

*MINUTES OF THE
BUILDING AUTHORITY OF COLUMBUS*

October 25, 2022

Deputy City Manager Conference Room - CCG Annex Building, 420 10th Street

MEMBERS PRESENT: Christopher Smith, Board Chairman; Leila Carr, Vice Chairperson, Angelica Alexander, Board Secretary/Treasurer; Renee Sturkie, Assistant Board Secretary; and Olive Vidal-Kendall, Board Member

MEMBERS ABSENT: No members were absent

OTHERS ATTENDING: Pamela Hodge, Deputy City Manager; Lucy Sheftall, Assistant City Attorney

COUNSELORS: No counselors were present

GUESTS: Rob McKenna, Board Counsel; Jim Pannell, Bond Counsel; Stephen Swinson, Bond Counsel; Doug Gebhardt, Financial Advisor, Davenport and Company; Courtney Rogers, Financial Advisor, Davenport and Company, Nicholas Clinkscales, Assistant Finance Director

CALL TO ORDER:

Board Chairman, Christopher Smith, called the October 25, 2022, meeting of the Building Authority of Columbus to order. A quorum was present, and notice was given regarding attendance.

ACTION ITEMS:

Adoption of Bond Resolution Series 2022C Bonds in the Amount of \$12,450,000 to Authorize to Purchase the Property Located at 1000 5th Avenue which is currently owned by TSYS

Doug Gephardt, Financial Advisor for the Building Authority for the City of Columbus, addressed the board along with Jon Pannell and Steven Swinson who walked through questions regarding the bond resolution itself.

He gave an overview of what happened today and a few market updates. As you are aware, earlier this year, we went and got the credit ratings. But to issue a new series of bonds, which are the Series 2022C bonds that we are going to be issuing today, we had to go back to the credit rating agencies, and we are pleased to report that both Moody's and S&P confirmed those ratings as AA2 and AA+, respectively. There was not much change in their commentary given that we did not have any real new financial results to share other than some unaudited data. But overall, they highlighted a few credit shrinks, the government's healthy financial position, balanced operations, strong reserves, and growing revenue sources just to name a few from Moody's.

The S&P affirmed the AA+ rating. They did note, again, strong financial management environment, a strong liability profile characterized by limited debt. So, despite taking

on some additional debt we took on earlier this year, it is still relatively strong from a peer ratio standpoint.

What we did earlier last week is we put out a document called a Notice of Sale, which sets forth the terms and conditions which underwriters would be able to put in a competitive bid. We were pleased to report at 11 AM this morning, we received bids from seven financial institutions, which is a very strong number. Three is what is needed for the IRS purposes to be considered a competitive process. We normally like to see five; seven was a great response. TD Securities was the winning bidder at a bid of 4.31%.

The Final Pricing Results

We were looking at doing a 20-year level debt service issuance. The coupons in yields, you can see a 5% coupon. The yields were all lower, which lead to prices above 100. And what that means is we were going to borrow for a roughly \$13M project, but because of the bond premium, the investor is paying more than 100% on the dollar. We only had to issue 12.45 million today.

The Final Debt Service and The Sources and Uses

The first interest payment begins in FY2024, so it will not impact the city's budget this year. With the debt service payments being flat leveled at service around \$1M a year over the next 20 years or so. The repayment source from the bonds is a full faith in credit, which secures the intergovernmental contract between the Building Authority and the city, they intend to use the OLOST or Other Local Option Sales Tax to service the debt.

Interest rates have been trending up recently with the fed actions, but while they have risen from a historical perspective, rates are still relatively attractive and really in the range, where we saw them from the 2010 – 2015 range, or so. But the bigger piece that we wanted to focus on is that the vast majority of the city's capital plan and between the 19 refinancing, the judicial center and admin building totaling close to \$250M in debt had interest rates up 2.5% respectively. And so, you can see on this building we are back in the 4.5% range. And that is largely just due to the fed's actions that are being taken to help curb the inflation that is going on in the national economy.

So, what we are looking for you all to do on the next step is we ask that you consider the adoption of the bond resolution which ratifies the sale results and will allow us to begin the validation process if you do adopt that resolution. We are going to council tonight for the approval of the city resolution which authorizes the execution of that intergovernmental contract between the city and Building Authority, which guarantees the debt service payments. And then we're scheduled to close on the bonds on November 22, roughly a month from today.

Stephen Swinson, Bond Counsel, addressed the board regarding the documents. Columbus got another outstanding rating. Before you is a bond resolution. Attached to it is Exhibit A, which is a form of a lease agreement. This bond resolution authorizes proceeding with the project which consists of converting the building located at 1000 5th

Avenue into a sheriff administration office. It authorizes the bid, given by TD Securities, the amount of the bond being \$12,450,000. As mentioned, the lease contract is the security for the bond. It also authorizes the finance team to proceed with posting what is called the official statement, which is essentially the offering document that investors can look at to evaluate whether they want to buy bonds, and then also proceed with bond validation proceedings and close the transaction.

A request to make a motion to adopt the bond resolution as presented, with the sale, offering and validation are all included within the document. A motion was made by Leila Carr to approve the proposed bond resolution as set forth today. It was seconded by Olive Vidal-Kendall. The board voted and it was unanimously approved.

Approval for Release of Parcel 2 at MTP to the Development Authority of Columbus, Georgia

Rob McKenna, Board Counsel, presented to the board regarding the approval of the release of the Parcel 2 at MTP to the Development Authority of Columbus, Georgia. This is regarding a parcel at Path-Tec which is on Old Brim Road. They have approached the Development Authority to acquire a piece of the that property. Parcel 2 is roughly 43 to 45 acres right next door to them. They want to get about eight acres to do a new parking lot, and potentially the rest of Parcel 2 for expansion of their facility. So, we would need to release Parcel 2 which is currently under a bondage with the city (2019 bond issue) subject to the Development Authority bringing some back out for potential projects. So, the Development Authority is asking that the Columbus Building Authority release what they call Parcel 2.

Olive Vidal-Kendall made a motion to approve the release of Parcel 2 at MTP to the Development Authority of Columbus, Georgia. It was seconded by Renee Sturkie. The board voted and it was unanimously approved.

Approval of the Execution of Release of Wilson Camp Oxbow from the \$8,800,000 Columbus Building Authority (Columbus, Georgia) Revenue Bond Series 1991

Rob McKenna presented the board regarding the approval of the release of Wilson Camp Oxbow from the 1991 bond issue which has been fully paid and needs to be transferred back to the city. Technically, it does not need approval because under the lease agreement, it was supposed to go back to the city anyway, once it was paid off. And it is now paid off. We just need to authorize the execution of the quit claim deed.

Lucy Sheftall added that we are also able to take care of another situation at the same time because in deeding it back to the city, we are going to note some amendments to the use of the property as a landfill that the EPD is requiring.

Renee Sturkie made a motion approve to release of the Wilson Camp Oxbow from the series 1991 bonds. Olive Vidal-Kendall seconded the motion. The board voted and it was unanimously approved.

Approval of the Second Amendment to License Agreement with Path-Tec, LLC

Rob McKenna presented the board regarding the approval to a second amendment to the license agreement with Path-Tec, LLC. We are going to release that property to them, but in the meantime, they are going to need the use of the property until they can construct on it. It expires in December. We extended it last year until December of this year. So, we are just going to extend it for another year. And hopefully, it will be all taken care of, and they'll have their own parking facility.

Olive Vidal-Kendall made a motion to approve the second amendment to license agreement with Path-Tec, LLC. It was seconded by Leila Carr. The board voted and it was unanimously approved.

Approval of June 29, 2022 CBA Board Meeting Minutes

A motion was made to approve the June 29, 2022 Columbus Building Authority Board Meeting Minutes with edits by Olive Vidal-Kendall. Renee Sturkie seconded the motion. The board voted and it was unanimously approved.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

With there being no further business to discuss, the meeting was adjourned.

Glen Arrington

Glen Arrington
Recording Secretary