

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



JEFFREY R. CLEMENTS
Chief of Research
(904) 255-5137

117 West Duval Street
City Hall, Suite 425
Jacksonville, FL 32202
FAX (904) 255-5229

Bill Type and Number: Ordinance 2023-183

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: March 14, 2023

Committee(s) of Reference: F

Date of Analysis: March 16, 2023

Type of Action: Authorization to modify variable index rate on outstanding borrowing; authorizing amendments to bond documents

Bill Summary: The bill authorizes the City's Economic Development Officer to execute and deliver amendments to bond documents for bonds bearing variable rate interest calculated using the London Interbank Offered Rate (LIBOR).

Background Information: The City has issued debt (industrial development revenue bonds, educational facility revenue bonds, health facility revenue bonds, etc.) as a conduit borrower on behalf of numerous companies and institutions, none of which are a debt of or obligations payable by the City. Repayment is the responsibility of the entity for whom the City acted as the conduit borrower. For many years, variable rate borrowing around the world has used the London Interbank Offered Rate (LIBOR) index as the underlying factor in calculating initial and subsequently variable interest rates. LIBOR is being disbanded and therefore will no longer be used by the financial markets as the underlying index for variable rate borrowing. Other indices have been developed to take LIBOR's place, and this bill authorizes the Economic Development Officer to execute bond document amendments and other paperwork necessary to replace references to LIBOR in outstanding bond documents to the new indices to which borrowers and lending institutions can agree.

Policy Impact Area: Conduit borrowing bond document amendments

Fiscal Impact: None to City

Analyst: Clements