



Legislation Details (With Text)

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Title: To consent to, and authorize the execution and delivery of, a supplemental lease, a supplemental sub-lease and other documents of the City relating to the issuance of tax and lease revenue anticipation and refunding bonds by the Franklin County Convention Facilities Authority; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
3/5/2020	1	CITY CLERK	Attest	
3/4/2020	1	MAYOR	Signed	
3/2/2020	1	COUNCIL PRESIDENT	Signed	
3/2/2020	1	Columbus City Council	Approved	Pass

Background: This ordinance consents to the issuance of refunding bonds by the Franklin County Convention Facilities Authority and authorizes the Mayor or Director of Finance and Management to enter into supplements to the existing lease and sublease with the Franklin County Convention Facilities Authority in connection with the issuance of the bonds. The Franklin County Convention Facilities Authority (the “Authority”) is contemplating the execution of a taxable advance refunding on a portion of its Tax and Lease Revenue Anticipation Refunding Bonds, Series 2014 (the “Series 2014 Bonds”). The attached document summarizes the Series 2014 Bonds, the Tax and Lease Revenue Anticipation Refunding Bonds, Series 2020 (Federally Taxable) (the “Series 2020 Bonds”), and the estimated savings based on the current market.

Section 9.04 of the Lease and Section 9.03 of the Sub-Lease require the City and the County to consent to the issuance of such “Additional Bonds” so long as the Lease and Sub-Lease are in effect, and this Council desires to authorize such consent and supporting documents with respect to the Refunding Bonds.

Fiscal Impact: No additional funding is required for this legislation.

To consent to, and authorize the execution and delivery of, a supplemental lease, a supplemental sub-lease and other documents of the City relating to the issuance of tax and lease revenue anticipation and refunding bonds by the Franklin County Convention Facilities Authority; and to declare an emergency.

WHEREAS, this Council has heretofore found and hereby confirms that it is in the best interest of the residents of the City of Columbus, Ohio (the “City”), and a proper public purpose of the government of the City, to promote and publicize the City as a desirable location for conventions, trade shows and similar events; and

WHEREAS, the Franklin County Convention Facilities Authority (the “FCCFA”) has been established by the Board of County Commissioners of the County of Franklin, Ohio (the “County”) pursuant to Chapter 351 of the Ohio Revised Code (the “Act”) as a body corporate and politic performing essential governmental functions, to, among other things, (a) acquire, purchase, construct, furnish, equip, lease or rent, and operate, “facilities”, as defined in the Act, within the County; and (b) issue obligations, from time to time, anticipating “revenues”, as defined in the Act, in such principal amounts as are necessary to pay any part of the “cost” of such facilities, as defined in the Act; and

WHEREAS, pursuant to Ordinance 1188-90 passed by this Council on May 7, 1990, the City has entered into a Lease Agreement dated as of June 1, 1990 (as the same has been amended and supplemented from time to time, the “Lease”) from the FCCFA, as lessor, to the County and the City, as lessees and tenants in common, with respect to the convention facility known as “The Greater Columbus Convention Center” (the “Facility”); and

WHEREAS, pursuant to Ordinance 1189-90 passed by this Council on May 7, 1990, the City has entered into a Sub-Lease Agreement dated as of June 1, 1990 (as the same has been amended and supplemented from time to time, the “Sub-Lease”) from the City and the County, as lessors, to the FCCFA, as lessee, with respect to the Facility, providing for rental payments from the FCCFA which are to be used as a source for the City’s “Lessees Rent” payments under the Lease; and

WHEREAS, the Facility was financed and refinanced in part with the proceeds of tax and lease revenue anticipation bonds of the FCCFA issued from time to time, including Tax and Lease Revenue Anticipation and Refunding Bonds, Series 2014 (City of Columbus and County of Franklin, Ohio, Lessees) dated December 1, 2014 (the “Prior Bonds”), which are secured by a Trust Agreement dated as of June 1, 1990, as amended and supplemented to date (the “Indenture”), which Indenture includes a pledge of any “Lessees Rent” paid by the County and the City pursuant to the Lease; and

WHEREAS, the FCCFA, the County and the City have previously authorized supplemental lease agreements and supplemental sub-lease agreements as supplements to the Lease and the Sub-Lease, respectively, in order to add or delete improvements and real property to the operation of such documents and to extend the terms of the Lease and the Sub-Lease; and

WHEREAS, the FCCFA is proposing to issue its Tax and Lease Revenue Anticipation Refunding Bonds, Series 2020 - Taxable (City of Columbus and County of Franklin, Ohio, Lessees) in a principal amount not to exceed \$155,000,000 (the “Refunding Bonds”) as “Additional Bonds” pursuant to the Indenture to refund and redeem all or a portion of the outstanding Prior Bonds in order to achieve interest cost savings, which will benefit the FCCFA, the County, the City and their respective citizens and taxpayers; and

WHEREAS, Section 9.04 of the Lease and Section 9.03 of the Sub-Lease require the City and the County to consent to the issuance of such “Additional Bonds” so long as the Lease and Sub-Lease are in effect, and this Council desires to authorize such consent and supporting documents with respect to the Refunding Bonds; and

WHEREAS, the “Project Site”, as defined in the Lease and the Sub-Lease, is owned by the City and leased to the FCCFA pursuant to a Master Lease Agreement dated as of November 27, 1996, which replaced the “Ground Leases” as defined in the Lease and the Sub-Lease, and such Master Lease Agreement has been amended since its date to, among other things, amend the real property comprising the “Project Site”; and

WHEREAS, the FCCFA, the County and the City desire to enter into a Supplemental Lease Agreement (the “Supplemental Lease”) and a Supplemental Sub-Lease Agreement (the “Supplemental Sub-Lease”) as additional supplements to the Lease and the Sub-Lease, respectively, in order to incorporate the existence and terms of such Master Lease Agreement, as amended, into the Lease and the Sub-Lease;

WHEREAS, an emergency exists in the offices of the Mayor and Department of Finance and Management in that the timely issuance of the Refunding Bonds will allow the FCCFA to take advantage of favorable market conditions in issuing the Refunding Bonds and refunding the outstanding Prior Bonds, which will result in savings inuring to the benefit of the City, its taxpayers and its citizens and therefore, the passage of this ordinance is necessary for the public

peace, property, health and safety; Now, Therefore,

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

SECTION 1. That the City hereby gives its consent, as required by Section 9.04 of the Lease and Section 9.03 of the Sub-Lease, to the issuance of the Refunding Bonds by the FCCFA. The Mayor and Director of Finance and Management, and either of them acting singly, are hereby authorized to execute and deliver such documents evidencing such consent and the issuance of the Refunding Bonds as shall be approved by the City Attorney and the officer executing the same, such execution to conclusively evidence such approvals.

SECTION 2. That the Mayor and Director of Finance and Management, and either of them acting singly, are hereby authorized to execute and deliver the Supplemental Lease and the Supplemental Sub-Lease in such forms as shall be approved by the City Attorney and the officer executing the same; such officer's execution and delivery to conclusively evidence such authorization and approval.

SECTION 3. That in order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Director of Finance and Management is hereby authorized to execute and deliver a continuing disclosure agreement (the "Continuing Disclosure Agreement") in connection with the issuance of the Refunding Bonds in such form as such officer may approve; such officer's execution and delivery shall be conclusive evidence of such authorization and approval. This Council hereby covenants that the City will comply with the provisions of the Continuing Disclosure Agreement, provided that failure to comply shall not constitute a default on the Refunding Bonds. Any holder of the Refunding Bonds may take such action as may be necessary and appropriate, including seeking such specific performance, to cause the City to comply with its obligations under this section and the Continuing Disclosure Agreement.

SECTION 4. That it is found and determined that all formal actions of this Council concerning and relating to the passage of this ordinance were passed 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 the law, including Section 121.22 of the Ohio Revised Code.

SECTION 5. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor.