



## Report for Council – June 8, 2015

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### **Planning & Development Department Action Items:**

#### **Columbus Academy Bond Issue**

Planning & Development Department staff was recently approached by Marc Kamer, a bond attorney with Peck, Shaffer & Williams, regarding a proposed financing structure for the issuance of tax-exempt revenue bonds issued by the City for the benefit of Columbus Academy. The proposed financing will fund various capital improvements (renovations and additions, as well as furniture, fixtures and equipment) at the Columbus Academy campus.

The proposed financing structure for these tax-exempt bonds calls for the City to issue its revenue bonds and thereafter provide the proceeds of the bonds to Columbus Academy. Columbus Academy will use the proceeds of the bonds for the project described above.

These types of revenue bonds do not constitute a direct debt of the City and no City finances are pledged toward the repayment. Columbus Academy will be solely responsible for repayment. The City's taxing power and full faith and credit are not pledged for repayment of the debt.

If these bonds are tax-exempt, that means, generally, that Columbus Academy will pay a lower rate of interest versus doing a taxable transaction like an ordinary bank loan without the City's participation. In order to make the bonds tax-exempt, a municipal issuer, like the City, needs to issue the bonds.

The City has authority to participate in this financing under Chapter 165 of the Ohio Revised Code. Mr. Kamer's law firm will supervise the proceedings necessary in order to make sure the bonds are lawfully issued. In addition, the City's bond counsel will review all documentation pertaining to the transaction in order to ensure that the City is protected from any liability.

It is very important to note that Columbus Academy will be solely responsible for the payment of debt service on the bonds. The City is acting solely as a conduit.

Participation of the Gahanna CIC is required in this type of financing under Chapter 165. For its participation, the Gahanna CIC will receive approximately \$22,500 as part of this transaction. The CIC Board of Trustees will review the proposal at their upcoming meeting on June 16, 2015. A representative of Peck, Shaffer & Williams will be present at the June 8 Council meeting to answer any questions you may have. In addition, representatives of Columbus Academy will be present at the June 22 Council meeting in order to present more information on their project and explain their intent in partnering with the City and Gahanna CIC to complete their project.

In 2007, City Council passed ORD-0191-2007 to authorize the issuance of Health Care Facilities Revenue Bonds between Traditions at Stygler Road and Pike County, Ohio. The proceeds of the bond issuance were used to acquire, construct, equip and install additional hospital facilities at Traditions including a new 3,200 square foot rehabilitation/gymnasium facility and to pay certain expenses incurred in connection with the issuance of such revenue bonds. In 2009, the Gahanna CIC executed a nonrecourse loan agreement with Franklin County in order to acquire State of Ohio Air Quality Development Authority Revenue Bonds on behalf of the Central Ohio Community Improvement Corporation. The proceeds were used to finance and refinance improvements to the former Bedford I landfill including the capture and disposition of methane gas. The Gahanna CIC is currently receiving \$9,285.68 per year from Franklin County for facilitating this transaction.

The Planning & Development Department respectfully requests that Council approve an ordinance authorizing the issuance of tax-exempt revenue bonds for Columbus Academy.

### **Planning & Development Department Updates:**

#### **TIF Follow Up**

We are working with legal counsel now and plan to have them present to Council at the meeting on June 22.

#### **Economic Development Plan Update**

The Department has contracted with Ice Miller to complete an update to the City's Economic Development Plan (EDP). The goal is to create a plan that captures the market realities of the community, provides development scenarios for multiple priority areas, formulates business retention and attraction strategies and establishes a fiscal impact model with an actionable implementation strategy.

A draft of the Market Assessment, Economic Analysis, Priority Development Analysis, Business Retention and Expansion Strategy and Fiscal Impact model has been completed and is currently being reviewed by the Department. We anticipate our review of the draft to be completed within the coming week. Shortly thereafter, the Steering Committee will review the revised document and provide their feedback and approval. After the Steering Committee reviews the ED Plan, the Department and the Consultant Team will present the final report to City Council.

### **Upcoming Meetings & Events:**

- *Gahanna Area Chamber of Commerce: A Board Meeting will be held on Tuesday, June 9, 7:30am, at C-Suites, 81 Mill Street – Suite 300.*
- *Olde Gahanna Community Partnership: A General Meeting will be held on Wednesday, June 10, 8:15am, at the Olde Gahanna Sanctuary, 82 N. High Street.*
- *Mid-Ohio Regional Planning Commission: A meeting will be held on Thursday, June 11, 1:30pm, at 111 Liberty Street, Suite 100, Columbus 43215.*

- Gahanna Area Chamber of Commerce: A Business After Hours event will be held on Thursday, June 11, 5:00pm – 6:00pm at KEMBA Financial Credit Union, 110 N. Hamilton Road. Complimentary hors d'oeuvres, beer and wine will be served. There is no charge to attend this event but RSVPs are appreciated. Please e-mail Amy Volpe at [avolpe@kemba.org](mailto:avolpe@kemba.org).
- Gahanna Community Improvement Corporation: A Board Meeting will be held on Tuesday, June 16, 7:30am, at Gahanna City Hall, 200 S. Hamilton Road.
- Gahanna Area Chamber of Commerce: The 26<sup>th</sup> Annual Golf Classic will be held on Monday, June 22, 11:00am, at Jefferson Country Club, 7271 Jefferson Meadows Drive, Blacklick.