

# OHIO AIR QUALITY DEVELOPMENT AUTHORITY

Mike DeWine  
Governor

**Members**

Michael H. Keenan  
Chairman

Thomas E. Niehaus  
Vice-Chairman

Ted Celeste  
James S. Simon  
Michael F. Curtin

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Ex Officio  
Dr. Amy Acton  
Ohio Department of Health

Laurie Stevenson  
Ohio Environmental Protection Agency

Executive Director  
Christina O'Keeffe

Secretary-Treasurer  
Christina O'Keeffe

Legal Counsel  
Stephen J. Smith, Esq.

Programs  
Facility Development and Financing  
Clean Air Resource Center

The regular meeting of the *OHIO AIR  
QUALITY DEVELOPMENT AUTHORITY* will  
be held on Tuesday, March 19, 2019 at 10:00  
am in the conference room of the Ohio Water  
Development Authority (OWDA) building, 480  
South High Street, Columbus, Ohio, 43215.

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# OHIO AIR QUALITY DEVELOPMENT AUTHORITY



**TUESDAY, MARCH 19, 2019**

## **TENTATIVE AGENDA**

1. Welcome and Introduction of Guests Chairman

2. Minutes February 12, 2019

3. Resolution 19-10 JZB Realty Holding (PDAF)

A resolution authorizing the issuance and sale of Ohio Air Quality Development Authority Air Quality Revenue Bonds (JZB Realty Holding Co., LLC Project), Series 2019 in the aggregate principal amount not to exceed \$4,750,000 to assist JZB Realty Holding Co., LLC in the financing of costs of “air quality facilities” within the meaning of Chapter 3706, Ohio Revised Code; providing for the pledge of revenues for the payment of such bonds; and the execution and delivery of a bond purchase agreement, pledge agreements and the bond; and authorizing and approving related matters.

4. Resolution 19-11 Clermont Health Realty, LLC (PDAF)

A resolution authorizing the issuance and sale of Ohio Air Quality Development Authority Air Quality Revenue Bonds (Clermont Health Realty, LLC Project), Series 2019 in the aggregate principal amount not to exceed \$7,000,000 to assist Clermont Health Realty, LLC in the financing of costs of “air quality facilities” within the meaning of Chapter 3706, Ohio Revised Code; providing for the pledge of revenues for the payment of such bonds; and the execution and delivery of a bond purchase agreement, pledge agreements and the bond; and authorizing and approving related matters.

5. Resolution 19-12 Clermont Health Realty, LLC  
(Inducement)

A resolution agreeing to issue revenue bonds of the State of Ohio to assist in the financing of the costs of the acquisition, construction and installation of air quality facilities for the use of Clermont Health Realty, LLC.

6. Resolution 19-13 McCann Acquisitions dba  
Mercury Cleaners (CARC)

A resolution authorizing the issuance of not to exceed \$76,000.00 Air Quality Revenue Bonds of the State of Ohio in order to assist McCann Acquisitions, d/b/a Mercury Cleaners in the financing of costs of air quality facilities in order to promote the public purposes of Chapter 3706, Ohio Revised Code; providing for the assignment of revenues for the payment of said bond; authorizing the execution and delivery of a loan agreement, an assignment of loan agreement and the bond; and authorizing and approving related matters.

7. Resolution 19-14

McCann Acquisitions dba  
Mercury Cleaners (CARC)

That the Ohio Air Quality Development Authority approves two grants from the Small Business Assistance Fund to McCann Acquisitions, Ltd, d/b/a Mercury Cleaners, for the purpose related to the eligible portions of the financing approved through Resolution 19-12. The first grant to assist in the payment of closing costs of the eligible portion of the amount financed and shall be certified as eligible by bond counsel. The second grant is to cover a portion of the principal amount not to exceed 30% of the project cost financed or \$30,000.00, under Resolution 19-12.

8. Informational Presentation

Harbor Bay

9. Resolution 19-15

IT Managed Services  
(Administrative)

A resolution authorizing the Executive Director to enter into a fixed-rate monthly agreement with ALLPro Technologies for the purpose of IT Managed Services for an amount of \$1,176.00 per month for 24 months with an optional one year extension. This firm addresses recommendations from an IT assessment, which was performed on OAQDA operations in January 2019, and will provide enhanced services for increased security, critical response, and improved performance.

10. Resolution 19-16

Purchase of Computer Equipment  
(Administrative)

A resolution authorizing the Executive Director to incur expenses for the purchase of new computer hardware equipment for an amount not to exceed \$20,000.00. This expenditure addresses recommendations from an IT assessment, which was performed on the OAQDA operations in January 2019 and identified existing computers and other IT equipment that is beyond its useful life or is needed to improve security and performance of the system.

11. Resolution 19-17

Technical Support Services  
(Administrative)

A resolution authorizing the Executive Director to hire, as needed, from the accompanying list the firm(s) necessary for technical support services assigned by OAQDA. These firms were selected in response to a Request for Qualifications issued January 9, 2019 and the total cost of these services across all firms will not exceed \$75,000 during calendar year 2019.

12. Executive Director's Report

Christina O'Keeffe

13. Fiscal Report: 2018 Year in Review

14. Adjournment

## **OHIO AIR QUALITY DEVELOPMENT AUTHORITY**

The regular meeting of the Ohio Air Quality Development Authority was held on Tuesday, March 19, 2019 at 10:00 am in the Ohio Water Development Authority (OWDA) conference room located at 480 South High Street, Columbus, Ohio. These are the minutes of that meeting.

**The following members were present:**

Mike Keenan, Chairman  
Tom Niehaus, Vice Chairman  
Ted Celeste  
Jim Simon  
Michael Curtin

**Ex-Officio members present:**

Gene Phillips, Ohio Dept of Health

**Staff present:**

Christina O’Keeffe, Executive Director  
Sandra Langston, Executive Assistant  
Todd Nein, Project Manager  
Mike Weiland, Fiscal Officer  
Gabe Lorenz, Customer Service Coordinator  
Steve Smith, Legal Counsel

**State agency representatives present:**

**Guests present:**

John Kirschner, GB Solutions  
Dan Whalen, Harbor Bay  
Mark Bell, Harbor Bay  
Steve Willobee, Harbor Bay  
Chris Jones, Calfee, Harbor Bay  
Jill McGrail, Premier Health Care Management  
Harold Sosna, Premier Health Care Management  
Carol Zimmerman, Zimmerman Communications

Jim Schultz, Huntington Bank  
Stephany Colwell, McCann  
David Baird, BNY Mellon  
Mary Sullivan, Dinsmore and Shohl  
Blake Beachler, Calfee  
Deb Hackathorn, CivicPoint  
Phil Mulduon, TE Fusion  
Jeff Liebert, TE Fusion

This meeting of the Authority has been duly posted and given to all news media, organizations and other persons who requested such information in accordance and in full compliance with Rule No. 2 of this Authority.

The Chairman called the meeting to order at 10:05 am. Legal Counsel confirmed that the Ohio Air Quality Development Authority was in full compliance with the Sunshine Law.

1. The Chairman welcomed everyone and asked those seated around the room to introduce themselves.
2. Minutes – Regular business meeting February 12, 2019. Mr. Celeste moved for approval of the minutes. Mr. Niehaus seconded. Voice vote. All ayes. Minutes adopted.

3. Resolution 19-10

JZB Realty Holding (PDAF)

A resolution authorizing the issuance and sale of Ohio Air Quality Development Authority Air Quality Revenue Bonds (JZB Realty Holding Co., LLC Project), Series 2019 in the aggregate principal amount not to exceed \$4,750,000 to assist JZB Realty Holding Co., LLC in the financing of costs of “air quality facilities” within the meaning of Chapter 3706, Ohio Revised Code; providing for the pledge of revenues for the payment of such bonds; and the execution and delivery of a bond purchase agreement, pledge agreements and the bond; and authorizing and approving related matters.

The Executive Director presented this Resolution for JZB Realty Holding. She noted that they appeared before the Authority in spring 2018, and that the scope of the project has changed to include solar. She then introduced the presenter, John Kirschner, as well as their corporate counsel Jill McGrail and owner Harold Sosna.

John Kirschner outlined the existing building, which is healthcare facility providing short-term as well as long-term care. He then described the scope of the project, which has a total budget of \$12.34 Million and will include PACE for \$4.75 million portion of the project. The project’s improvements include HVAC, electrical, insulation, and solar components, and are estimated to reduce carbon dioxide emissions by 630,406 pounds.

Discussion surrounded questions about the PACE specifics and the benefits of the solar electric system.

Mr. Simon moved to approve Resolution 19-10. Mr. Niehaus seconded. Voice vote. All ayes. Resolution adopted.

4. Resolution 19-11

Clermont Health Realty, LLC (PDAF)

A resolution authorizing the issuance and sale of Ohio Air Quality Development Authority Air Quality Revenue Bonds (Clermont Health Realty, LLC Project), Series 2019 in the aggregate principal amount not to exceed \$7,000,000 to assist Clermont Health Realty, LLC in the financing of costs of “air quality facilities” within the meaning of Chapter 3706, Ohio Revised Code; providing for the pledge of revenues for the payment of such bonds; and the execution and delivery of a bond purchase agreement, pledge agreements and the bond; and authorizing and approving related matters.

The Executive Director presented this Resolution for Clermont Health Realty, LLC, located in Amelia, Ohio. This project is from the same company as Resolution 19-12, and involves new construction of a senior living community. The presentation covers Resolution 19-11 for consideration of final financing approval for part of the project involving PACE as well as Resolution 19-12 for an Inducement on the remaining portion of the eligible project that will allow timing for finalizing the financing terms with a separate lender. She introduced Mr. Phil Mulduon to give a presentation.

The presenter noted that this project will involve construction of a new, 113-bed senior living facility for short and long-term care. He then outlined the finances for the \$21,307,850 project, encompassing \$12,300,000 total for OAQDA. That includes \$6,745,799 involving PACE with the lender, Greenworks Lending. The design features include HVAC, electric, hot water, insulation, and roofing improvements, for a projected 44 percent reduction in electric usage and 20 percent reduction in natural gas usage. Additionally, carbon emissions are projected to reduce by 41 percent.

In the discussion that followed, owner Harold Sosna expressed that the project would have to be cut significantly without the help of PACE.

Mr. Simon moved to approve Resolution 19-11. Mr. Curtin seconded. Voice vote. Resolution adopted.

5. Resolution 19-12

Clermont Health Realty, LLC  
(Inducement)

A resolution agreeing to issue revenue bonds of the State of Ohio to assist in the financing of the costs of the acquisition, construction and installation of air quality facilities for the use of Clermont Health Realty, LLC.

The Chairman expressed that the details surrounding this inducement would be reviewed at a later date when the company returned to the Authority for financing consideration.

Mr. Niehaus moved to approve Resolution 19-12. Mr. Curtin seconded. Voice vote. Resolution adopted.

6. Resolution 19-13

McCann Acquisitions dba Mercury Cleaners (CARC)

A resolution authorizing the issuance of not to exceed \$76,000.00 Air Quality Revenue Bonds of the State of Ohio in order to assist McCann Acquisitions, d/b/a Mercury Cleaners in the financing of costs of air quality facilities in order to promote the public purposes of Chapter 3706, Ohio Revised Code; providing for the assignment of revenues for the payment of said bond; authorizing the execution and delivery of a loan agreement, an assignment of loan agreement and the bond; and authorizing and approving related matters.

The Executive Director presented this Resolution for McCann Acquisitions, also known as Mercury Cleaners, located in Defiance, Ohio. This project is through the Clean Air Resource Center. She introduced their presenter, Ms. Stephany Colwell.

Ms. Colwell outlined the operations of Mercury Cleaners. This project involves replacing two dry cleaning machines, as well as two dryers and additional equipment. The new dry cleaning machine model uses a newer solvent in cleaning, which would reduce toxicity and improve cleaning abilities.

Mr. Celeste moved to approve Resolution 19-13. Mr. Simon seconded. Voice vote. All ayes. Resolution adopted.

7. Resolution 19-14

McCann Acquisitions dba Mercury Cleaners (CARC)

That the Ohio Air Quality Development Authority approves two grants from the Small Business Assistance Fund to McCann Acquisitions, Ltd, d/b/a Mercury Cleaners, for the purpose related to the eligible portions of the financing approved through Resolution 19-12. The first grant to assist in the payment of closing costs of the eligible portion of the amount financed and shall be certified as eligible by bond counsel. The second grant is to cover a portion of the principal amount not to exceed 30% of the project cost financed or \$30,000.00, under Resolution 19-13.

Mr. Phillips moved to approve Resolution 19-14. Mr. Niehaus seconded. Voice vote. All ayes. Resolution adopted.

8. Informational Presentation

Harbor Bay

Mr. Niehaus recused himself from this agenda item and left the meeting. The Executive Director introduced the project, which has been in development for several months, and expressed that the new information contained in the presentation would be helpful for the consideration of the members.

Dan Whalen, Steve Willobee, and Mark Bell of Harbor Bay presented information about a planned development project named Market Square. It would sit atop the Ohio City transit hub, across the street from the historic West Side Market in the Ohio City neighborhood of Cleveland. It would include a highly energy-efficient office building and a mixed-use residential and retail building. Both would be constructed using state-of-the-art technologies to reduce the environmental impact including the use of mass timber materials, which represents a lower air quality impact than concrete and steel construction methods. If constructed, the office building would become the tallest mass timber building in the United States. The presenters noted that five of the eighteen Ohio counties marked as “non-attainment” in Ohio EPA air quality reports are in the Cleveland region, and that Cleveland ranked as the fifteenth-worst city in the country to live with Asthma. They presented data to demonstrate that the project’s design would reduce energy consumption, as well as emissions, by 43-46 percent over traditional construction

Discussion followed, surrounding issues including the air quality impact, the impact on the neighborhood, methodology used for their data, sourcing of lumber, economic concerns, the nature of assistance that will be requested, and structural stability. It was requested the company provide their report to the OAQDA Executive Director on the cited economic impacts and the underlying data and assumptions being used.

9. Resolution 19-15

IT Managed Services  
(Administrative)

A resolution authorizing the Executive Director to enter into a fixed-rate monthly agreement with ALLPro Technologies for the purpose of IT Managed Services for an amount of \$1,176.00 per month for 24 months with an optional one year extension. This firm addresses recommendations from an IT assessment, which was performed on OAQDA operations in January 2019, and will provide enhanced services for increased security, critical response, and improved performance.

The Executive Director presented this Resolution, an administrative measure with a recommendation to change IT providers to ALLPro Technologies, a MBE business located in Cincinnati, Ohio. She identified this recommendation is a result of an IT assessment performed January 2019, which discovered a few areas to be addressed. This vendor will be more cost-efficient in providing more robust scope of services.

Mr. Celeste moved to approve Resolution 19-15. Mr. Phillips seconded. Voice vote. All ayes. Resolution adopted.

10. Resolution 19-16 Purchase of Computer Equipment  
(Administrative)

A resolution authorizing the Executive Director to incur expenses for the purchase of new computer hardware equipment for an amount not to exceed \$20,000.00. This expenditure addresses recommendations from an IT assessment, which was performed on the OAQDA operations in January 2019 and identified existing computers and other IT equipment that is beyond its useful life or is needed to improve security and performance of the system.

The Executive Director presented this Resolution, which addressed recommendations from a recent IT assessment to improve out-of-date hardware and increase security.

Mr. Simon moved to approve Resolution 19-16. Mr. Celeste seconded. Voice vote. All ayes. Resolution adopted.

11. Resolution 19-17 Technical Support Services  
(Administrative)

A resolution authorizing the Executive Director to hire, as needed, from the accompanying list the firm(s) necessary for technical support services assigned by OAQDA. These firms were selected in response to a Request for Qualifications issued January 9, 2019 and the total cost of these services across all firms will not exceed \$75,000 during calendar year 2019.

The Executive Director presented this Resolution, which approves the hiring of firms that will provide technical support services for OAQDA in evaluating its project applications. Appreciation was acknowledged to Gene Phillips and Laura Factor, who participated on the proposal review committee in evaluating the bid proposals from the Request for Qualifications.

Mr. Niehaus moved to approve Resolution 19-17. Mr. Curtin seconded. Voice vote. All ayes. Resolution adopted.

12. Executive Director's Report Christina O'Keeffe

The Executive Director introduced Gabe Lorenz, who recently joined OAQDA through a temporary staffing agency. She updated members on February's planning meeting, and remarked that progress was

moving forward on some of the action items, especially in developing the criteria on guidelines for whole buildings as it relates to pending project applications. She noted that working with technical consultants would assist in developing the guidelines.

The Executive Director additionally discussed the progress on moving forward with developing long-term fiscal goals, which would be expanded upon by Mike Weiland, and noted that she was challenging him to provide analysis on the historical data surrounding OAQDA projects including identifying key performance metrics that can be measureable over time in benefiting the Authority Members. She then noted that the state budget, released the previous week, reflected the budget submissions and aligned with the expectations from OAQDA. Furthermore, she will be testifying on April 2<sup>nd</sup> before the Finance Subcommittee on Agriculture, Development and Natural Resources. She recognized Deb Hackathorn, with CivicPoint, who works with OAQDA on government relations.

The Executive Director anticipated four to six projects through CARC over the upcoming few months, and assured that the appropriations levels would be carefully monitored through the existing fiscal year concluding on June 30, 2019. Additionally, she continues to anticipate large project interest involving PACE. She updated members on the New Steel project, mentioning that their existing inducement was expected to expire at the start of April due to a mutual understanding about the readiness of the project. She then asked Mike Weiland, the OAQDA Fiscal Officer to give his presentation

### 13. Fiscal Report: 2018 Year in Review

Mike Weiland

Mr. Weiland opened by going over the bond issuances from 2018, which totaled 15 from CARC and 4 PDAF. He then presented an overview of loan activity for 2018, noting that they were mostly paid off. He outlined the budget from 2018, and the variances that occurred, mentioning positive variances in payroll. He specifically outlined the personal services costs from 2018, and mentioned some long-term cost savings. The Small Business Assistance Grants are expected to cover approximately four new projects between April and June. He noted that higher expenditures on certain categories of personal services were anticipated in advance as a result of the vacancy in the Executive Director position during 2018.

He then offered a breakdown of costs and fees between Fixed and Variable CARC and PDAF projects, and analyzed the break-even points, noting that a break-even point for CARC is understandably unattainable due to the nature of the program. PDAF projects generate higher revenue due to the higher fees associated with larger financing amounts with those projects. He concluded by examining historical and estimated fund balances. The Executive Director noted the usefulness of this data to determining the balance of projects in the OAQDA portfolio between CARC and PDAF.

### 6. Adjournment

The Chairman adjourned the meeting at 11:40 a.m.

**The regular meeting of the *OHIO AIR QUALITY DEVELOPMENT AUTHORITY* will be held on Tuesday, April 9, 2019 at 10:00 am in the Ohio Water Development Authority (OWDA) conference room located at 480 South High Street, Columbus, Ohio.**