



Legislation Details (With Text)

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Title: To authorize the issuance of limited tax notes in the amount of not to exceed \$24,225,000 for transportation projects. Section 55(b) of the City Charter. (\$24,225,000).

Sponsors:

Indexes:

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|------------|------|-----------------------|------------------------------------|--------|
| 11/24/2008 | 1 | Columbus City Council | Approved | Pass |
| 11/24/2008 | 1 | COUNCIL PRESIDENT | Signed | |
| 11/14/2008 | 1 | Finance Drafter | Sent for Approval | |
| 11/14/2008 | 1 | FINANCE DIRECTOR | Reviewed and Approved | |
| 11/14/2008 | 1 | Finance Drafter | Sent for Approval | |
| 11/14/2008 | 1 | Auditor Reviewer | Reviewed and Approved | |
| 11/14/2008 | 1 | CITY AUDITOR | Reviewed and Approved | |
| 11/14/2008 | 1 | Finance Drafter | Sent for Approval | |
| 11/14/2008 | 1 | CITY ATTORNEY | Reviewed and Approved | |
| 11/14/2008 | 1 | Finance Drafter | Sent to Clerk's Office for Council | |

This ordinance authorizes the issuance and sale of Notes in the amount of \$24,225,000 for the Parking Garages and Hayden Run Blvd. Phase I projects.

To authorize the issuance of limited tax notes in the amount of not to exceed \$24,225,000 for transportation projects. Section 55(b) of the City Charter. (\$24,225,000).

WHEREAS, it is now deemed necessary to issue and sell up to \$24,225,000 of notes in anticipation of the issuance of bonds under authority of the general laws of the State of Ohio, and in particular Section 133.23 of the Ohio Revised Code, for the purpose of widening, opening, extending, constructing, paving, repaving, improving and changing the line of expressways, freeways, roads, highways, bikeways, streets, alleys, bridges, viaducts, overpasses, underpasses, grade crossing eliminations, service and access roads,

and sidewalks, including development of off-street parking facilities, the acquisition and installation of parking meters, traffic control systems, equipment and signs and related appurtenances thereto, the acquisition of real estate and interests in real estate and related equipment, and landscaping and making site improvements (the "Project"); and

WHEREAS, the City Auditor has certified to this Council (the "Council") that the estimated life of the improvement stated above which is to be financed from the proceeds of bonds and notes hereinafter referred to exceeds five (5) years, the maximum maturity of bonds being twenty-five (25) years and notes being twenty (20) years;

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

Section 1. It is hereby declared necessary to issue bonds (the "Bonds") of the City of Columbus, Ohio (the "Municipality") in the maximum principal sum of \$24,225,000 or such lesser amount as shall be determined by the Director of Finance and Management and certified to this Council for the purpose of paying the cost of the Project and for paying the cost of advertising, printing and legal services and other costs incidental thereto.

Section 2. The Bonds shall be dated prior to the maturity date of the Notes (as defined herein), shall bear interest at the maximum average annual interest rate presently estimated to be five and one-half per centum (5.50%) per annum, payable semiannually until the principal sum is paid or provision has been duly made therefor and shall mature in twenty-five (25) annual installments.

Section 3. It is necessary to issue and this Council hereby determines that notes shall be issued in anticipation of the issuance of the Bonds.

Section 4. Such anticipatory notes (the "Notes") shall be in the amount of \$24,225,000 or such lesser amount as shall be determined by the Director of Finance and Management or City Auditor and certified to this Council, which sum does not exceed the amount of the Bonds. The Notes shall be dated the date established by the City Auditor and certified to this Council and shall mature on such date as shall be determined by the City Auditor and certified to this Council, provided that such date shall not be later than one year after the date of issuance of the Notes. The Notes shall be issued as fully registered notes in book entry form only, in such denominations as shall be determined by the City Auditor and shall be numbered as determined by the City Auditor.

Section 5. There shall be and is hereby levied annually on all the taxable property in the Municipality, in addition to all other taxes and inside the ten mill limitation, a direct tax (the "Debt Service Levy") for each year during which any of the Notes are outstanding, in an amount which is sufficient to provide funds to pay interest upon the Notes as and when the same fall due and to provide a fund for the repayment of the principal of the Notes 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 6. 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 Notes and Bonds when and as the same fall due. Notwithstanding the foregoing, if the Municipality determines that funds will be available from other sources for the payment of the Notes 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 Notes and Bonds in accordance with law.

Section 7. The Notes shall be the full general obligation of the Municipality, and the full faith, credit and revenue of the Municipality are hereby pledged for the prompt payment of the same. The par value to be received from the sale of the Bonds and any excess funds resulting from the issuance of the Notes shall, to the extent necessary, be used only for the retirement of the Notes at

maturity, together with interest thereon, and is hereby pledged for such purpose.

Section 8. The Notes shall be designated "City of Columbus, Ohio Transportation Projects Limited Tax Notes, Series 2008-1".

Section 9. The Notes shall bear interest at such rate per annum as shall be determined by the City Auditor and certified to this Council, provided that such rate shall not exceed five per centum (5.0%) per annum, based on a 360-day year of twelve 30-day months, payable at maturity. The sale and award of the Notes shall be evidenced by a Certificate of Award to be signed by the Director of Finance and Management or the City Auditor setting forth and determining such terms and other matters pertaining to the Notes, their issuance, sale or delivery, as are authorized and directed to be determined therein by this Ordinance (the "Certificate of Award"). The Certificate of Award shall state the aggregate principal amount of the Notes to be issued, the dated date of the Notes, the maturity date of the Notes, the purchase price of the Notes and the specified interest rate of the Notes and shall include such additional information as shall be required by the terms of this Ordinance and the Certificate of Award.

Section 10. The Notes shall be executed by the City Auditor and the Mayor of the Municipality, in their official capacities, provided that any of those signatures may be a facsimile, shall be payable as to both principal and interest upon presentation and surrender of the Notes at the office of the Note Registrar, and shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this Ordinance. No Note 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 Note, is signed by the Note Registrar (as defined in Section 11 hereof) as authenticating agent. Authentication by the Note Registrar shall be conclusive evidence that the Note 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 interest on the Notes shall be payable in lawful money of the United States of America without deduction for the services of the Note Registrar as paying agent. The principal of and interest on the Notes shall be payable upon presentation and surrender of the Notes at their maturity at the office of the Note Registrar.

Section 11. The Trustees of the Sinking Fund of the City of Columbus are appointed to act as the authenticating agent, note registrar, transfer agent and paying agent (collectively, the "Note Registrar") for the Notes. So long as any of the Notes remain outstanding, the Municipality will cause to be maintained and kept by the Note Registrar, at the office of the Note Registrar, all books and records necessary for the registration, exchange and transfer of the Notes as provided in this Section (the "Note Register"). Subject to the provisions of Section 12 hereof, the person in whose name any Note shall be registered on the Note 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 the Notes shall be made only to or upon the order of that person. Neither the Municipality nor the Note 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 Notes, including the interest thereon, to the extent of the amount or amounts so paid.

A Note may be transferred only on the Note Register upon presentation and surrender thereof at the office of the Note 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 Note Registrar. Upon that transfer, the Note Registrar shall complete, authenticate and deliver a new Note or Notes of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Note surrendered, and bearing interest at the same rate and maturing on the same date.

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

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

Section 12. The Notes shall be initially issued to a Depository (as defined herein) for use in a book entry system (each as hereinafter defined), and the provisions of this Section shall apply notwithstanding any other provision of this Ordinance: (i) there shall be a single Note of each maturity, (ii) those Notes shall be registered in the name of the Depository or its nominee, as registered

owner, and immobilized in the custody of the Depository; (iii) the beneficial owners in book entry form shall have no right to receive Notes in the form of physical securities or certificates; (iv) ownership of beneficial interests in any Note in book entry form shall be shown by book entry on the system maintained and operated by the Depository, and transfers of the ownership of beneficial interests shall be made only by the Depository and by book entry; and (v) the Notes as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the Municipality. Principal of and premium, if any, and interest on Notes in book entry form registered in the name of a Depository or its nominee shall be payable in next day funds delivered to the Depository or its authorized representative (i) in the case of interest, on each Interest Payment Date, and (ii) in all other cases, upon presentation and surrender of Notes as provided in this Ordinance.

The Note Registrar may, with the approval of this Council, enter into an agreement with the beneficial owner or registered owner of a Note in the custody of a Depository providing for making all payments to that owner of principal of and premium, if any, and interest on that Note or any portion thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner (including wire transfer of federal funds) other than as provided above in this Ordinance, without prior presentation or surrender of the Note, upon any conditions which shall be satisfactory to the Note Registrar and the Municipality. That payment in any event shall be made to the person who is the registered owner of the Note on the date that principal is due, or, with respect to the payment of interest, as of the applicable date agreed upon as the case may be. The Note Registrar will furnish a copy of each of these agreements, certified to be correct by the Note Registrar, to other paying agents for Notes and to the Municipality. Any payment of principal, premium or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this Ordinance.

The City Auditor or the Director of Finance and Management of the Municipality, is authorized and directed to execute, acknowledge and deliver, in the name of and on behalf of the Municipality, the letter agreement among the Municipality, the Note Registrar and The Depository Trust Company, as Depository, to be delivered, in connection with the issuance of the Notes to a Depository for use in a book entry system in substantially the form submitted to this Council.

If any Depository determines not to continue to act as a depository for the Notes for use in a book entry system, the Municipality and the Note Registrar may attempt to have established a securities depository/book entry relationship with another qualified Depository under this Ordinance. If the Municipality and the Note Registrar do not or are unable to do so, the Municipality and the Note Registrar, after the Note Registrar has made provision for notification of the beneficial owners by the then Depository, shall permit withdrawal of the Notes from the Depository, and authenticate and deliver Note certificates in fully registered form to the assigns of the Depository or its nominee, all at the cost and expense (including costs of printing definitive Notes), if the event is not the result of action or inaction by the Municipality or the Note Registrar, of those persons requesting such issuance.

For purposes of this Ordinance the following terms shall have the following meanings:

"Book entry form" or "book entry system" means a form or system under which (i) the beneficial right to payment of principal of and interest and premium, if any, on the Notes may be transferred only through a book entry and (ii) physical Notes in fully registered form are issued only to a Depository or its nominee as registered owner, with the Notes "immobilized" to the custody of the Depository, and the book entry is the record that identifies the owners of beneficial interests in those Notes.

"Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, together with its participants, a book entry system to record beneficial ownership of Notes, and to effect transfers of Notes, in book entry form, and includes The Depository Trust Company (a limited purpose trust company), New York, New York.

Section 13. The Notes shall be, and hereby are, awarded and sold at private sale by the City Auditor, to RBC Capital Markets Corporation (the "Original Purchaser"), and the City Auditor is hereby authorized and directed to deliver the Notes, when executed, to the Original Purchaser upon payment of the purchase price set forth in the Certificate of Award plus interest accrued to the date of delivery of the Notes to the Original Purchaser.

The Director of Finance and Management, City Auditor and Mayor, or any of them individually, are authorized and directed to execute on behalf of the Municipality a Note Purchase Agreement with the Original Purchaser (the "Note Purchase Agreement"), setting forth the conditions under which the Notes are to be sold and delivered.

Section 14. The proceeds from the sale of the Notes, except accrued interest, premium, if any, or costs of issuance, allocable to the Notes (to wit: \$24,225,000) shall be deposited in the City Treasury and allocated to the following funds and projects in the amounts set forth below:

| <u>Fund</u> | <u>Project</u> | <u>Amount</u> | <u>Description</u> |
|-------------|----------------|---------------------|--|
| 630 | | \$20,000,000 | Parking Garages in projects to be determined by the City Auditor |
| 771 | 771-007 | <u>4,225,000</u> | Hayden Run Boulevard Phase I Road Improvements |
| | Total | <u>\$24,225,000</u> | |

While the Municipality anticipates spending the moneys allocated to the funds and projects in the manner set forth in the table above, the Municipality may determine, upon the approval of this Council, to reallocate proceeds of the Notes to another fund and project consistent with the purpose for which the Notes are issued.

Any accrued interest or premium received from the sale of the Notes shall be deposited in the City Treasury and shall be credited to such funds and used for such purposes as shall be specified in the Certificate of Award. All moneys necessary to carry out the purpose of this Ordinance are hereby deemed appropriated and authorized for expenditure by the City Auditor.

To provide for the payment of the costs of issuance of the Notes, which shall include, but shall not be limited to, the fees and expenses of the Municipality's bond counsel, the fees and expenses of the Municipality's financial advisor, rating agency fees, the fees and expenses associated with the sale of the Notes and printing fees, the Municipality is hereby authorized to expend a sum not to exceed One Hundred Thousand Dollars (\$100,000.00), and such amount is hereby deemed appropriated, which amount shall be allocated to, and paid from, the benefiting funds as determined by the City Auditor. Initial funds for the payment of such costs of issuance are hereby appropriated from Debt Service Fund #430, which fund shall then be reimbursed by the benefiting funds as determined by the City Auditor.

This Council hereby declares that the Notes are "obligations" within the meaning of Section 323.07(a)(7) of the Columbus City Codes. The Certificate of Award shall identify the annual financial information and operating data that will constitute the "annual information" for purposes of said Section 323.07.

Section 15. The distribution of an Official Statement of the Municipality, in preliminary and final form, relating to the original issuance of the Notes is hereby authorized, and the Director of Finance and Management and the City Auditor, and each of them acting alone, is hereby authorized and directed to negotiate, prepare and execute, on behalf of the Municipality and in his official capacity, the Official Statement and any supplements thereto as so executed in connection with the original issuance of the Notes, and he is authorized and directed to advise the Original Purchaser in writing regarding limitations on the use of the Official Statement and any supplements thereto for purposes of marketing or reoffering the Notes as he deems necessary or appropriate to protect the interests of the Municipality. The Director of Finance and Management, the City Auditor, the City Attorney and any other official of the Municipality are each authorized to execute and deliver, on behalf of the Municipality and in their official capacities, such certificates in connection with the accuracy of the Official Statement in either preliminary or final form, and any supplements thereto as may, in their judgment, be necessary or appropriate.

Section 16. The Municipality hereby covenants that it will comply with the requirements of all existing and future laws which must be satisfied in order that interest on the Notes is and will continue to be excluded from gross income for federal income tax purposes, including without limitation restrictions on the use of the property financed with the proceeds of the Notes so that the Notes will not constitute "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The Municipality further covenants that it will restrict the use of the proceeds of the Notes in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute arbitrage bonds under Section 148 of the Code and the regulations prescribed thereunder (the "Regulations").

The City Auditor, the Deputy Auditor and the Director of Finance and Management, or any other officer of the Municipality, including the City Clerk, and each of them acting alone, is hereby authorized and directed (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the Municipality with respect to the Notes as permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Notes or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate amount or any payment of penalties, or making any payments of special amounts in lieu of making computations to determine, or paying, any excess earnings as rebate, or obviating those amounts or payments, as determined by the City Auditor, the Deputy Auditor or the Director of Finance and Management, which action shall be in writing and signed by the City Auditor, the Deputy Auditor or the Director of Finance and Management, or any other officer of the Municipality, including the City Clerk, on behalf of the Municipality; (b) to take any and all actions, make or obtain calculations, and make or give reports, covenants and certifications of and on behalf of the Municipality, as may be appropriate to assure the exclusion of interest from gross

income and the intended tax status of the Notes; and (c) to give an appropriate certificate on behalf of the Municipality, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances, and reasonable expectations of the Municipality pertaining to Section 148 and the Regulations, and the representations, warranties and covenants of the Municipality regarding compliance by the Municipality with sections 141 through 150 of the Code and the Regulations.

The City Auditor shall keep and maintain adequate records pertaining to investment of all proceeds of the Notes sufficient to permit, to the maximum extent possible and presently foreseeable, the Municipality to comply with any federal law or regulation now or hereafter having applicability to the Notes which limits the amount of Note proceeds which may be invested on an unrestricted yield or requires the Municipality to rebate arbitrage profits (or penalties in lieu thereof) to the United States Department of the Treasury. The City Auditor of the Municipality is hereby authorized and directed to file such reports with, and rebate arbitrage profits (or penalties in lieu thereof) to, the United States Department of the Treasury, to the extent that any federal law or regulation having applicability to the Notes requires any such reports or rebates. Moneys necessary to make such rebates are hereby appropriated for such purpose.

Section 17. It is hereby determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Notes 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 full 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 Notes.

Section 18. 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 19. The City Clerk is hereby directed to forward certified copies of this ordinance to the Auditors of Franklin, Fairfield and Delaware Counties, Ohio.

Section 20. 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.