

## TIF CASE STUDY: EASTON TOWN CENTER COLUMBUS, OHIO

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**Finance:** \$30,050,000 Tax Increment Financing Bond issue, Series 1999

**Overview:**

The tax increment financing district was established for development of Easton, a major multi-purpose development in the heart of Columbus' northeast growth corridor. It is a 1,200 acre planned community that integrates 8,000,000 square feet of office and distribution space, 4,000,000 square feet of diverse retail, over 1,000,000 square feet of lodging and conference facilities, restaurants and entertainment venues and more than 700 residential units. Proceeds of the bond issue were used primarily to reimburse the developer (The Limited, Inc.) for road improvements and right-of-ways that had been dedicated to the city of Columbus. Negotiations between the city and the developer were needed. The TIF structure incorporated developer guarantees that are secured by a letter of credit provided by the developer. Based upon the strength of these guarantees, the bonds were sold as a triple-A insured issue (AMBAC). The city of Columbus did not provide any credit support to the transaction, and the Columbus City Schools were not a financial participant.

In 2004, with TIF revenues meeting expectations, the developer wanted to make additional improvements in the Easton TIF district and to be released from its obligation of providing a letter of credit on the Series 1999 Bonds. In addition, the city desired to take advantage of the passage of a state law amendment that allowed TIF Revenue generated from the Easton TIF district to be diverted for public infrastructure improvements in other areas of the city. To accomplish developer and city objectives, and to comply with the provisions of the Series 1999 Bonds, the Series 1999 Bonds were advance refunded with the issuance of \$36,430,000 Refunding and New Money Bonds. The new borrowing which was also secured with bond insurance from AMBAC was structured as a pure TIF revenue borrowing and permits the issuance of subordinated debt, released the existing LOC commitment and generated approximately \$2.4 million for the city for additional downtown development.



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