

## **Warren County Port Authority**

Meeting Minutes  
September 5, 2007

### **Opening:**

The regular meeting of the Warren County Port Authority was called to order at 5:010 pm on September 5, 2007 in the Warren County Administration Building, Room 128 B by Kimm Coyner.

### **Present:**

**Warren County Port Authority Board Members:** Ken Weiss, Geoff Hearsum, Dave Gully, Steve Wilson, Greg Ficke, Greg Sample and Doug McNeill

**Warren County Economic Development Staff:** Kimm Coyner and Martin Russell

### **Other Attendees:**

Price Finley, Warren County Bond Counsel

Andy Brossart – 5/3 Bank

Paul Jacobs – USI-Midwest Insurance

Bill Brock – City of Monroe, City Manager

Steve Miller – Vandercar Monroe, LLC

Terry Banker, Warren County resident

Lyle Jones, Warren County resident

### **A. Approval of Agenda**

The agenda and additional resources were distributed to the board for review and consideration without disapproval.

### **B. Approval of Minutes**

A motion was offered by Steve Wilson and seconded by Dave Gully to accept the minutes of the Warren County Port Authority's Board Meeting on August 27th, 2007. The motion passed with a unanimous voice vote.

### **C. Old Business**

- Staff presented the Board updated bylaws with the requested changes as determined and agreed upon in the August 27, 2007 meeting. A motion was offered by Steve Wilson and seconded by Geoff Hearsum to adopt the presented Warren County Port

Authority Bylaws and post them on the Warren County Economic Development website for public review. The motion passed with a unanimous voice vote.

- Staff presented its recommendation, USI-Midwest, regarding which agent to engage regarding the purchase of public liability insurance for the Warren County Port Authority Board. Steve Wilson offered a motion to engage USI-Midwest and their representative Paul Jacobs to provide public liability insurance for an annual premium of \$2,499. The motion was seconded by Ken Weiss and passed by a unanimous voice vote.

#### **D. New Business**

- Staff conducted a conference call between the Board and Jerry Arkebauer, the former VP of Finance for the Toledo/Lucas County Port Authority. Mr. Arkebauer discussed his experiences working for the port and talked specifically about some of the 260 projects and 1.7 Billion dollars of investment he had been associated with during his tenure. He addressed liability concerns pertaining to a Port owning/controlling a parcel of land or water. Mr. Arkebauer referenced ORC 4582 and the limited liability it offers Port Authority Board Members. He also highlighted specific examples of parking garages, public infrastructure and former company sites that came under their Port control for economic development and that each were insured to protect the Port from exposure. The insurance was either purchased by another political subdivision, the developer and/or the Port itself, but that the intended purpose was for the economic development of the region and fell in line with the Port's mission. Mr. Arkebauer also addressed the issue of a development not living up to its commitments and leaving a Port with financial obligations. He referenced a case affecting the Toledo/Lucas County Port where a company filed for bankruptcy subsequent the Port assisting with bond financing. The bankruptcy court made the Port whole, but Mr. Arkebauer did recommend appropriate "gap" insurance on all projects to account for these potential situations.
- Price Finely, Warren County Port Authority Bond Counsel, brought forth a proposed term sheet for the Corridor 75 Project in Monroe, Ohio. Mr. Finely and the Board discussed items of the term sheet and what long term role the Port would have beyond the conduit for bond issuance. Mr. Finely stated that the Port will have a long term easement over the retention pond created in the proposed development, but will not hold specific ownership of the water feature. The easement will run the life of the bonds which is expected to be 27 years. Additional discussions were held regarding the Port's position if the developer defaulted on their obligations. Mr. Finley stated that the TIF/Special Assessment placed on the land has the first lien position, but once the bonds were paid off from those proceeds, the Port had no obligation/further easement at the development.
- Andy Brossart from 5/3 discussed the three possible bond structures that might be established for this project. Option 1 would be to test the market for un-enhanced bonds. Options 2 and 3 would follow depending on the status of the market and would include a developer letter of credit which would burn off after the public improvement stage or when a 4 to 1 ratio to debt had been received respectively.

- Mr. Finely continued to discuss questions raised from Board members regarding the long term easement of the sites water feature and any upfront costs incurred by the developer prior to the issuance of any bonds. Mr. Finely discussed that a maintenance agreement would be created in regards to the water feature and that the Board could task experts in the field of retention/detention ponds to monitor the upkeep, safety and other maintenance needs of the “pond” during the life of the Port’s obligation. Additionally, Mr. Finely stated that the Board would also need to authorize a “reimbursement” resolution soon in order to pay back any developer costs spent prior to the issuance of bonds.
- Board member, Geoff Hearsom, requested that staff and counsel properly label each attachment to match the references posted in the presented term sheet in order to more quickly reference those items mentioned in its language.
- Greg Sample offered a motion to authorize the Warren County Port Authority’s Executive Director to execute the preliminary financing term sheet between the Warren County Port Authority, Vandercar Monroe LLC and the City of Monroe dated September 5, 2007 and to engage the appropriate legal and other necessary contractual counsel as necessary in order to effectuate the transaction. The motion was seconded by Doug McNeill and passed by a unanimous voice vote.
- Ms. Terry Banker addressed the Board and questioned the Board’s intent about participating in this and other potential projects. Ms. Banker asked whether the Board was involved in deals to make money or to benefit the community. She also requested that each deal be subject to a public hearing for community input/involvement. Board members responded that each of the meetings held by the Warren County Port Authority are open to the public and are advertised as prescribed by the Ohio Revised Code. Additionally, agendas are sent prior to each meeting to those individuals that request that information from the Port’s staff. As for the intent, Board members highlighted the additional jobs and tax revenue that will be generated by the proposed development and how Warren County residents will be able to benefit from each.

#### **E. Agenda for Next Meeting**

The Warren County Port Authority Board requested the Port’s staff to take action and/or complete the following prior to their next meeting.

- Present appropriate documentation for review as it relates to a “Reimbursement” resolution and any other necessary items pertaining to the I-75 Corridor Project.
- Established the next Board meeting for Monday, October 8, 2007 for 5:00 pm at the Warren County Administration Building, Room 128 B.

#### **Adjournment:**

At 7:10 pm, a motion to adjourn was made by Greg Sample. The motion was seconded by Doug McNeill and passed by a unanimous voice vote. The next Warren County Port

Authority meeting will be at 5:00 pm on October 8, 2007 in room 128 B, Warren County Administration Building.

Minutes submitted by: Martin Russell

Approved by: Kimm Coyner