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Franklin County Treasurer Purchases Bonds, Creating Jobs and Saving Millions

Columbus (OH) – Today, the Franklin County Treasurer's office purchased the entire $16 million worth of bonds being issued by the Franklin County Convention Facilities Authority. The Convention Facilities Authority owns and operates the Greater Columbus Convention Center. The $16 million will provide financing for the expansion of the existing Vine Street Parking garage located near the intersection of North High and Vine Streets in the Arena District. The expansion will add 900 much needed additional parking spaces to the garage. Those additional parking spaces will serve Convention Center attendees, Arena District businesses, and the new Hilton Columbus Downtown Hotel (across from the Convention Center).

By purchasing the $16 million in bonds directly, Treasurer Leonard helped the Franklin County Convention Facilities Authority (FCCFA) save millions of dollars in interest costs and closing costs associated with a public bond offering. Had the FCCFA financed the construction using the traditional public offering of the bonds, the FCCFA would have had to pay a higher interest rate to those bondholders.

Treasurer Leonard also points out that Franklin County's investment portfolio also benefits from this collaboration. The bonds are structured so that the County will receive 2% more in interest on that $16 million in its investment portfolio, which is significantly higher compared to

what would be earned with a US Treasury Note. That innovative structure will equal **$1.6** million in additional income to the County's investment portfolio in just the first 5-year interval. The 30 year bonds were structured as 5 year bonds with the opportunity for the County Treasurer to renew the bonds every 5 years up to the full 30 years.

Aside from adding construction jobs during these hard economic times; this purchase should potentially save the Convention Facilities Authority (CFA) an estimated **$11.8** million in interest costs over the 30 year life of the bond. This savings results from the County's benefit of being able to offer a lower interest rate, lower issuance costs, lower capitalized interest and the avoidance of maintaining a debt service reserve fund.

"It's a win-win for Franklin County" said Treasurer Leonard. "The Facilities Authority saves millions in interest that it would have to pay over the life of these bonds, and the County's investments earn more interest than we would normally earn. Plus, we are helping facilitate economic development in our community. I am always interested in doing these types of projects."

William Jennison, FCCFA Executive Director, thanked Treasurer Leonard for his assistance. "The savings from this transaction allows us to complete the garage project concurrent with the Hilton hotel project. By next October, with the partnership of Franklin County, the City of Columbus and Nationwide Realty Investors (the developers of an adjacent office project), we will have redeveloped an entire block of downtown." The Nationwide office development will bring over 1,000 new jobs to downtown.

This effort demonstrates positive collaboration between government and the private sector that will provide for much needed services to help stimulate economic development and growth.

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