

June 16, 2021

202102130

To: Mayor and Members of City Council

From: Paula Boggs Muething, City Manager

Subject: **Emergency Ordinance for Refunding Economic Development Bond Issues**

Transmitted herewith is an Emergency Ordinance captioned as follows:

PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$70,000,000 BY THE CITY OF CINCINNATI, COUNTY OF HAMILTON, STATE OF OHIO, FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF CERTAIN OUTSTANDING ECONOMIC DEVELOPMENT BONDS OF THE CITY, INCLUDING, BUT NOT LIMITED TO, THE OUTSTANDING ECONOMIC DEVELOPMENT BONDS LISTED ON EXHIBIT A HERETO, AND PROVIDING FOR A REFUNDING SAVINGS THRESHOLD IN CONNECTION THEREWITH.

This ordinance allows for the option of refunding various economic development bonds that have been previously issued and that are supported by a pledge of non-tax revenues. The purpose of refunding the bonds is to take advantage of lower interest rates that will result in savings to the City of Cincinnati.

The ordinance includes a threshold that the Finance Director will only move forward with the refunding, if the net present value of the resulting savings of any advance or current refunding is equal to at least three percent (3%) of the principal of the bonds. This savings requirement for a refunding may be waived by the Finance Director upon finding that such a restructuring is in the City's overall best financial interest. The ordinance includes possible candidates for refunding because the refunding is dependent upon interest rates. It will not be known which bonds will be refunded until closer to the date of sale.

The Administration recommends passage of this Emergency Ordinance.

cc: Christopher A. Bigham, Assistant City Manager
William "Billy" Weber, Assistant City Manager
Karen Alder, Finance Director

Attachment