OHIO GFOA

Shared Knowledge
for Effective Government

Non-General Obligation Backed Financings

BRADLEY PAYNE
REGISTERED MUNICIPAL ADVISORS

* SERVING LOCAL GOVERNMENT *

October 11, 2023

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Section 1

DEBT

Why do communities issue Debt?

- Costs are too high to fund a project with cash
- Spread the cost of a project over current and future generations
  - Benefits are spread over several generals – cost would be as well
  - One generation should not subsidize the next
- Payment equate to the useful life of the asset or less
- Maximize use of the balance sheet
- Economic mismatch opportunities

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Sources of Funding Projects and Debt Payments

- Cash
  - Property Taxes
  - Income Taxes
  - User Fees
  - Other Government Revenues
  - Economic Development Complementation Payments
- Debt Issuance – highly regulated by statutes

Example of public purposes for which debt is issued:

- Building schools – both for K-12 and higher educational institutions
- Road projects – new roads and highways as well as maintenance on existing roads
- Public power projects
- Sewer & Water and other utilities
- Economic Development

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Who can issue debt?

- State of Ohio
- Political Subdivisions
  - Taxing Districts
    - Municipalities, counties, townships, school districts, etc
  - Special purpose districts without taxing power

Debt Authority

Debt Authority: Political Subdivisions

Taxing Districts

- Municipalities
- Townships
- Counties
- School Districts

Special Purpose Districts

- Port Authorities
- Fire Districts
- Library Districts
- Park Districts
- Conservancy Districts
- New Community Authorities
- Community College Districts
- Joint Hospital Districts
- Water and Sewer Districts
- Regional Transit Authorities

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Section 2

TYPES OF DEBT

Common Debt Terms

- **Bonds** – long-term obligations to repay money, usually over a period of 1-30 years
- **Bond Anticipation Notes** – notes issued prior to the issuance of bonds
- **General Obligation** – pledge for payment of bonds through all government revenues or through property taxing power
- **Limited tax bonds** – bonds that are supported by unvoted property taxes
- **Unlimited tax bonds** – bonds that are supported by voted property taxes
- **Special Obligations** – bonds that are supported by a specific tax, but no GO

Types of Debt

- Bonds, Notes, Bond Anticipation Notes
- General Obligations
  - Voted vs. Unvoted
- Revenue or Special Obligation
- Conduit Obligations
- Non-Debt
- Capital vs. Operation Borrowings
- Manuscript Debt

Types of Debt: General Obligation Debt

- "Full Faith and Credit and general taxing power" of subdivision is pledged to pay debt service payments
- May be paid out of General Fund of Issuer
- Voted debt and Unvoted debt
- Priority over operating expenses
- Subject to direct and indirect debt limits

Types of Debt: General Obligation Debt

- Voted G.O. Debt
  - Specifically approved by voters
  - Special tax authorized (but not required to be levied)
  - Unlimited as to rate or amount
  - Most secure of all debt (best security, highest rating, lowest interest cost)
- Unvoted G.O. Debt
- First claim against revenues but no special tax
- Includes most special assessment debt

Types of Debt: Special or Revenue Obligations

- Limited pledge of only a specific revenue stream to pay debt service payments
  - Utility revenues (water, sewer, electricity, etc)
  - TIF revenues
  - Sales tax revenues (county – ORC 133.081)
  - Income tax revenues (municipality – home rule)
  - Special assessment revenues (ports)
- Less secure than G.O. debt

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Types of Debt: Conduit Obligations

- The government acts as an issuer pursuant to an arrangement with a private conduit borrower in order for the debt to be tax-exempt.
- The conduit borrower is solely responsible for making the debt service payments
- Conduit obligations are not considered debt of the government issuer.

Types of Debt: Non-Debt

- Leases
- Lease-purchase agreements
  - Municipal – ORC 715.011
  - County – ORC 307.02
  - Township – 505.26; ORC 505.267
  - School District – ORC 3313.374
- Installment purchase agreements
- Certificates of Participation (“COPs”)

Non-debt transactions do not count against debt limitations

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Types of Debt: Loans

- Ohio Public Works Commission (OPWC)
- Ohio Water Development Authority (OWDA)
- State Infrastructure Bank (SIB)
- Private placement (bank loans)

Types of Debt: Capital vs. Operating

- Limited authority to borrow for operation expenses
  - Final judgements or settlements
  - Emergencies
  - Anticipating a voted tax levy
  - Requirement to show a deficit

Types of Debt

General Obligation (GO) Bonds	Revenue Bonds	Certificates of Participation (COPs)	Double Barreled Bonds
✓ Backed by property taxes of community ▪ Income taxes may pay for debt service and thus the millage is not levied ✓ Subject to constitutional / statutory limitations	✓ Completely self-supporting ✓ Backed by a particular source of revenue **Types of Revenue Bonds**: ✓ Income Tax Bonds ✓ Sales Tax Bonds ✓ Income Tax Financing Bonds ✓ Enterprise Bonds ✓ Conduit Bonds	✓ Secured by the revenue stream of the lease payments that are typically subject to annual appropriation ✓ The certificate generally entitles the hold to receive a share, or participation, in the payments	✓ Secured by both a defined source of revenue (other than property taxes) and the full faith and credit or taxing power of an issuer that has taxing powers

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Types of Debt

Tax-Exempt vs. Taxable

- Tax-exempt financings:
  - Bond Counsel will conduct diligence and ask question to determine if Bonds can be tax-exempt; opinion rendered
  - Governmental assets used by general public
  - Limitations on private use - use of tax-exempt financed facilities by nongovernmental parties or the federal government
  - Limitations on private payments - payment of funds by a private party or federal government for use of facilities
- Taxable
  - Financing of private improvements under Chapter 165 – land acquisition or improvements for private industry

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Section 3

REVENUE BONDS

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Revenue Bonds

- Secured by pledge of revenues - Generally issued to finance a specific revenue-generating project, and are usually secured by the revenues of that project
- Payable from a specific revenue stream(s) other than property taxes and are not backed by the full-faith and credit taxing power of the Issuer
  - Income Tax
  - Sales Tax
  - Utility Revenue – Master Trust Indenture/Supplemental Trust Indentures
- NOT secured by issuer's general taxing authority

Revenue Bonds

- Limitations on or nexus to the assets being financed
- Unvoted debt
- Debt Service Reserve Fund (DSRF) may be necessary
- Debt Service Coverage covenants may be necessary and tied to user rates
- Additional bonds test
- Market demands may affect the above

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Nontax Revenue Obligations

- Article VIII, Section 13 of Ohio Constitution
  - Economic Development, Job Creation
  - Cannot pledge tax revenues
  - Acquire, construct, improve, equip … property, structures, equipment and facilities within the State for industry, commerce, distribution and research

Revenue Bonds

Revenue Bonds – Advantages

- Revenue bonds do not require voter approval
- Do not count against debt limits
- Beneficiaries of the projects are often the ones paying for the debt service on the bonds if the bonds are repaid with a revenue source associated with the program or project that is being financed

Revenue Bonds – Disadvantages

- Revenue bonds may carry higher interest rates than general obligation bonds because the risk of default is greater
- Revenue bonds are typically more complex than general obligation bonds, thus resulting in higher administrative costs

Income Tax Revenue Bonds

- $11,550,000 City of Monroe Various Purpose Income Tax Revenue Bonds
  - S&P AA Rating
  - Final Maturity 2049
  - Security and Sources of Payment
    - City's ability to levy and pledge the Municipal Income Taxes so long as the bonds are outstanding
    - Additional Bonds test @ 175% Maximum Annual Debt Service (MADS)
    - All Bonds test covenant @ 125%

OFFICIAL STATEMENT DATED NOVEMBER 14, 2019

NEW ISSUE
Book-Entry Only

Rating: Standard & Poor's: "AA"
See Ratings herein

In the opinion of Bond Counsel, Dinsmore & Shohl LLP, under existing law, (i) interest on the Bonds will be excludible from gross income of the holders thereof for purposes of federal income taxation, (ii) interest on the Bonds will not be a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (iii) the Bonds, the interest thereon or transfer thereof, and the income therefrom, including any profit made on the sale thereof, will be exempt from Ohio personal income tax, the Ohio commercial activity tax, the Ohio corporate franchise tax, and municipal, school district and joint economic development district income taxes in Ohio, all subject to the qualifications described herein under the heading "TAX EXEMPTION."

CITY OF MONROE OHIO

$11,555,000
CITY OF MONROE, OHIO
VARIOUS PURPOSE SPECIAL OBLIGATION INCOME TAX REVENUE BONDS
SERIES 2019

Dated: December 4, 2019

Due: December 1, as shown below

Interest on the Bonds will be payable, from the date of issuance, on June 1 and December 1, commencing June 1, 2020, and the Bonds mature on December 1, as shown below:

$4,270,000 Serial Bonds

Year	Amount	Interest Rate	Yield	CUSIP*	Year	Amount	Interest Rate	Yield	CUSIP*
2020	$215,000	4.00%	1.32%	611245 AA9	2028	$290,000	4.00%	1.90%	611245 AJ0
2021	225,000	4.00	1.34	611245 AB7	2029	310,000	4.00	2.03	611245 AK7
2022	230,000	4.00	1.38	611245 AC5	2030	315,000	4.00	2.16	611245 AL5
2023	240,000	4.00	1.43	611245 AD3	2031	330,000	4.00	2.25	611245 AM3
2024	245,000	4.00	1.50	611245 AE1	2032	335,000	4.00	2.29	611245 AN1
2025	260,000	4.00	1.58	611245 AF8	2033	355,000	4.00	2.36	611245 AP6
2026	270,000	4.00	1.68	611245 AG6	2034	370,000	4.00	2.42	611245 AQ4
2027	280,000	4.00	1.80	611245 AH4					

$780,000 4.00% Term Bonds Due December 1, 2036: Yield 2.600% CUSIP* 611245 AR2
$1,290,000 3.00% Term Bonds Due December 1, 2039: Yield 3.034% CUSIP* 611245 AS0
$2,405,000 3.00% Term Bonds Due December 1, 2044: Yield 3.058% CUSIP* 611245 AT8
$2,810,000 3.125% Term Bonds Due December 1, 2049: Yield 3.151% CUSIP* 611245 AU5

The Bonds are subject to optional and mandatory redemption as described herein. The Bonds will be issuable only as fully-registered bonds under a Book-Entry Only system and when delivered, all Bonds will be registered in the name of CEDE & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). The paying agent and registrar for the Bonds is The Huntington National Bank, Cincinnati, Ohio, (the "Paying Agent and Registrar"). Interest is payable June 1 and December 1 (each an "Interest Payment Date"), commencing June 1, 2020.

The Bonds will be issued in the denominations of $5,000 or any integral multiple thereof as provided in the authorizing legislation (as herein defined).

The Bonds are offered, subject to prior sale, when, as and if issued by the City and accepted by KeyBanc Capital Markets Inc. (the "Underwriter"), subject to approval of legality by Dinsmore & Shohl LLP, as Bond Counsel. Bradley Payne Advisors, LLC has acted as Financial Advisor to the City in connection with the issuance of the Bonds. The Underwriter anticipates that the Bonds will be eligible for the services of The Depository Trust Company ("DTC"). There will be no distribution to the ultimate purchasers. (See "Book Entry Only Method" therein). It is expected that delivery of the Bonds will be made in Columbus, Ohio, through DTC, on or about December 4, 2019.

KeyBanc Capital Markets

BRADLEY PAYNE

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

OHIO GFOA

Nontax Revenue Bonds

- $25,465,000 City of Upper Arlington Nontax Tax Revenue Bonds
  - S&P AAA / Moody's Aa1 Rating
  - Final Maturity 2053
  - Security and Sources of Payment
    - All Nontax Revenues of the City that include the following: Charges for Service, Fees, Licenses & Permits, Fines & Forfeitures, Intergovernmental Revenues, Interest Earnings and Other Revenues
    - Tax Increment Financing Revenues are the main repayment source
    - All Bonds test covenant @ 150% MADS

Ratings: Moody's: "Aa1"
Standard & Poor's: "AAA"
(See "RATINGS" herein)

NEW ISSUE - BOOK-ENTRY FORM ONLY

In the opinion of Bricker & Eckler LLP, Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax; and (ii) interest on and any profit made on the sale, exchange or other disposition of the Bonds is exempt from certain taxes levied by the State of Ohio and its political subdivisions. The City has not designated the Bonds as "qualified tax exempt obligations" within the meaning of Section 265(b)(3) under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds may be subject to certain federal income taxes imposed on certain corporations, and certain taxpayers may have certain other adverse federal income tax consequences as a result of owning the Bonds. For a more complete discussion of the tax aspects, see "TAX MATTERS."

OFFICIAL STATEMENT

CITY OF UPPER ARLINGTON

$25,465,000

CITY OF UPPER ARLINGTON, OHIO

Special Obligation Nontax Revenue Bonds, Series 2021A

(Arlington Gateway Mixed-Use Development)

Dated: Date of Delivery — **Due: As shown on the inside cover herein**

THE BONDS ARE A SPECIAL OBLIGATION OF THE CITY PAYABLE SOLELY FROM NONTAX REVENUES AND WILL NOT REPRESENT OR CONSTITUTE A GENERAL OBLIGATION OF THE CITY, THE STATE OF OHIO, OR ANY POLITICAL SUBDIVISION THEREOF, AND ARE NOT SECURED BY THE FULL FAITH AND CREDIT OF THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF. THE OWNERS AND HOLDERS OF THE BONDS DO NOT HAVE THE RIGHT TO HAVE ANY EXCISES OR TAXES LEVIED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO OR THE TAXING AUTHORITY OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" herein.

Interest on the Bonds will be payable semiannually on June 1 and December 1 of each year, commencing December 1, 2021.

Principal of and interest on the Bonds will be payable at maturity in federal funds at the designated office of The Huntington National Bank, Columbus, Ohio, as registrar, paying agent and transfer agent for the Bonds.

The Bonds are issuable as fully registered obligations and, when issued, will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Bonds will be made in book-entry only form. Purchasers of beneficial interests ("Beneficial Owners") will not receive certificates representing their interests in the Bonds. So long as the Bonds of an issue are registered in the name of Cede & Co., as nominee of DTC, references herein to the owners shall mean Cede & Co. and shall not mean the Beneficial Owners of that issue of Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds maturing after December 1, 2029 will be subject to optional redemption prior to stated maturity. The Bonds maturing on December 1, 2041, December 1, 2044, December 1, 2046, December 1, 2048, December 1, 2051 and December 1, 2053 will be subject to mandatory sinking fund redemption prior to stated maturity. The Bonds are subject to extraordinary optional redemption, all as described in this Official Statement. See "THE BONDS – Redemption" herein.

The Bonds are offered when, as and if issued and received by the Underwriter identified herein (see "UNDERWRITING" herein), subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of certain legal matters by Bricker & Eckler LLP, Columbus, Ohio, Bond Counsel to the City. Certain legal matters will be passed upon for the Underwriter by its counsel, Frost Brown Todd LLC, Columbus, Ohio. Bradley Payne LLC, Circleville, Ohio, has acted as Municipal Advisor to the City in connection with the issuance of the Bonds. See "MUNICIPAL ADVISOR" herein.

This cover page contains certain information for general reference only. It is not a summary of the provisions of the Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This Official Statement has been prepared by the City of Upper Arlington in connection with the original offering for sale by it of the Bonds. It is expected that delivery of the Bonds in definitive form will be made through the facilities of DTC on or about September 30, 2021. The date of this Official Statement is September 14, 2021, and the information herein speaks only as of that date.

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Upper Arlington Gateway Redevelopment Project

OHIO GFOA

Water Revenue Bonds

- $40,465,000 City of Marysville Water System Mortgage Revenue Bonds
  - S&P AA Rating
  - Insured Rating Aa3
  - Final Maturity 2049
  - Security and Sources of Payment
    - Pledge of net revenues
    - First mortgage lien
    - Franchise to operate the utility for 20 years after foreclosure
    - 110% Debt coverage requirement
    - 110% ABT Test
    - Master Trust Indenture

(BAM Insured)
Ratings: S&P Insured: "AA"
MUR: "Aa3"

NEW ISSUE BOOK-ENTRY FORM ONLY **See "RATINGS" and "BOND INSURANCE" herein.**

In the opinion of Bricker & Eckler LLP, Bond Counsel, under existing law (a) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2020 Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the alternative minimum tax, and (b) interest on and any profit made on the sale, exchange or other disposition of the Series 2020 Bonds is exempt from certain taxes levied by the State of Ohio and its political subdivisions. The City has not designated the Series 2020 Bonds as "qualified tax exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Series 2020 Bonds may be subject to certain federal income taxes imposed on certain corporations, and certain taxpayers may have certain other adverse federal income tax consequences as a result of owning the Series 2020 Bonds. For a more complete discussion of the tax aspects, see "TAX MATTERS."

OFFICIAL STATEMENT
$40,465,000
CITY OF MARYSVILLE, OHIO
Water System Mortgage Revenue Bonds, Series 2020

Dated: Date of Delivery **Due: As shown on the inside cover herein**

The above-captioned Water System Mortgage Revenue Bonds, Series 2020 (the "Series 2020 Bonds") are being issued by the City of Marysville, Ohio (the "City" or "Issuer") pursuant to an ordinance of the Council of the City adopted on February 10, 2020, and a Certificate of Award authorized by such ordinance (collectively, the "Bond Legislation"), and an Indenture of Mortgage, dated as of June 1, 1991, as supplemented and amended by a First Supplemental Indenture of Mortgage, dated as of November 15, 1993, a Second Supplemental Indenture of Mortgage, dated as of April 1, 2002, a Third Supplemental Indenture of Mortgage, dated as of November 1, 2003, a Fourth Supplemental Indenture of Mortgage, dated as of October 15, 2007, a Fifth Supplemental Indenture of Mortgage, dated as of June 15, 2016, and a Sixth Supplemental Indenture of Mortgage, dated as of May 20, 2020 (collectively, the "Indenture"), between the City and The Huntington National Bank, Cincinnati, Ohio, as trustee (the "Trustee"), for the purpose of paying costs associated with the acquisition, construction, expansion, rehabilitation, and improvement of the City's municipal water system (the "Utility"). Terms used herein with initial capitalization where the rules of grammar would not otherwise so require and not defined have the meanings given to them under "DEFINITIONS" herein or in APPENDIX B - "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Interest on the Series 2020 Bonds will be payable semiannually on June 1 and December 1 of each year, commencing December 1, 2020. Principal of and interest on the Series 2020 Bonds will be payable at maturity in federal funds at the designated office of The Huntington National Bank, as trustee, registrar, paying agent and transfer agent for the Series 2020 Bonds.

The Series 2020 Bonds are issuable as fully registered obligations and, when issued, will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2020 Bonds will be made in book-entry only form. Purchasers of beneficial interests ("Beneficial Owners") will not receive certificates representing their interests in the Series 2020 Bonds. So long as the Series 2020 Bonds of an issue are registered in the name of Cede & Co., as nominee of DTC, references herein to the owners shall mean Cede & Co. and shall not mean the Beneficial Owners of that issue of Series 2020 Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Series 2020 Bonds are subject to optional redemption prior to their stated maturity, as set forth herein. The Series 2020 Bonds maturing December 1, 2035, December 1, 2037, December 1, 2039, December 1, 2041, December 1, 2043 and December 1, 2049 will be subject to mandatory sinking fund redemption prior to stated maturity as set forth herein. See "THE SERIES 2020 BONDS – Redemption" herein.

THE SERIES 2020 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY, SECURED BY THE INDENTURE HEREIN, AND WILL BE PAYABLE SOLELY FROM THE NET REVENUES AND AMOUNTS IN THE SPECIAL FUNDS DESCRIBED HEREIN. NEITHER THE GENERAL CREDIT OF THE CITY, NOR THAT OF THE STATE OF OHIO OR OF ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2020 BONDS AND THE OWNERS AND HOLDERS OF THE SERIES 2020 BONDS DO NOT HAVE THE RIGHT TO HAVE ANY EXCISES OR TAXES LEVIED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO OR THE TAXING AUTHORITY OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2020 BONDS.

The scheduled payment of principal of and interest on the Series 2020 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2020 Bonds by Build America Mutual Assurance Company.

BAM
GREENSTAR

The Series 2020 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice. Certain legal matters relating to the issuance of the Series 2020 Bonds are subject to the approving opinion of Bricker & Eckler LLP, Bond Counsel. (See "LEGAL MATTERS" and "TAX MATTERS.") Certain other legal matters will be passed upon for the Underwriter by its counsel, Frost Brown Todd LLC, Columbus, Ohio. Bradley Payne, LLC, Circleville, Ohio, has acted as Municipal Advisor to the City in connection with the issuance of the Series 2020 Bonds. (See "MUNICIPAL ADVISOR.")

This cover page contains certain information for general reference only. It is not a summary of the provisions of the Series 2020 Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. This Official Statement has been prepared by the City of Marysville in connection with the original offering for sale by it of the Series 2020 Bonds. It is expected that delivery of the Series 2020 Bonds in definitive form will be made through the facilities of DTC on or about May 20, 2020. The date of this Official Statement is April 29, 2020, and the information herein speaks only as of that date.

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Section 4

SPECIAL ASSESSMENT BONDS

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Special Assessment Bonds

- Used for projects/expenses to be assessed (curb/sidewalk)
- Property Assessed Clean Energy (PACE)
- Secured by the levy/collection of special assessments
- NOT secured by city's general taxing authority
- Can be issued as LTGO or Revenue Security

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Special Assessment Bonds

- $32,020,000 Hamilton Community Authority Property Assessed Clean Energy Taxable Revenue Bonds (Champion Mill Project)
  - DBRS BB Rating
  - Final Maturity 2049
  - Security and Sources of Payment
    - Pledge of Special Assessment collections

NEW ISSUE – BOOK ENTRY ONLY

Ratings: DBRS (Provisional) BB (sf)
See **RATINGS** herein

Interest on the Bonds is not excludible from gross income for federal income tax purposes, but in the opinion of Frost Brown Todd LLC, Bond Counsel, interest on the Bonds, the transfer thereof, and any profit made on their sale, exchange, or other disposition, are exempt from the Ohio personal income tax, the Ohio commercial activity tax, the net income base of the Ohio corporate franchise tax, and income taxes imposed by municipalities and other political subdivisions in Ohio. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

OFFICIAL STATEMENT
$32,020,000
HAMILTON COMMUNITY AUTHORITY (OHIO)
PROPERTY ASSESSED CLEAN ENERGY TAXABLE REVENUE BONDS
(CHAMPION MILL PROJECT), SERIES 2020

Dated: Date of Initial Delivery | **Due: As shown on the inside front cover**

The Bonds: The Hamilton Community Authority, a "new community authority" and body corporate and politic (the "Authority"), is issuing its Property Assessed Clean Energy Taxable Revenue Bonds (Champion Mill Project), Series 2020 (the "Bonds") to (i) provide funds necessary to assist with the financing of the costs of acquiring, constructing, equipping, installing, and improving energy efficient envelope upgrades, electrical systems, HVAC, plumbing fixtures, Energy Star appliances, elevator improvements and related improvements (the "Sports Complex Energy Project") to be constructed by Champion Mill Land, LLC, a Pennsylvania limited liability company (the "Sports Complex Developer") in connection with the development by the Sports Complex Developer of a sporting complex (the "Sports Complex Development") located at 600 N. B Street within the City of Hamilton, Ohio (the "City"), (ii) provide funds necessary to assist with the financing of the costs of acquiring, constructing, equipping, installing, and improving energy efficient envelope upgrades, electrical systems, HVAC, plumbing fixtures, Energy Star appliances, elevator improvements and related improvements (the "Hotel Energy Project", and together with the Sports Complex Energy Project, the "Series 2020 Project") to be constructed by Historic Mill Land 2, LLC, an Ohio limited liability company (the "Hotel Developer", and together with the "Sports Complex Developer", the "Developer") on behalf of the Authority in connection with the development by the Hotel Developer of a hotel near the Sports Complex Development (the "Hotel Development", and together with the "Sports Complex Development", the "Development") located at 601 N. B Street within the City of Hamilton, Ohio, (iii) fund a debt service reserve fund, (iv) pay capitalized interest and capitalized fees on the Bonds, and (v) pay costs of issuance of the Bonds. See **THE BONDS – AUTHORIZATION AND PURPOSE**.

Security and Sources of Payment: The Bonds will be issued and secured under a Trust Agreement, expected to be dated as of March 1, 2020 (the "Trust Agreement"), between the Authority and The Huntington National Bank, as Trustee (the "Trustee"). The Bonds are payable from the revenues, receipts and other moneys assigned under that Trust Agreement to secure payment of the Bonds, which include Pledged Revenues primarily composed of special assessments levied by the City against the real property underlying the Development (the "Assessed Property") for the payment of the costs of the Series 2020 Project (as more fully described in **SECURITY AND SOURCES OF PAYMENT – Special Assessments**, the "Special Assessments") and a portion of the community development charges imposed on the Sports Complex Development and the Hotel Development (as more fully described in **SECURITY AND SOURCES OF PAYMENT – Pledged HCA Charges**, the "Pledged HCA Charges"). The City has pledged the Special Assessments to the Authority pursuant to the Cooperative Agreement among the Authority, the City, City of Hamilton (Butler County), Ohio Energy Special Improvement District I (the "ESID"), the Sports Complex Developer, the Hotel Developer, the Trustee, and any additional necessary parties, expected to be dated as of March 1, 2020 (the "Cooperative Agreement").

THE PURCHASE OF THE BONDS AS AN INVESTMENT IS SPECULATIVE IN NATURE AND SUBJECT TO A HIGH DEGREE OF RISK, INCLUDING THE RISK OF NONPAYMENT OF PRINCIPAL AND INTEREST. SEE "BONDHOLDER RISKS" HEREIN FOR A DISCUSSION OF SUCH FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN EVALUATING THE INVESTMENT QUALITY OF THE BONDS.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY PAYABLE AS TO BOTH PRINCIPAL AND INTEREST SOLELY FROM PLEDGED REVENUES. THE BONDS DO NOT CONSTITUTE A DEBT, OR A PLEDGE OF THE FAITH AND CREDIT OF THE AUTHORITY, THE CITY, OR OF THE ESID, AND THE HOLDERS THEREOF HAVE NO RIGHT TO HAVE TAXES LEVIED BY THE AUTHORITY, THE CITY OR ANY OTHER TAXING AUTHORITY FOR THE PAYMENT OF THE PRINCIPAL THEREOF OR INTEREST THEREON.

Book-Entry: The Bonds will be initially issued only as fully registered bonds, one for each maturity, issuable under a book-entry system, registered initially in the name of The Depository Trust Company or its nominee (DTC). There will be no distribution of Bonds to the ultimate purchasers. The Bonds in certificated form as such will not be transferable or exchangeable, except for transfer to another nominee of DTC or as otherwise described in this Official Statement. See **APPENDIX B – BOOK-ENTRY METHOD; DTC**.

Payment: *(See Maturity Schedule on inside cover.)* Principal and interest will be payable to the registered owner (DTC), principal upon presentation and surrender at the designated corporate trust office of The Huntington National Bank, in Cincinnati, Ohio (the Trustee and Bond Registrar), and interest transmitted by the Trustee on each interest payment date (June 1 and December 1 of each year, commencing June 1, 2020) to the registered owner (DTC) as of the 15th day preceding that interest payment date.

(For Principal Amounts, Interest Rates and Prices or Yields, see inside cover)

Prior Redemption: The Bonds are subject to mandatory sinking fund and optional redemption by the Authority prior to maturity as more fully described herein under **DETAILS OF THE BONDS – Prior Redemption**.

*The Bonds are offered when, as and if issued, and accepted by the Underwriter, subject to the opinion on certain legal matters relating to their issuance by Frost Brown Todd LLC, Bond Counsel. Certain legal matters will be passed upon by Squire Patton Boggs (US) LLP as counsel for the Authority, and by Keating Muething & Klekamp, PLL, as counsel for the Underwriter. Bradley Payne Advisors, LLC has acted as Financial Advisor to the Authority in connection with the issuance of the Bonds. See **FINANCIAL ADVISOR**.*

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This Official Statement has been prepared by the Authority in connection with its original offering for sale of the Bonds. This cover page includes certain information for quick reference only. *It is not a summary of the bond issue.* Investors should read the entire Official Statement to obtain information as a basis for making informed investment judgments.

The date of this Official Statement is February 26, 2020, and the information speaks only as of that date.

OHIO GFOA

City of Hamilton Champion Mill Project

OHIO GFOA

Section 5

LEASE PURCHASE

Lease Purchase

Lease-revenue bonds may be used if the Issuer is constitutionally prohibited from using GO debt or if voter approval for GO debt is considered unlikely

- The lease-revenue or COP structure is widely used by governments for leased-back financing of property and equipment
- Rental payments are made by the municipality to a lessor (issuing entity which is a shell corporation) for a specific asset, such as an office building or school
- The rental payments are derived from taxes or other revenues, but most municipal leases require an annual appropriation for P&I
- Not really considered “debt” if there is a non-appropriation clause

OHIO GFOA

Lease Purchase

- $42,980,000 Port of Greater Cincinnati Development Authority Lease Revenue Bonds
  - Lessee – Mariemont City Scho District
  - S&P AA Rating
  - Final Maturity 2055
  - Security and Sources of Payme
    - Base Rent Paid by the SD
    - Primary Repayment 5.75 mill permanent improvement levy

Rating: Standard & Poor's: "AA"
See "RATING" herein.

NEW ISSUE BOOK-ENTRY FORM ONLY

In the opinion of Bricker & Eckler LLP, Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the 2019 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax and (ii) interest on and any profit made on the sale, exchange or other disposition of the 2019 Bonds is exempt from certain taxes levied by the State of Ohio and its political subdivisions. The Port has not designated the 2019 Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code., as amended. Interest on the 2019 Bonds paid from the interest portion of Base Rent may be subject to certain federal income taxes imposed on certain corporations, and certain taxpayers may have certain other adverse federal income tax consequences as a result of owning the 2019 Bonds. For a more complete discussion of the tax aspects, see "TAX MATTERS."

$42,980,000
PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY
TAX-EXEMPT LEASE REVENUE BONDS
(Mariemont City School District Project), Series 2019
(Special Obligations)
(Payable from Mariemont City School District Annual Rental Appropriations)

Dated: Date of Issuance **Due: December 1 as stated below**

The Bonds are special, limited obligations of the Port of Greater Cincinnati Development Authority (the "Port"), payable solely from the Pledged Revenues (as defined herein) pursuant to a Trust Indenture dated as of February 1, 2019 between the Port and the U.S. Bank National Association, Cincinnati, Ohio (the "Trustee"). The proceeds from the 2019 Bonds will be used finance the construction, improvement, furnishing, and equipping of school facilities for the Mariemont City School District, Hamilton County, Ohio (the "School District").

Interest on the 2019 Bonds (the "2019 Bonds") is payable on June 1 and December 1 of each year, commencing June 1, 2019. Principal of and any premium on the 2019 Bonds is payable to the registered owners (as shown on the register on the 15th day of the month preceding the payment date) by check, draft or wire sent by the Trustee.

The 2019 Bonds will be issuable as fully registered bonds without coupons in the denominations set forth herein. The 2019 Bonds will be issuable under a book-entry only method and registered in the name of The Depository Trust Company ("DTC") or its nominee. There will be no physical delivery of the 2019 Bonds to the ultimate purchasers. Fifth Third Securities Inc., Cincinnati, Ohio, and Hilltop Securities Inc. (collectively, the "Underwriter"), have satisfied the requirements of DTC for the 2019 Bonds to be eligible for its book-entry services. (See "BOOK-ENTRY ONLY SYSTEM.")

The 2019 Bonds maturing after December 1, 2028 will be subject to optional redemption prior to stated maturity, as set forth herein. The 2019 Bonds maturing on December 1, 2035, December 1, 2038, December 1, 2043, December 1, 2048, and December 1, 2055 will be subject to mandatory sinking fund redemption prior to stated maturity as set forth herein. (See "THE 2019 BONDS – Redemption Provisions.")

The 2019 Bonds are payable primarily from Base Rent to be paid by the School District to the Trustee as assignee of all rights of the Port as lessor under the Lease, dated as of February 1, 2019 between the School District and the Port. Neither the School District nor the State of Ohio is a party to the 2019 Bonds.

The current term of the Lease expires on June 30, 2019, and renewals are subject to appropriations by the Board of Education of the School District. Upon the appropriation of sufficient funds to pay Base Rent during each renewal period and certification of sufficiency of those appropriations, the Lease will be renewed by the School District for successive renewal periods, each of one year or less, through December 31, 2055. The School District is not legally bound to make appropriations in the future to renew the Lease. If the Lease is renewed through December 31, 2055, the aggregate of Base Rent is designed to be sufficient in both time and amount to pay when due the principal of and interest on the 2019 Bonds payable from those sources.

RENEWALS OF THE LEASE AND THE OBLIGATION OF THE SCHOOL DISTRICT TO MAKE BASE RENT PAYMENTS AFTER JUNE 30, 2019 ARE SUBJECT TO AND DEPENDENT UPON LAWFUL APPROPRIATIONS BEING MADE FOR THAT PURPOSE AND CERTIFICATION OF THE SUFFICIENCY OF THOSE APPROPRIATIONS. THE 2019 BONDS, THE LEASE AND THE OBLIGATION TO MAKE BASE RENT PAYMENTS DO NOT REPRESENT OR CONSTITUTE A DEBT OF, OR A PLEDGE OF THE FAITH AND CREDIT OF, THE SCHOOL DISTRICT OR THE PORT. NEITHER THE GENERAL CREDIT NOR THE TAXING POWER OF THE PORT OR THE SCHOOL DISTRICT IS PLEDGED TO PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE 2019 BONDS.

The 2019 Bonds are offered when, as is issued and received by the Underwriter, subject to prior sale, and to the approval of legality by Bricker and Eckler LLP, Bond Counsel, and certain other conditions. Bradley Payne Advisors, LLC, Cincinnati, Ohio, has acted as Municipal Advisor to the School District in connection with the issuance of the 2019 Bonds. (See "MUNICIPAL ADVISOR") Certain legal matters will be passed upon for the Underwriter by their Counsel, Frost Brown Todd LLC, Cincinnati, Ohio. Certain legal matters will be passed upon for the Port by the legal counsel, Squire Patton Boggs (US) LLP, Columbus, Ohio. It is expected that the 2019 Bonds in definitive form will be available for delivery to the Underwriter in Cincinnati, Ohio on or about February 21, 2019. The date of this Official Statement is February 5, 2019, and the information speaks only as of that date.

THIS OFFICIAL STATEMENT HAS BEEN PREPARED BY THE PORT IN CONNECTION WITH THE ORIGINAL OFFERING FOR SALE OF THE BONDS. THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

FIFTH THIRD SECURITIES

HilltopSecurities
A Hilltop Holdings Company

OHIO GFOA

Lease Purchase

Section 6

TAX INCREMENT FINANCING

OHIO GFOA

Tax Increment Financing

What is it?

- Local governments may use this tax incentive to finance public infrastructure improvements, and in certain circumstances, residential rehabilitation

What are eligible infrastructure improvements?

- Public roads and highways
- Water and sewer lines
- Remediation
- Land acquisition
- Demolition
- Provision of gas, electric, and communications service facilities
- Enhancement of public waterways

What are not appropriate infrastructure expenditures?

- Police and fire equipment

Tax Increment Financing

Parcel (aka Project TIF)

- For private improvements, serving a public purpose, to one or more parcels of real property within the jurisdiction
- Usually a rather small area with few parcels

Incentive District

- A group of individual parcels of real property comprising an area no larger than 300 contiguous acres and exhibiting one or more characteristics of economic distress (listed in O.R.C. § 5709.40(A)(5))
- For jurisdictions with populations greater than 25,000: Can only be created if the value of real property within all the Incentive Districts, including the proposed Incentive District, will not exceed 25% of the jurisdiction's total real property valuation
- Unlike Parcel TIF's, these may be used to fund residential housing renovation projects in addition to the previously listed infrastructure

OHIO GFOA

Limits on incentive district and Project TIFs:

- The exemption may only be up to 75% of the assessed value. With approval of the school board in the territory, the exemption can exceed 75% (cannot exceed 100%).
- Similarly, the exemption can last not more than ten years unless the school board approves otherwise (cannot exceed 30 years).
- Time limits and procedures are provided by the statute for obtaining approval of the school board.

OHIO GFOA

Tax Increment Financing

Obtaining Approval

- The Municipality sends notice of the intent to do the TIF and the parameters of the TIF to the school district.
- The school may approve by resolution and majority vote, the TIF in excess of ten years and 75%, may disapprove either the TIF in excess of 10 years and 75%, or both, or may approve on the condition that the city and the school board negotiate an agreement for the school board to receive compensation equal to:
  - a percentage of the amount of taxes exempted in the eleventh and subsequent years of the exemption period; or
  - in the case of exemption percentages in excess of seventy-five per cent, compensation equal in value to a percentage of the taxes that would be payable on the portion of the improvement in excess of seventy-five per cent were that portion to be subject to taxation;
  - or other mutually agreeable compensation.

Tax Increment Financing

How it works

- Property value is assessed prior to making a TIF agreement.
- Whatever value is assessed will be the locked taxable value of the property during the TIF agreement
- After improvements are made to the property, the property is reassessed
- The increased value will generally be "taxed," but the amount paid on that increase will be put into a separate fund to finance the public infrastructure improvements defined within the TIF
- Simply put: The property owner will pay the same amount of money to the public entity as it would have if no TIF were in place.
  - The money paid will be split between real estate taxes for the value prior to the TIF and the separate service payment fund for the value after the TIF.
- This is not an abatement – it is a "service payment in lieu of taxes"
- County Treasurer collects PILOTs along with real estate taxes
  - Tax lien secures PILOT payments
- The service payments are made pursuant to an agreement with the developer.

OHIO GFOA

Tax Increment Financing

Hold Harmless

- If the municipality implementing the TIF provides a portion of the service payments to the school district which cover the portion of taxes the school district would otherwise have received, the school district is considered to be "held harmless."
- The municipality is not required to hold the school district harmless. The municipality could offer payments less than the full amount the school district would have received. The municipality is also not required to obtain approval of the school district if the TIF is limited to 10 years in duration and the exemption is limited to 75%.
- There are default compensation requirements related to income tax.

OHIO GFOA

Tax Increment Financing

- $18,380,000 Hamilton Community Authority Tax Increment Revenue Bonds (Champion Mill Project) & $17,710,000 TIF Revenue Subordinate Revenue Bonds
  - Cooperative agreement with the City of Hamilton pledging TIF Revenues
  - Non Rated
  - Final Maturity 2051
  - Security and Sources of Payment
    - TIF Revenues
    - Minimum Service Payment Obligation
    - NCA Charges

NEW ISSUE – BOOK ENTRY ONLY — See **NO RATINGS** herein

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see TAX MATTERS herein.

OFFICIAL STATEMENT
$36,090,000
HAMILTON COMMUNITY AUTHORITY (OHIO)

$18,380,000	$17,710,000
Tax Increment Financing Revenue Bonds (Champion Mill Project), Series 2020	**Tax Increment Financing Revenue Bonds (Champion Mill Project), Subordinate Series 2020**

Dated: Date of Initial Delivery — **Due: As shown on the inside front cover**

The Bonds: The Hamilton Community Authority, a "New Community Authority" and body corporate and politic (the "Issuer"), is issuing its Tax Increment Financing Revenue Bonds, Series 2020 (Champion Mill Project) (the "Senior Bonds") and its Tax Increment Financing Revenue Bonds, Subordinate Series 2020 (Champion Mill Project) (the "Subordinate Bonds," and together with the Senior Bonds, the "Bonds") to pay the costs of improving the property consisting of the former Champion Paper mill in Hamilton, Ohio and redeveloping such property into a sports and entertainment complex (the "Sports Complex Project") and a hotel and convention center (the "Hotel Project" and together with the Sports Complex Project, the "Project", all as further described herein), funding a debt service reserve fund, funding a capitalized interest deposit, and paying costs of issuance of the Bonds. See **THE BONDS – AUTHORIZATION AND PURPOSE.**

Security and Sources of Payment: The Bonds will be issued and secured under a Trust Agreement, dated as of March 1, 2020 (the "Trust Agreement"), between the Issuer and The Huntington National Bank, as Trustee (the "Trustee"). The Bonds are payable from the revenues, receipts and other moneys assigned under that Trust Agreement to secure payment of the Bonds, which include Pledged Revenues primarily composed of certain payments in lieu of taxes to be paid over to the Issuer under a cooperative agreement (the "Cooperative Agreement") among the Issuer, the City of Hamilton, Ohio (the "City") and the Butler County Port Authority dated as of March 1, 2020. *The obligation of the City to make transfer service payments in lieu of taxes to the Issuer pursuant to the Cooperative Agreement is expressly made subject to the receipt of such service payments from the owners of parcels on which the Sports Complex Project and the Hotel Project are located and appropriation of such service payments by City Council for payment to the Issuer under the Cooperative Agreement.*

THE PURCHASE OF THE BONDS AS AN INVESTMENT IS SPECULATIVE IN NATURE AND SUBJECT TO A HIGH DEGREE OF RISK, INCLUDING THE RISK OF NONPAYMENT OF PRINCIPAL AND INTEREST. SEE "BONDHOLDER RISKS" HEREIN FOR A DISCUSSION OF SUCH FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN EVALUATING THE INVESTMENT QUALITY OF THE BONDS.

NO APPLICATION HAS BEEN MADE FOR A RATING WITH RESPECT TO THE BONDS, NOR IS THERE ANY REASON TO BELIEVE THAT THE ISSUER WOULD HAVE BEEN SUCCESSFUL IN OBTAINING AN INVESTMENT GRADE RATING FOR THE BONDS HAD SUCH APPLICATION BEEN MADE.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER PAYABLE AS TO BOTH PRINCIPAL AND INTEREST SOLELY FROM PLEDGED REVENUES. THE BONDS DO NOT CONSTITUTE A DEBT, OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER OR OF THE CITY, AND THE HOLDERS THEREOF HAVE NO RIGHT TO HAVE TAXES LEVIED BY THE ISSUER, THE CITY OR ANY OTHER TAXING AUTHORITY FOR THE PAYMENT OF THE PRINCIPAL THEREOF OR INTEREST THEREON.

Book-Entry: The Bonds will be initially issued only as fully registered bonds, one for each maturity, issuable under a book-entry system, registered initially in the name of The Depository Trust Company or its nominee (DTC). There will be no distribution of Bonds to the ultimate purchasers. The Bonds in certificated form as such will not be transferable or exchangeable, except for transfer to another nominee of DTC or as otherwise described in this Official Statement. See **APPENDIX C – BOOK-ENTRY METHOD; DTC.**

Payment: *(See Maturity Schedule on inside cover.)* Principal and interest will be payable to the registered owner (DTC) by The Huntington National Bank, in Cincinnati, Ohio (the Trustee and Bond Registrar), principal at maturity or mandatory sinking fund payment dates and interest on each interest payment date (June 1 and December 1 of each year, commencing June 1, 2020) to the registered owner (DTC) as of the 15th day of the month preceding that payment date.

(For Principal Amounts, Interest Rates and Prices or Yields, see inside cover)

Prior Redemption: The Bonds are subject to mandatory sinking fund and optional redemption by the Issuer prior to maturity as more fully described herein under **DETAILS OF THE BONDS – Prior Redemption.**

The Bonds are offered when, as and if issued, and accepted by the Underwriter, subject to the opinion on certain legal matters relating to their issuance by Squire Patton Boggs (US) LLP, Bond Counsel. Certain legal matters will be passed upon by Keating, Muething & Klekamp PLL, as counsel for the Underwriter. Bradley Payne Advisors, LLC has acted as Financial Advisor to the Issuer in connection with the issuance of the Bonds. See ***FINANCIAL ADVISOR.***

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This Official Statement has been prepared by the Issuer in connection with its original offering for sale of the Bonds. This cover page includes certain information for quick reference only. *It is not a summary of the bond issue.* Investors should read the entire Official Statement to obtain information as a basis for making informed investment judgments.

The date of this Official Statement is March 16, 2020, and the information speaks only as of that date.

OHIO GFOA

Section 7

BANK FINANCINGS

Direct Purchase Bank Financings (Private Placements)

- Traditional Direct Purchase Term Loans, particularly on a fixed rate basis, remain prevalent and are often structured similarly to publicly offered bonds and have become appropriate alternatives that help mitigate market disruption
- Many providers have tax-exempt and taxable capacity and the desire to provide direct funding options that will be held on balance sheet over the term and will consider a wide variety of structures, terms and sizes

Bank Financing

Purpose	New money, refunding or combined
Security	GO pledge and revenue pledge, with other structures considered on an individual basis
Structures	Traditional fixed rate loans, short-term notes, floating rate index notes and other structures
Term/Amortization	Customarily 10 to 15, sometimes 20 years with preference for level amortization
Rate	Fixed or floating rate with ability to lock in rates up to 24 months in advance of closing
Tax-Status	Taxable or Tax-Exempt
Size	$1 to $100 million+
Optional Redemption	Differentials for various call provisions based on each financing

Bank Financing

	Public Sale	Direct Placement
Benefits	• Potentially lower rates at many points across the yield curve • Longer terms – 20+ years are common • Pricing transparency	• Reduced cost of issuance • Ease of execution / speed to market • No public disclosure • No ratings required • Rate lock flexibility (ability to lock in rates up to 2 years prior to closing) • Flexible call provisions • Flexible amortization structure and term
Considerations	• Disclosure requirements • Rating requirements • Longer lead time prior to pricing • Potentially less efficient forward delivery market in current environment • Typically, higher costs of issuance, including underwriter's discount	• Loan may accelerate in the event of default • Potential increased rating agency scrutiny in the future • Disclosure requirements could be mandated • Cost/yield protection

OHIO GFOA

Section 8

DEBT LIMITATIONS

Direct debt limitations

- Municipalities
- Counties
- Townships
- School Districts
- Exemptions

Indirect debt limitation

- The “ten-mill’ limitation

Municipal Direct Debt Limitations

- Unvoted debt limitation is 5.5% of total assessed valuation (AV)
- Voted + unvoted debt limitation is 10.5% of total assessed valuation
- Example: total AV of a city is $400,000,000, so unvoted debt capacity is $22,000,000 and total debt capacity is $42,000,000

County Direct Debt Limitations

- Unvoted debt limitation is 1% of total assessed valuation
  - Example: total AV of a county is $400,000,000, so total unvoted debt capacity is $4,000,000

County Direct Debt Limitations

- Voted + unvoted debt limitation
  - 3% of first $100,000,000 of total AV
  - $3 million plus 1.5% of next $200,000,000 in total AV
  - $6 million plus 2.5% of total AV exceeding $300,000,000
- Example:
  - Total AV of a county is $400,000,000
  - Unvoted debt limitation is equal to:
    - $100,000,000 x 3% = $3,000,000 *plus*
    - $200,000,000 x 1.5% = $3,000,000 *plus*
    - $100,000.000 x 2.5% equals $8,500,000

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Township Direct Debt Limitations

- Non-limited home rule township
  - No general authority for unvoted debt (only specific statutory authorizations)
  - Voted debt limitation is 5% of total AV
- Limited home rule township
  - Unvoted debt limitation is 5.5% of total AV
  - Voted + unvoted debt limitation is 10.5% of total AV

School District Direct Debt Limitations

- Unvoted debt limitation is 0.1% of total AV
  - Unvoted debt limitation for “energy conservation measures” is 0.90% of total AV
  - Unvoted debt payable from payments in lieu of taxes may be issued with approval of superintendent of public instruction

OHIO GFOA

School District Direct Debt Limitations

- Voted + unvoted debt limitation is 9% of total AV, but consent of superintendent of public instruction required for debt in excess of 4% of total AV
  - "Special needs" districts may exceed 9% limit with:
    - Consent of superintendent of public instruction,
    - Consent of tax commissioner,
    - Projected assessed valuation growth of 1.5% annually for the next 5 years (based on historically 10-12 year growth)
    - Total debt including new issue does not exceed 12% assuming projected AV in 10 years
  - Debt in excess of 4% and 9% limits may be issued to provide local share of OSFC project (ORC Ch. 3318)

Indirect Debt Limitations

- ORC 5705.02 imposes a ten-mill (1.0%) limitation on each dollar of tax valuation
- The “ten-mill limitation” applies to the aggregate amount of taxes which may be levied for payment of debt service (principal and interest) on UNVOTED general obligation issued by all overlapping subdivisions taxing the same property
- Voter approval means the “ten-mill limitation” does not apply

Indirect Debt Limitations

- Millage calculation example:
  - Annual debt service for unvoted debt of a subdivision is $200,000; total AV of the subdivision is $100,000,000
  - Millage calculation:

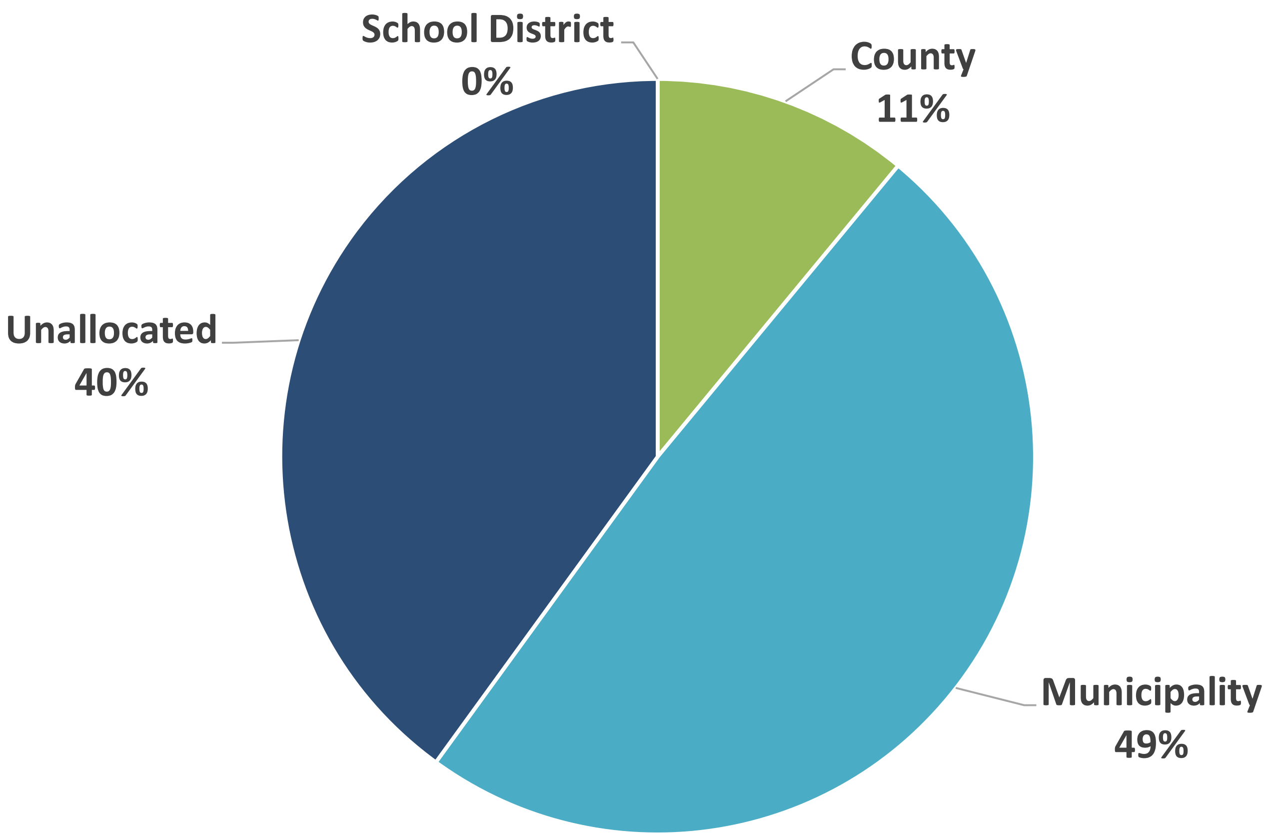
$$\frac{\text{Total annual debt service}}{\text{Total assessed valuation}} \times 1000$$

($200,000 / $100,000,000) x 1000 = 2 mills

- Ten-Mill Certificate

OHIO GFOA

Example of 10-Mill Allocation:



Compliance

Looking to GFOA's Best Practices

GFOA Debt Management Policy Best Practices http://www.gfoa.org/debt-management-policy

GFOA Debt Issuance Checklist: Considerations When Issuing Bonds

http://www.gfoa.org/sites/default/files/u2/GFOADebtIssuanceChecklistConsiderationsWhenIssuingBonds.pdf

GFOA Government Finance Review Articles:

- **Ensuring a Successful Bond Sale** http://www.gfoa.org/sites/default/files/GFR_FEB_10_16.pdf
- **Back to Basics: What Every Government Should Check Each Time It Issues Debt**
  http://www.gfoa.org/sites/default/files/GFR_FEB_10_30.pdf
- **Best Practices Optimize Debt Management** http://www.gfoa.org/sites/default/files/GFR_FEB_13_8.pdf

National Bond Lawyers/GFOA Post Issuance Compliance Checklist

http://www.gfoa.org/sites/default/files/u2/PostIssuanceCompliance.pdf

Municipal Securities Rulemaking Board www.msrb.org

GFOA Debt Management Policy Best Practices http://www.gfoa.org/debt-management-policy

MSRB's Electronic Municipal Market Access system (EMMA) http://emma.msrb.org

Important Disclosures

- For Bradley Payne LLC's (dba, Bradley Payne Advisors) SEC registration information, see: https://www.sec.gov/edgar/searchedgar/companysearch.html

- *Heather Arling is a Registered Municipal Advisor with the Securities & Exchange Commission. (For MSRB's Regulatory Notice and description for G-42 duties, please see: http://www.msrb.org/~/media/Files/Regulatory-Notices/Announcements/2016-03.ashx?la=en)*

OHIO GFOA