

Cleveland-Cuyahoga County Port Authority

Innovative Funding and
Finance Approaches

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AAPA - Montreal



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





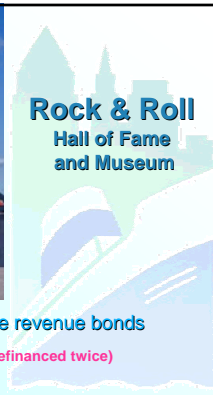
Rock & Roll Hall of Fame and Museum

\$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*



Applied Industrial Technologies

\$18,835,000 fixed rate revenue bonds
 Received at closing: \$200,000
 Ongoing revenues: \$113,000

➤ *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*

Development Finance Programs

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



Advantages of Stand Alone/ Custom-designed

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

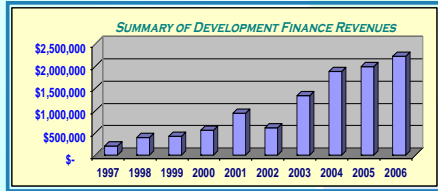


Benefits of Development Finance

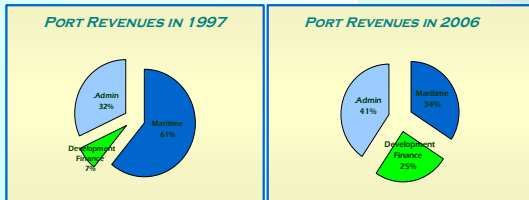
- o Job creation and retention
- o Preserve debt capacity (public and private)
- o Revitalization; elimination of blighted areas
- o Sales Tax Exemption on Construction Materials



Building Revenues through DF



Development Finance Revenues in 1997 vs 2006



Port Revenue Profile

- o Port can diversify operating revenues
- o Fees received are non-tax operating revenues