

THE BOND BUYER

Ohio enhancement program hits 100-deal milestone

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After hitting a deal milestone, Ohio is promoting its state enhancement programs for local governments and school districts seeking improved market access and greater savings on debt service.

Last week the 100th transaction was wrapped under the Ohio Market Access Program.

OMAP, designed to lower local governments' costs when issuing short-term notes, has now supported 100 deals ranging from \$390,000 to \$103 million since it was launched in September 2014.

"There were three issuing notes which simultaneously pushed the total number to 100: The Village of Jackson Center, the City of Forest Park and Perry County," said Chris Berry, a spokesman for Ohio Treasurer Josh Mandel.

"We expect OMAP to continue its impressive growth as more Ohio local governments become aware of this proven tool that improves market access and saves money on debt service," said Berry. "By participating in OMAP, local governments and schools across Ohio benefit from strengthened credit quality, lower costs of borrowing, and improved marketability while limiting their renewal risk for short-term notes."

Berry said there have been no defaults under the program and to date, the fund has generated more than \$2.25 million of total savings for Ohio local governments. "According to participating underwriters, it saves local governments, on average, 31% on their annual interest expense," Berry said. S&P Global Ratings has assigned a top short-term rating of SP-1-plus rating to OMAP.

In 2014, the first deal wrapped through the program [was awarded](#) the Small Issuer Deal of the Year by The Bond Buyer.

The state has pledged up to \$300 million a year from its own liquidity fund to back the notes in case of default. The state will issue a standby note purchase agreement for each deal, promising to purchase either a renewal note or the

unpaid note at maturity if the issuer misses the payment. The credit enhancement is available only to deals with maturities of one year or less.

The state also offers local governments access to debt for infrastructure projects through the Department of Transportation's state transportation infrastructure general revenue fund state infrastructure bank bond fund. The bonds are supported by loan repayments from Ohio's two infrastructure banks: the Ohio GRF State Infrastructure Bank Program and the Federal Title XXIII State Infrastructure Bank Program. Unlike OMAP, the SIBs are not credit enhancement programs.

The SIBs offer local governments financing options for qualified transportation projects. Since the inception of each SIB program, there have been eight Ohio GRF bonds issued and two Federal Title XXIII bonds issued totaling \$41,465,000. The Ohio GRF SIB Program is rated AA-plus by S&P, and the Federal SIB Program is rated AA by Fitch Ratings. State of Ohio general obligation, general revenue funds are rated AA-plus by S&P and Fitch Ratings. Moody's Investors Service rates Ohio GOs Aa1.

Akron-Canton Airport, which plans to price a \$15 million project revenue bond on Thursday, is the largest GRF borrower. KeyBanc Capital Markets is the senior manager.