Cleveland-Cuyahoga County Port Authority

Innovative Funding and Finance Approaches

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Cleveland-Cuyahoga County Port Authority

Port-financed community projects in excess of $1.5 billion over 13 years
Assisted public and private sectors in retaining and creating 13,000 jobs in Northeast Ohio

Rock & Roll Hall of Fame and Museum

$38,995,000 fixed & variable rate revenue bonds
Received at closing: $2,400,000 (refinanced twice)
Ongoing revenues: $240,000
Promote tourism on the waterfront as well as culture and education
OfficeMax

$18,530,000 stand alone, custom-designed synthetic lease
Received at closing: $125,000
Ongoing revenues: $23,000 per year
➤ *First governmental synthetic lease in the US*

University Square Parking Garage

$40,600,000 special assessment/tax increment revenue bonds
Received at closing: $250,000
Ongoing revenues: $2,200,000
➤ *JOBS: 740 created and 120 retained*

Northeast Ohio Areawide Coordinating Agency

$3,345,000 fixed rate revenue bonds
Ongoing revenues: $52,000
➤ *Downtown restoration/ revitalization*
Superior Avenue Streetscape

$2,965,000 special assessment/tax increment revenue bonds

- Received at closing: $25,000
- Ongoing revenues: 50 basis points, projected at $100,000

Public collaboration

Parma Community General Hospital
Outpatient Surgery and Medical Arts Center 4

$24,000,000 Total Project Cost - 100% financing

- Received at closing: $250,000
- Ongoing revenues: $2,200,000

240 jobs created

Cleveland Clinic Stem Cell Research Facility

$32,000,000 custom-designed bonds

- Received at closing: $250,000
- Ongoing revenues: $1,650,000

300 jobs created
Jergens

$5,720,000 fixed rate revenue bonds
Ongoing revenues: $180,000
Brownfield remediation

Brownfield remediation

Applied Industrial Technologies

$18,835,000 fixed rate revenue bonds
Received at closing: $200,000
Ongoing revenues: $113,000
Retained company in core city

Retained company in core city

Playhouse Square

$2,825,000 fixed rate revenue bonds
Received at closing: $23,000
Ongoing revenues: Bonds redeemed
Theatre District improvement

Theatre District improvement
Development Finance Programs

- Packaging incentives
- Long-term fixed rate financing
- Use of Port Authority bonds
  - Fixed rate / Systematic
  - Stand Alone / Custom-designed

Advantages of Stand Alone / Custom-designed

- Improve balance sheet and earnings
- Manage bank covenants
- Reduce real estate risk
- Preserve banking relationships

Benefits of Development Finance

- Job creation and retention
- Preserve debt capacity (public and private)
- Revitalization; elimination of blighted areas
- Sales Tax Exemption on Construction Materials
Building Revenues through DF

Summary of Development Finance Revenues


Development Finance Revenues in 1997 vs 2006

Port Revenues in 1997
- Maritime: 61%
- Admin: 32%
- Development Finance: 7%

Port Revenues in 2006
- Maritime: 34%
- Admin: 41%
- Development Finance: 25%

Port Revenue Profile
- Port can diversify operating revenues
- Fees received are non-tax operating revenues
Port of Cleveland
...More Than a Working Waterfront