

Warren County Port Authority

Credit Committee

Meeting Minutes

April 29, 2019

Opening:

The meeting of the Warren County Port Authority Credit Committee was called to order at 2:32pm on April 29, 2019 at the Warren County Administration Building, Room 350 by Warren County Port Authority Executive Director, Martin Russell.

Present:

Warren County Port Authority Credit Committee Members: Mr. Layer, Ms. Zindel.

Warren County Economic Development Staff: Martin Russell, Matt Schnipke and Brian Beaudry

Other Attendees:

Andrew Brossart – Bradley Payne Advisors

Caleb Bell – Bricker and Eckler

Collin Kalvas – Bricker and Eckler

A. Approval of Agenda

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

B. Approval of Minutes

- The Committee reviewed minutes from the February 25, 2019 meeting. Ms. Zindel made a motion, seconded by Mr. Layer to approve the minutes of the February 25, 2018 meeting as presented. The motion passed with a unanimous voice vote of present Board members.

C. Old Business

- None

D. New Business

1. Series 2019 C Middletown PACE Deal

- Mr. Russell introduced the Series 2019 C Middletown PACE Deal to the committee for review. He stated that the port was approached by Middletown in conjunction with PlugSmart for a PACE deal. He stated the 10 year payback is guaranteed by the City and Treasurer Wright has agreed to purchase the debt.

- Mr. Brossart added that the building is valued between \$600,000 and \$650,000 and it is more efficient for the City to do a 10 year deal.
- Mr. Bell added that conversations were had with Butler County's Port about the deal and obtained their blessing. Mr. Brossart added that this would be the first of many potential PACE deals in Warren, Butler, and other counties. Mr. Russell echoed that statement by stating the Committee will be seeing more soon.
- **Mr. Layer made a motion, seconded by Ms. Zindel to approve the Series 2019 Middletown PACE Deal as presented. The motion passed 2-0 with a roll call voice vote of present Committee members.**

2. Series 2019 D-1 & D-2 West Milton Stillwater Crossing

- Mr. Russell introduced the Series 2019 D-1 & D-2 West Milton Stillwater Crossing to the Committee. He stated the Village of West Milton engaged the Port in principle to assist them with this development. The components of the development consist of residential housing by Ryan homes, senior housing, Premier Health facility, and retail. Mr. Russell stated the deal is being split into two issuances for the public infrastructure needs.
- Mr. Brossart added that the entire site is in a pre-1994 CRA, so the Port would be leveraging a special assessment.
- Mr. Brossart stated Randall is responsible for the medical and senior housing components of the development. Mr. Brossart also stated that there is over a 2 ½ times coverage for the deal. He stated that between Ryan homes, Randall, and the retirement component there is sufficient coverage for the first phase of the bonds. He shared that West Milton doesn't have the capacity to back the bonds. The school district also has an agreement to be reimbursed for their abated portion.
- Mr. Layer asked for more information on Randall's liquidity position.
 - Mr. Brossart stated he doesn't have their financials, but this is their 12th site and they are looking to expand further.
- Mr. Layer asked if they have enough to get through the first phase if an economic downturn happens.
 - Mr. Brossart stated we are guaranteeing a maximum price for the contractor. They are projecting for the end of the fall to begin the residential component.
 - Mr. Russell offered to wait until next meeting to acquire financials from Randall that meets the Board's comfort level.
- Ms. Zindel stated the deal is similar to the sports park where there are two issuances but only one is in the bond fund.
- Mr. Brossart added that there is already activity in the underwriting market for the A and B piece.
- Mr. Russell asked if being rated helps the deal.
 - Mr. Brossart stated that it absolutely does, and even a BBB+ might draw more interest because of the yield situation.
- After further discussion, the Committee decided to wait for more financial information from Randall to come in before making a decision on the deal.

Adjournment:

There being no other business, at 3:00 pm, Mr. Layer made a motion, seconded by Ms. Zindel, to adjourn the meeting of the Warren County Port Authority Credit Committee. The next meeting of the Warren County Port Authority Credit Committee is not yet scheduled.

Minutes submitted by: Brian Beaudry

Approved by: Matt Schnipke