrender of the Bonds at the office of the Bond Registrar. Each Bond shall bear interest from the later of the date thereof, or the most recent Interest Payment Date to which interest has been paid or duly provided for, unless the date of authentication of any Bond is less than 15 days prior to an Interest Payment Date, in which case interest shall accrue from such Interest Payment Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered, at the close of business on the 15th day next preceding that Interest Payment Date (the "Record Date") (unless such date falls on a non-business day, in which case the Record Date shall be the preceding business day), on the Bond Register (as defined in Section 6 hereof) at the address appearing therein.

Any interest on any Bond which is payable, but is not punctually paid or provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Record Date by virtue of having been such owner and such Defaulted Interest shall be paid to the registered owner in whose name the Bond is registered at the close of business on a date (the "Special Record Date") to be fixed by the Bond Registrar, such Special Record Date to be not more than 15 nor less than 10 days prior to the date of proposed payment. The Bond Registrar shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner, at his address as it appears in the Bond Register, not less than 10 days prior to such Special Record Date, and may, in its discretion, cause a similar notice to be published once in a newspaper in each place where Bonds are payable, but such publication shall not be a condition precedent to the establishment of such Special Record Date.

Subject to the foregoing provisions of this Section 5, the Bonds delivered by the Bond Registrar upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

Section 6. The Trustees of the Sinking Fund of the City of Columbus are appointed to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Bond Registrar") for the Bonds. So long as any of the Bonds remain outstanding, the Municipality will cause to be maintained and kept by the Bond Registrar, at the office of the Bond Registrar, all books and records necessary for the registration, exchange and transfer of Bonds as provided in this Section (the "Bond Register"). Subject to the provisions of Section 5 hereof, the person in whose name any Bonds shall be registered on the Bond Register shall be regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and premium, if any, and interest on any Bond shall be made only to or upon the order of that person. Neither the Municipality nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as herein provided. All payments shall be valid and effectual to satisfy and discharge the liability upon the Bonds, including the interest thereon, to the extent of the amount or amounts so paid.

Any Bond, upon presentation and surrender at the principal office of the Bond Registrar, together with a request for exchange signed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Bond Registrar, may be exchanged for Bonds of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Bonds surrendered, and bearing interest at the same rate and maturing on the same date.

A Bond may be transferred only on the Bond Register upon presentation and surrender thereof at the principal office of the Bond Registrar, together with an assignment executed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Bond Registrar. Upon that transfer, the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Bonds surrendered, and bearing interest at the same rate and maturing on the same date.

The Municipality and the Bond Registrar shall not be required to transfer or exchange any Bond for a period of fifteen days next preceding the date of its maturity.

In all cases in which Bonds are exchanged or transferred hereunder, the Municipality shall cause to be executed and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The exchange or transfer shall be without charge to the owner; except that the Municipality and Bond Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to the exchange or transfer. The Municipality or the Bond Registrar may require that those charges, if any, be paid before it begins the procedure for the exchange or transfer of the Bonds. All Bonds issued upon any transfer or exchange shall be the valid obligations of the Municipality, evidencing the same debt, and entitled to the same benefits under this Ordinance, as the Bonds surrendered upon that transfer or exchange.

Section 7. The Bonds shall be sold to the Municipality's Treasury Investment Board (the "Original Purchaser") at the par amount of the Bonds. Section 325.012(F) of the Columbus City Codes shall not apply with respect to the purchase of the Bonds. The Certificate of Fiscal Officer shall state the principal amount of the Bonds, the dated date of the Bonds, the Specified Interest Rates, the Principal Retirement Dates, and the Principal Retirement Schedule, (all as hereinafter defined), and shall include such additional information as shall be required by the terms of this Ordinance.

As used in this Section 7 and in Section 4 hereof:

"Certificate of Fiscal Officer" means the Certificate of Fiscal Officer Relating to Terms of Bonds authorized by this Section 7 to be executed by the Director of Finance and Management or the City Auditor setting forth and determining such terms and other matters pertaining to the Bonds, their issuance, sale or delivery, as are authorized and directed to be determined therein by this

Ordinance.

"Original Purchaser" means the Treasury Investment Board of the Municipality.

"Principal Retirement Dates" means November 1 of each year as set forth in the Principal Retirement Schedule.

"Principal Retirement Schedule" means the schedule for the retirement of the principal of the Bonds on the Principal Retirement Dates, in accordance with their stated terms, in the years of Principal Retirement Dates and in the amounts to be retired which shall be determined in the Certificate of Fiscal Officer.

"Specified Interest Rates" means the interest rate or rates at which the Bonds bear interest, which rates are to be determined in the Certificate of Fiscal Officer, provided the true interest cost of the Bonds shall not exceed seven per centum (7.0%) per annum.

The Director of Finance and Management, the City Auditor and the Clerk are authorized and directed to make the necessary arrangements on behalf of the Municipality to establish the date, location, procedure and conditions for the delivery of the Bonds to the Original Purchaser. Those officers are further directed to take all steps necessary to effect due execution, authentication and delivery of the Bonds under the terms of this Ordinance and the Certificate of Fiscal Officer.

The Municipality shall deposit the proceeds, including any accrued interest received from such sale, in the City Treasury and shall be credited to the proper Bond Retirement Fund to be applied to the payment of the principal and interest of the Outstanding Bonds in the manner provided by law. Said proceeds are hereby appropriated for such purposes.

To provide for the payment of the costs of issuance of the Bonds, which shall include, but shall not be limited to, the fees and expenses of the Municipality's bond counsel, and the fees and expenses of the Municipality's financial advisor, the Municipality is hereby authorized to expend a sum not to exceed Fifty Thousand Dollars (\$50,000), and such amount is hereby deemed appropriated, which amount shall be allocated to, and paid from Fund #409.

All moneys necessary to carry out the purpose of this Ordinance, including all principal of and interest on the Bonds, are hereby deemed appropriated.

Section 8. It is hereby found and determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Bonds in order to make them legal, valid and binding obligations of the Municipality have happened, been done and been performed in regular and due form as required by law; that the faith, credit and revenue of the Municipality are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Bonds.

Section 9. The Director of Finance and Management and the City Auditor and each of them, acting alone, are hereby authorized and directed, for and in the name of the Municipality and on its behalf, to give, or cause to be given, such notices as may be required in order to effect the refunding of the Outstanding Bonds, including, but not limited to, giving such notices of redemption as may be necessary to redeem the Outstanding Bonds on their first optional redemption dates.

Section 10. It is hereby found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted 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 Section 121.22 of the Ohio Revised Code.

Section 11. The City Clerk is hereby directed to forward certified copies of this Ordinance to the County Auditors of Franklin, Fairfield and Delaware Counties, Ohio.

Section 12. In accordance with Section 55(b) of the Charter of the City of Columbus, Ohio, this Ordinance shall take effect and be in force from and immediately after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.