



Legislation Text

File #: 0175-2020, **Version:** 1

Background: This legislation authorizes the appropriation and transfer of \$9,564,227.00 from the Special Income Tax Fund, to the Franklin County Convention Facilities Authority Fund. The appropriation and transfer of \$9,564,227.00 from the Special Income Tax Fund provides the backing, as stipulated in the City's lease agreement with the Franklin County Convention Facilities Authority (CFA). The actual transfer of these funds will only occur if the CFA is unable to meet its debt obligations as outlined in its lease with the City. The City provides fifty percent of this backing, while Franklin County is responsible for the other fifty percent. Since 1990, no such payments have been needed, nor are any anticipated.

In 2019, the City entered into a Lease Agreement and Sub-Lease Agreement with the CFA and Franklin County, Ohio (Ordinance No. 2815-2019) in connection with the issuance of the hotel expansion bonds. The agreement allowed the CFA to issue the 2019B Lease Appropriation bonds. These bonds are to provide additional funding for the downtown convention center hotel expansion. Interest on these bonds will be capitalized through 2022. No appropriation is required in 2020 for these bonds. The City along with Franklin County will provide the backing for these bonds. The City provides fifty percent of this backing, while Franklin County is responsible for the other fifty percent. The actual transfer of these funds will only occur if the CFA is unable to meet its debt obligations.

This legislation also authorizes the appropriation of \$7,036,937.50 from the Special Income Tax Fund for lease payments to the RiverSouth Authority. The RiverSouth Authority issued bonds in 2004 and 2005 to purchase and rehabilitate the former downtown Lazarus Department Store and refunding bonds in 2012 and in 2014. The City entered into a Master Lease Agreement and a First Supplemental Lease Agreement with The RiverSouth Authority on June 21, 2004 (Ordinance No. 1009-2004). The City entered into a Second Supplemental Lease Agreement with RiverSouth on July 25, 2005 (Ordinance No. 1312-2005). The City entered into a Third Supplemental Lease Agreement with RiverSouth on February 27, 2012 (Ordinance No. 0382-2012). The City entered into a Fourth Supplemental Lease Agreement with RiverSouth on February 10, 2014 (Ordinance 0541-2014). These agreements call for the City to make lease payments to The RiverSouth Authority in annual amounts equal to the bond service charges.

This legislation also authorizes the appropriation of \$1,841,500.00 from the Special Income Tax Fund for lease payments to the RiverSouth Authority. The RiverSouth Authority issued bonds in 2016 for the Scioto Peninsula Area Redevelopment. These bonds were issued to construct an underground parking garage and park located at the Center of Science and Industry (COSI). The City entered into a Master Lease Agreement and Supplemental Lease Agreement with The RiverSouth Authority on July 25, 2016 (Ordinance No. 1980-2016). This agreement calls for the City to make lease payments to The RiverSouth Authority in annual amounts equal to the bond service charges.

Emergency: This ordinance is submitted as an emergency so as to allow the financial transactions to be posted into the City's accounting system as soon as possible. Up to date financial posting promotes accurate accounting and financial management.

Fiscal Impact: Funding in the amount of \$7,036,937.50 for 2020 has been accounted for in the Special Income Tax Fund 4430 for the RiverSouth Authority.

2019 funding was \$7,038,312.50.

2018 funding was \$7,047,187.50.

2017 funding was \$7,044,362.50.

Funding for the transfer and expenditure of \$9,564,227.00 for 2020 has been accounted for in the Special Income Tax

Fund 4430 for the Franklin County Convention Facilities Authority.

2019 funding was \$9,115,625.46.

2018 funding was \$9,115,907.63.

2017 funding was \$8,831,537.00.

Funding for the transfer and expenditure of \$1,841,500.00 for 2020 has been accounted for in the Special Income Tax Fund 4430 for the RiverSouth Authority relating to the Scioto Peninsula Redevelopment Bonds.

2019 funding was \$1,845,250.00.

2018 funding was \$1,846,250.00.

To appropriate and authorize the City Auditor to transfer \$9,564,227.00 from the Special Income Tax Fund to the Franklin County Convention Facilities Authority Fund, for the purpose of providing secondary funding in the event that Franklin County Convention Facilities Authority cannot meet its debt obligations, to appropriate and expend up to \$7,036,937.50 within the Special Income Tax Fund for reimbursement to the RiverSouth Authority to make lease payments, to appropriate and expend up to \$1,841,500.00 to the RiverSouth Authority to make lease payments; and to declare an emergency (\$18,442,664.50).

WHEREAS, as stipulated in the City's lease agreement with the CFA, the City has agreed to provide a secondary revenue source to assure that these funds will be available; and

WHEREAS, the actual transfer of these funds will only occur if the CFA is unable to meet its debt obligations as outlined in its lease with the City; and

WHEREAS, pursuant to Ordinance No. 1009-2004 adopted by City Council on June 21, 2004 the City entered into a Master Lease Agreement and a First Supplemental Lease Agreement with The RiverSouth Authority (RiverSouth); and

WHEREAS, pursuant to Ordinance No. 1312-2005 adopted by this Council on July 25, 2005 the City entered into a Second Supplemental Lease Agreement with The RiverSouth Authority; and

WHEREAS, pursuant to Ordinance No. 0382-2012 adopted by this Council on February 27, 2012 the City entered into a Third Supplemental Lease Agreement with The RiverSouth Authority; and

WHEREAS, pursuant to Ordinance No. 0541-2014 adopted by this Council on February 10, 2014 the City entered into a Fourth Supplemental Lease Agreement with The RiverSouth Authority; and

WHEREAS, these Lease Agreements call for the lease rental payments from the City to RiverSouth equal to the bond service charges on the following bonds issued by RiverSouth:

- RiverSouth Areas Redevelopment 2004 Bonds Series A
- RiverSouth Areas Redevelopment 2005 Bonds Series A
- RiverSouth Areas Redevelopment Refunding 2012 Bonds Series A
- RiverSouth Areas Redevelopment Refunding 2014 Bonds Series A;

WHEREAS, pursuant to Ordinance No. 1980-2016 adopted by City Council on July 25, 2016 the City entered into a Lease Agreement and a Supplemental Lease Agreement with The RiverSouth Authority (RiverSouth); and

WHEREAS, these Lease Agreements call for the lease rental payments from the City to RiverSouth equal to the bond service charges on the following bonds issued by RiverSouth:

- Scioto Peninsula Redevelopment Bonds, Series 2016

WHEREAS, an emergency exists in the usual daily operation of the City in that it is immediately necessary to both appropriate funds within the Special Income Tax Fund and transfer said funds for the above-described purposes, thereby preserving the public health, peace, property, safety and welfare, now: therefore,

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

SECTION 1. That from the unappropriated monies in the Special Income Tax Fund, Fund 4430 Subfund 443001, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2019, the sum of \$9,564,227.00 be and hereby is appropriated to the City Auditor per the account codes in the attachment to this ordinance.

SECTION 2. That the City Auditor is hereby authorized to transfer said funds in SECTION 1 to the Franklin County Convention Facilities Authority Fund, Fund 2282 Subfund 228201, at such time as is deemed necessary by the City Auditor, and to expend said funds or so much thereof as may be necessary per the account codes in the attachment to this ordinance.

SECTION 3. That from the unappropriated monies in the Special Income Tax Fund, Fund 4430, Subfund 443001, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2020, the sum of \$7,036,937.50 be and hereby is appropriated to the City Auditor per the account codes in the attachment to this ordinance.

SECTION 4. That the City Auditor is hereby authorized to expend up to \$7,036,937.50 or so much thereof as may be necessary from Fund 4430 Subfund 443001, for the purpose of making lease rental payments to the RiverSouth Authority per the account codes in the attachment to this ordinance.

SECTION 5. That from the unappropriated monies in the Special Income Tax Fund, Fund 4430, Subfund 443001, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2020, the sum of \$1,841,500.00 be and hereby is appropriated to the City Auditor per the account codes in the attachment to this ordinance.

SECTION 6. That the City Auditor is hereby authorized to expend up to \$1,841,500.00 or so much thereof as may be necessary from Fund 4430 Subfund 443001, for the purpose of making lease rental payments to the RiverSouth Authority per the account codes in the attachment to this ordinance.

SECTION 7. All funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 8. That the City Auditor is authorized to make any accounting changes to revise the fund source for any contract or contract modifications associated with the expenditure of the funds transferred under Section 2.

SECTION 9. That for the reason 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.