



Legislation Text

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TO AUTHORIZE THE MAYOR TO ENTER INTO THE FIRST AMENDMENT TO THE LOAN AGREEMENT BETWEEN THE CITY OF GAHANNA AND THE COLUMBUS ACADEMY AS AUTHORIZED BY ORDINANCE, ORD-0070-2015; AND TO DECLARE AN EMERGENCY.

WHEREAS, the City of Gahanna passed Ordinance, ORD-0070-2015, that allowed the City to issue its revenue bonds and enter into a loan agreement to provide the proceeds to The Columbus Academy for an expansion project on their campus; and

WHEREAS, the bond attorney for the Columbus Academy is recommending a modification; and

WHEREAS, the reason for the requested modification is because the federal tax reform law that occurred at the end of 2017, changed the corporate tax rates from 35% to 21%; and

WHEREAS, as a result, The Columbus Academy and the bond holder (PNC Bank) have negotiated a change to the tax-exempt interest rate formula for the bonds and extended the period during which those bonds will be held by PNC Bank; and

WHEREAS, the City is the "conduit" bond issuer, and not financially responsible for the bonds, and the only way to change the tax-exempt interest rate on the bonds is with the City's consent; and

WHEREAS, it is imperative to move forward with this amendment to meet the deadline of July 1, 2018, and all for the preservation of the public peace, property, health, safety and welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GAHANNA, COUNTY OF FRANKLIN, STATE OF OHIO:

Section 1. That the Mayor is hereby authorized to enter into the First Amendment to the Loan Agreement between the City of Gahanna and the Columbus Academy; said First Amendment attached hereto as EXHIBIT A, and made a part herein.

Section 2. That, for the reasons set forth in the preamble herein above, this Ordinance is declared emergency legislation and shall be in full force and effect immediately after passage by this Council and on date of signature approval by the Mayor.