



## Legislation Text

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**File #:** 1699-2014, **Version:** 1

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The Franklin County Convention Facilities Authority (FCCFA) has requested the City's consent pursuant to Section 9.04 of the 1990 Lease and Section 9.03 of the 1990 Sub-Lease between the City and the FCCFA to proceed with the issue of Tax and Lease Revenue Anticipation and Refunding Bonds, Series 2014. The series 2014 bonds, presently estimated not to exceed \$307,750,000, will be issued to finance the renovation and expansion of the Greater Columbus Convention Center and to refund some or all of the FCCFA's outstanding prior bonds in order to achieve interest savings. Principal and interest due on these bonds will be payable from hotel/motel tax revenue as collected by the FCCFA.

The City's consent will also extend the term of the 1990 Lease and 1990 Sub-lease between the City and the FCCFA through December 31, 2044.

To facilitate the issue of this debt and to extend the terms of the lease agreements, the FCCFA must receive the City's consent for this bond issuance.

This ordinance is submitted as an emergency to allow the FCCFA the opportunity to take advantage of favorable market conditions.

To consent to the issuance of Tax and Lease Revenue Anticipation Bonds by the Franklin County Convention Facilities Authority and to enter into a Supplemental Lease Agreement and Supplemental Sub-Lease Agreement with the Franklin County Convention Facilities Authority, as required; and to declare an emergency.

**WHEREAS**, pursuant to Ordinance 1188-90 passed by this Council on May 7, 1990, the City of Columbus, Ohio (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 Franklin County Convention Facilities Authority (the "FCCFA"), as lessor, to the County of Franklin, Ohio (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, including (i) Tax and Lease Revenue Anticipation Refunding Bonds, Series 2005 (the "Series 2005 Bonds"), (ii) Tax and Lease Revenue Anticipation and Refunding Bonds, Series 2007 (the "Series 2007 Bonds"), and (iii) Tax and Lease Revenue Anticipation Refunding Bonds, Series 2012 (the "Series 2012 Bonds" and, together with the Series 2005 Bonds and the Series 2007 Bonds, the "Prior Bonds"), all of 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 entered into a First Supplemental Lease Agreement and a First Supplemental Sub-Lease Agreement as supplements to the Lease and the Sub-Lease, respectively, in order to add

additional improvements and additional property to the operation of such documents and to extend the terms of the Lease and the Sub-Lease through December 31, 2027; and

**WHEREAS**, the FCCFA proposes to issue presently estimated not to exceed \$307,750,000 of Tax and Lease Revenue Anticipation Bonds in one or more series (the “2014 Bonds”) as “Additional Bonds” pursuant to the Indenture to (i) finance a portion of the cost of renovations to and expansion of the Facility (the “2014 Project”) and (ii) refund some or all 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 2014 Bonds; 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 add the 2014 Project to the operation of such documents and to extend the terms of the Lease and the Sub-Lease through December 31, 2044; and

**WHEREAS**, an emergency exists in the offices of the Mayor and Department of Finance and Management in that the timely issuance of the 2014 Bonds will allow the 2014 Project to proceed as quickly as possible and allow the FCCFA to take advantage of favorable market conditions in issuing the 2014 Bonds and refund the outstanding Prior Bonds, which will result in savings to the taxpayers; Now, Therefore,

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS**

**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 2014 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 supporting the 2014 Project and the issuance of the 2014 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 the 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 2014 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 2014 Bonds. Any holder of the 2014 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 or ten days after passage if the Mayor neither approves nor vetoes the same.