

# OHIO AIR QUALITY DEVELOPMENT AUTHORITY

Mike DeWine  
Governor

**Members**

James S. Simon  
Chairman

Michael H. Keenan  
Vice-Chairman

Ted Celeste  
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, November 19, 2019 at 10:00 am at 480**  
**South High Street, Columbus, Ohio.**

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CLEAN AIR & CLEAN ENERGY  
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# OHIO AIR QUALITY DEVELOPMENT AUTHORITY



**TUESDAY, NOVEMBER 19, 2019**

## **TENTATIVE AGENDA**

1. Welcome and Introduction of Guests Chairman
2. Minutes October 8, 2019
3. Resolution 19-56 (PDAF) Brewer-Garrett Company &  
Ohio Facilities Construction Commission

A resolution authorizing the issuance of not to exceed \$7,000,000 in principal amount of Air Quality Development Revenue Bonds of the State of Ohio in order to assist Brewer-Garrett Company and the Ohio Facilities Construction Commission acting on behalf of the Department of Rehabilitation and Correction, for the benefit of the London & Madison Correctional Institutions 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 bonds; authorizing the execution and delivery of a loan agreement, an assignment of loan agreement and the bonds; and authorizing and approving related matters.

4. Resolution 19-57 (Inducement) 243 North Fifth Holdings, LLC

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 243 North Fifth Holdings, LLC or an affiliate thereof.

5. Resolution 19-58 (Inducement) Vandercar, LLC  
c/o Reed Hartman Grooms Development LLC

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 Vandercar, LLC or an affiliate thereof.

6. Resolution 19-59 (PDAF)

The Mountain Agency, LLC  
(Canal Winchester – Phase II)

Amending the Resolution number 18-46 adopted October 9, 2018 authorizing the issuance of bonds in connection with the Mountain Agency, LLC Canal Winchester project to identify the scope of the project, the principal amount of the bonds not to exceed \$1,562,824 and the final maturity date of December 31, 2027, and approve related matters.

7. Resolution 19-60 (Refunding - PDAF)

The Mountain Agency, LLC  
(Canal Winchester – Phase I)

A resolution authorizing the issuance of not to exceed \$2,070,318.98 in principal amount of Air Quality Development Revenue Bond of the State of Ohio for purposes of refunding a bond previously issued to assist the Mountain Agency, LLC in the financing of costs of air quality facilities, thereby promoting public purposes of Ohio Revised Code Chapter 3706; providing for the assignment of revenues for the payment of said bond; authorizing the execution and delivery of a loan agreement, and the bond; and authorizing and approving related matters.

8. Resolution 19-61 (Refunding - PDAF)

The Mountain Agency Springfield LLC

A resolution authorizing the issuance of not to exceed \$1,813,472.98 in principal amount of Air Quality Development Revenue Bond of the State of Ohio for purposes of refunding a bond previously issued to assist the Mountain Agency Springfield, LLC in the financing of costs of air quality facilities, thereby promoting public purposes of Ohio Revised Code Chapter 3706; providing for the assignment of revenues for the payment of said bond; authorizing the execution and delivery of a loan agreement, and the bond; and authorizing and approving related matters.

9. Resolution 19-62

Air Quality Facility/Project Types

A resolution recognizing the due diligence process by the Authority to develop guidelines and protocols for project types that seek a whole building approach with the installation of air quality equipment and materials in new construction or major rehabilitation of buildings; and authorizing actions by the Authority related to these projects during the period of time and until the Authority adopts official guidelines to evaluate these types of projects.

10. Executive Director's Report

Christina O'Keeffe

11. Executive Session

Personnel Matters

Motion to enter executive session pursuant to Section 121.22(G) of the Revised Code to consider the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee or official.

12. Adjournment

## OHIO AIR QUALITY DEVELOPMENT AUTHORITY

The regular meeting of the Ohio Air Quality Development Authority was held on Tuesday, November 19, 2019 at 10:00 am at 480 South High Street, Columbus, Ohio. These are the minutes of that meeting.

**The following members were present:**

Jim Simon, Chairman  
Michael Keenan, Vice Chairman  
Ted Celeste  
Michael Curtin

**Ex-Officio members present:**

Gene Phillips, Ohio Dept of Health

**Staff present:**

Christina O’Keeffe, Executive Director  
Sandra Langston, Executive Assistant  
Gabe Lorenz, Customer Service Coordinator  
Dawn Pertner, Fiscal Officer  
Brooke Grant, Manager of Planning & Projects  
Thaddeus M. Boggs, General Counsel

**State agency representatives present:**

**Guests present:**

Rob McCarthy, Bricker & Eckler  
Kate Tompkins, Squire Patton Boggs  
Carol Zimmerman, Zimmerman Communications  
Mary Sullivan, Dinsmore & Shohl  
Dan Nigon-Kirgis, OFCC  
Steve Sparks, Frost Brown Todd

John Kirschner, GB Solutions  
Jim Schultz, Huntington  
Sebastian Ibel, 243 North Fifth Holdings  
Blake Beachler, Calfee  
Lane Beougher, OFCC  
Kelly Tisdale, The Brewer-Garrett Co

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 10:03 am. General 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.

The Chairman noted that there would be shifts in the agenda order to accommodate delayed arrivals.

2. Resolution 19-57 (Inducement) 243 North Fifth Holdings, LLC

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 243 North Fifth Holdings, LLC or an affiliate thereof.

The Executive Director introduced this Resolution for 243 North Fifth Holdings, LLC. This project is based around renovations to an existing office building in Columbus and includes an inducement resolution involving PACE. Bond Counsel is Rob McCarthy with Bricker & Eckler, and Issuer's Counsel is Blake Beachler with Calfee, Halter & Griswold. Director O'Keeffe introduced Sebastian Ibel, owner of 243 North Fifth Holdings.

Mr. Ibel said the building was bought five years ago, with one floor currently occupied and the rest under renovation. He noted that their tenants are mostly young, creative businesses. He introduced John Kirschner, consultant for the company, to present on the project's technical aspects.

Mr. Kirschner noted that some soft costs of the project were still being finalized and outlined the technical aspects of the project including 222 new high-efficiency windows and a solar electric array. The new windows were expected to reduce gas usage by over 40 percent. The solar array, consisting of 79 solar panels, was designed by a Columbus-area solar firm. These upgrades were expected to result in approximately \$18,000 of energy savings.

Discussion surrounded the building's location and history.

Mr. Keenan moved to approve Resolution 19-58. Mr. Celeste seconded. Voice vote. All ayes. Resolution adopted.

### 3. Resolution 19-59 (PDAF)

The Mountain Agency, LLC  
(Canal Winchester – Phase II)

Amending the Resolution number 18-46 adopted October 9, 2018 authorizing the issuance of bonds in connection with the Mountain Agency, LLC Canal Winchester project to identify the scope of the project, the principal amount of the bonds not to exceed \$1,562,824 and the final maturity date of December 31, 2027, and approve related matters.

The Executive Director introduced this Resolution for the Mountain Agency, LLC. This Resolution would amend Resolution 18-46 from 2018 and update project terms. She introduced Rob McCarthy of Bricker & Eckler, serving as Bond Counsel on this project and the next two on the agenda, to discuss Resolutions 19-59, 19-60 and 19-61.

Mr. McCarthy gave an overview of the projects. He stated that there have been a total of four Jeff Wyler projects before the Authority. The Authority approved the bond resolution for this project in October 2018, and Resolution 19-59 would update terms of the project including borrowing amount and maturity date.

Discussion surrounded technical compliance of the projects. Director O'Keeffe confirmed that the projects had gone through a technical review and was compliant with OAQDA's requirements for energy efficiency projects.

Mr. McCarthy discussed Resolutions 19-60 and 19-61 stating that they are refundings of previously approved projects, both under the same lender, Huntington Bank. These requests involve issuing new

bonds for the existing projects, which were originally issued in 2015 for Canal Winchester and 2014 for Springfield.

Discussion surrounded the use of the third-party engineering firms to perform technical reviews on behalf of the Authority. Director O’Keeffe noted that these fees are related to the project and included in the cost of issuance, which are paid by the borrower. In addition, the reports issued by the engineering firms are available for Authority Member’s review in the consideration of approval.

Mr. Celeste moved to approve Resolution 19-59. Mr. Curtin seconded. Voice vote. All ayes. Resolution adopted.

4. Resolution 19-60 (Refunding - PDAF)

The Mountain Agency, LLC  
(Canal Winchester – Phase I)

A resolution authorizing the issuance of not to exceed \$2,070,318.98 in principal amount of Air Quality Development Revenue Bond of the State of Ohio for purposes of refunding a bond previously issued to assist the Mountain Agency, LLC in the financing of costs of air quality facilities, thereby promoting public purposes of Ohio Revised Code Chapter 3706; providing for the assignment of revenues for the payment of said bond; authorizing the execution and delivery of a loan agreement, and the bond; and authorizing and approving related matters.

Mr. Keenan moved to approve Resolution 19-60. Mr. Phillips seconded. Voice vote. All ayes. Resolution adopted.

5. Resolution 19-61 (Refunding - PDAF)

The Mountain Agency Springfield LLC

A resolution authorizing the issuance of not to exceed \$1,813,472.98 in principal amount of Air Quality Development Revenue Bond of the State of Ohio for purposes of refunding a bond previously issued to assist the Mountain Agency Springfield, LLC in the financing of costs of air quality facilities, thereby promoting public purposes of Ohio Revised Code Chapter 3706; providing for the assignment of revenues for the payment of said bond; authorizing the execution and delivery of a loan agreement, and the bond; and authorizing and approving related matters.

Mr. Curtin moved to approve Resolution 19-61. Mr. Celeste seconded. Voice vote. All ayes. Resolution adopted.

6. Resolution 19-62 (Administrative)

Air Quality Facility/Project Types

A resolution recognizing the due diligence process by the Authority to develop guidelines and protocols for project types that seek a whole building approach with the installation of air quality equipment and materials in new construction or major rehabilitation of buildings; and authorizing actions by the Authority related to these projects during the period of time and until the Authority adopts official guidelines to evaluate these types of projects.

The Executive Director stated that the purpose of this Resolution is to recognize the thorough and ongoing due diligence process for evaluating the whole building project type, and the effort to establish guidelines. She noted that draft guidelines are expected in the first quarter of 2020, but this Resolution would formalize and recognize aspects of the process including tabling of any existing projects of this type until the Authority Members have the opportunity to review and make a decision on this project type.

Discussion surrounded the prudence of this resolution.

Mr. Celeste moved to approve Resolution 19-62. Mr. Phillips seconded. Voice vote. All ayes. Resolution adopted.

7. Minutes – Regular business meeting October 8, 2019.

Mr. Celeste moved for approval of the minutes. Mr. Curtin seconded. Voice vote. All ayes. Minutes adopted.

8. Resolution 19-56 (PDAF)

Brewer-Garrett Company &  
Ohio Facilities Construction Commission

A resolution authorizing the issuance of not to exceed \$7,000,000 in principal amount of Air Quality Development Revenue Bonds of the State of Ohio in order to assist Brewer-Garrett Company and the Ohio Facilities Construction Commission acting on behalf of the Department of Rehabilitation and Correction, for the benefit of the London & Madison Correctional Institutions 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 bonds; authorizing the execution and delivery of a loan agreement, an assignment of loan agreement and the bonds; and authorizing and approving related matters.

The Executive Director introduced this Resolution for the Brewer-Garrett Company. This involves an Ohio Facilities Construction Commission project involving energy-efficiency upgrades to two correctional institutions in Madison County. She recognized Kelly Tisdale from the Brewer-Garrett Company.

Mr. Tisdale noted that Brewer-Garrett had done several projects for the State through recent years, including multiple with the Authority. He stated these have been historically successful, and that they have a track record of exceeding expectations. Brewer-Garrett is the only performance contractor recognized by the federal government in Ohio. He noted that this project would include upgrades to interior and exterior lighting, water heating including real-time metering, and would include the usage of solar thermal renewable technology. He stated that this project was expected to meet the 15-year payback and 20 percent reduction from ECM goals, and significant impact sustainability. He noted that the solar thermal aspects of the project presented a great opportunity, since the buildings use high amounts of hot water.

Discussion surrounded the solar generation capacity for the project and solar reliability, as well as the outlook for solar technology usage.

Director O’Keeffe recognized Mary Sullivan of Dinsmore, serving as Bond Counsel. Ms. Sullivan said bids were sent out last week by PFM, financial advisor to the Authority. She further stated that the controlling board meeting was scheduled, and everything was moving on a timeline with hopes to close on the project around mid-December. She noted that the construction period was a year and a week.

Ms. Sullivan further noted that there were discussions with Lane Beougher of OFCC about ongoing monitoring. Director O’Keeffe said following the guidelines for post-issuance compliance adopted by the Authority at the previous meeting, they were working in coordination with OFCC on the state-owned facilities as OFCC was experienced in monitoring and compliance with these projects. Mr. Beougher stated that there would be two contracts in place which would guarantee the savings, with one being a performance contract and one being a service agreement. After project closing, the performance contract involves annual savings reports with any potential shortfalls. Mr. Tisdale noted that there had only been two shortfalls recorded by Brewer-Garrett projects, with both being corrected the following year. Mr. Beougher further described the tracking, which carries over exceeded savings and shortfalls and allows for corrections. If corrections are not made within a certain time, the company is expected to make up the difference.

Discussion surrounded variables that can lead to shortfalls. Mr. Tisdale noted that solar technology is one of the most reliable ECMs in terms of accuracy. Further discussion surrounded guarantees, and Mr. Tisdale stated that they almost always exceed guaranteed savings.

Mr. Celeste moved to approve Resolution 19-56. Mr. Keenan seconded. Voice vote. All ayes. Resolution adopted.

9. Resolution 19-58 (Inducement)

Vandercar, LLC  
c/o Reed Hartman Grooms Development LLC

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 Vandercar, LLC or an affiliate thereof.

The Executive Director introduced this Resolution for Vandercar, LLC c/o Reed Hartman Grooms Development LLC. She stated that inducement was related to a project that the Authority considered in September 2018. In this case, the focus is on the first phase involving asbestos abatement. She further stated that she had assigned a technical reviewer to validate this project, and their report was expected near the end of November. She introduced Rob Smyjunas, the CEO of Vandercar LLC, to present on the project application.

Mr. Smyjunas described the changes in the project scope of work since their previous inducements in 2018. A brief background, the previous two inducements were focused around two properties in Blue Ash located on the east and west sides of Reed Hartman. These two buildings have since been vacated. Mr. Smyjunas described the updates on the west side, which is proceeding without the Authority due to the intent of the new tenant, Mercy Health that paid cash for the upgrades; thus, they did not need the Authority’s financing. On the other hand, Mr. Smyjunas would like to move forward with the east side building, which was built in the 1970s; however, he must address asbestos containing materials throughout the building such as fire-retardant on all the steel beams and floor trays. He stated that the 400,000 square foot building is well-constructed, but all work above the ceilings required special contractors and experts due to the asbestos abatement.

Mr. Smyjunas stated that their plan is to abate all the asbestos, except on the exterior beams of the building. Furthermore, they intend to remove all mechanical, electric and plumbing (MEP) in order to fully access all asbestos to remove it. He said, eventually, they intend to improve all the MEPs to increase the energy efficiency of these systems. He outlined some of the tenant history, noting that the building could be populated with two or three thousand workers. Previously, they had plans to attract a large corporation as a tenant, but due to changes with the company, it led to them to revise their decision. He stated that this new proposed first phase would allow them to quickly move forward with future potential tenants with a more attractive property after abatement of the asbestos.

Discussion surrounded challenges of asbestos abatement. Member Celeste asked the eligibility of this project type. Director O’Keeffe noted that, in consultation with general counsel, the Authority can address asbestos since the project would result in the prevention of air contaminants.

Director O’Keeffe acknowledged the vision shared by Mr. Smyjunas for this property and confirmed for the Authority Members that this project scope involves only the asbestos abatement and any demolition to access asbestos containing materials. The third-party environmental consultant will confirm the project scope of work and costs prior to the project application appearing before the Authority for the bond resolution. In addition, she stated that this inducement resolution would replace the previous inducement approved in September 2018 at the same property, and that the applicant can return in the future for any additional proposed scope of work for consideration.

Mr. Curtin moved to approve Resolution 19-58. Mr. Celeste seconded. Voice vote. All ayes. Resolution adopted.

#### 10. Executive Director’s Report

Director O’Keeffe thanked the Authority members for their patience with the adjustment in agenda order, as well as technical issues that prevented the use of PowerPoint for presentations. She reported that her staff and applicable bond counsels were working to incorporate guidelines for post-issuance compliance and reporting into bond resolutions, and the effort is being initiated to address the annual reporting for project data. She stated that projects would be expected to report data in comparison with their application, in order to confirm that expectations were being met or exceeded. This work may also leverage third-party evaluation.

Director O’Keeffe further reported on overall project management, noting that inducement resolutions are proving to be a useful tool as part of the process for both the Authority and the borrower in order to define more clearly the project scope. In addition, the inducement resolution allows borrowers to secure financing more effectively with the intention of the Authority identified in the process to secure and finalize financing. The Authority also has more clarity in coordinating the bond resolution when the scheduling for closing on the financing is more well-known.

Director O’Keeffe stated that energy-efficiency project demand continued to be high, both in commercial PACE along with in conversations with residential PACE providers interested in the Ohio market. She noted that the Authority had connected residential PACE providers with gas and electric utility providers so that they were aware of existing Ohio incentives. She reported on the CARC program, which was at 95 percent of existing appropriation for the current fiscal year, and credited OAQDA Fiscal Officer Dawn Pertner for evaluating existing cash reserves that would allow for the

eventual requests before the Controlling Board. Director O’Keeffe said she would submit a report to the board once the request had been made. Discussion surrounded details of the budget through the current and upcoming year, as well as the request itself. Director O’Keeffe noted the increased small business project demand in 2019. She further noted that the Authority would like to have funds specifically available to meet demands of an upcoming US EPA rule banning the usage of perchloroethylene in dry cleaners that cohabitate buildings with residential tenants.

Director O’Keeffe then noted that, in the process of due diligence on whole building project types, draft guidelines were expected near the end of December or early January, and that she had discussed the possibility of scheduling a retreat for the Authority members with the Chairman. Discussion surrounded logistics of the potential retreat.

Director O’Keeffe then updated members on House Bill 6 and the Nuclear and Renewable Generation program. She stated that the Authority held a public hearing on November 18 at the offices of the Public Utilities Commission of Ohio and acknowledged Legal Counsel Thad Boggs for his role in chairing the proceedings. Director O’Keeffe stated that there were four comments submitted. She noted that there is a window until Friday, November 22, 2019 to revise the rules, if necessary, without affecting the effective date of the rules. Discussion surrounded necessity of OAQDA board action if changes were necessary. Legal Counsel stated if changes were necessary, they would likely come before the board to ratify changes that were made before the deadline. Legal Counsel stated that the comments came from the following four entities: The Ohio Manufacturers’ Association Energy Group, who had also submitted comments in the CSI comment phase of the process, Innergex Renewables, a utility-scale solar provider, American Electric Power, and FirstEnergy Solutions. Legal Counsel said the comments from FirstEnergy Solutions were largely in support of the proposed language. He noted that the rules as proposed largely followed the statutory guidelines of H.B. 6, and sections 3706.40-65, closely.

Legal Counsel stated that the Ohio Manufacturers’ Association Energy Group’s comments were focused around a public process for the reporting of quarterly amounts paid by the fund, as well as requesting rules that would adopt the forms for application. The Chairman asked if these requests were going beyond what the statutes said, and Legal Counsel stated that was their assessment when delivered before the Common Sense Initiative but that they would review the comments as submitted yesterday. Legal Counsel noted that Innergex Renewables’ comments were focused around an opt-out/opt-in process for the program, as well as separate definitions for interconnection with the existing grid. Legal Counsel stated that American Electric Power’s comments were focused around the retention of environmental attributes for the credits used in the program. Mr. Boggs stated that the comments would be analyzed and any necessary changes to the rules made by Friday, and discussion surrounded the comments that were presented.

Discussion surrounded the Authority’s role in records-keeping and data ownership regarding the Nuclear and Renewable Generation program, as well as where records would be kept and reporting methods and tools. Discussion also surrounded the Generation Attribute Tracking System (GATS), which is a system owned and maintained by PJM Environmental Information Services, Inc., that the Authority intends to maintain an account in order to conduct program operations. Discussion surrounded the roles of PJM and necessary audit response regarding the Nuclear and Renewable Generation program. Further discussion surrounded funding for the program and costs of operating a GATS account, as well as coordinating with the PUCO. Legal Counsel stated that the statute does not contemplate a specific annual report for the Nuclear and Renewable Generation Program, but the statute

outlines dialogue and data collection. Discussion surrounded inclusion of reporting into the Authority's Annual Report. Further discussion surrounded Board approval procedures and data validation.

Director O'Keeffe noted that the Authority was coordinating and consulting with the PUCO regarding data collection and verification. She further noted that the Authority would maintain its own account, which would have the ability to be active with the handling of credits, and identified that there is a cost to retire credits. She then stated that the Authority was working to identify total program implementation costs, as well as discussing methods of sourcing funding. Director O'Keeffe acknowledged Manager of Planning & Projects Brooke Grant for her work in developing the application forms, as well as Fiscal Officer Dawn Pertner for identifying administrative costs associated with the program.

The Chairman credited Director O'Keeffe, Authority staff, and Legal Counsel for the work done on the program rulemaking.

#### 11. Executive Session

#### Personnel Matters

Motion to enter executive session pursuant to Section 121.22(G) of the Revised Code to consider the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee or official.

Mr. Keenan moved to go into Executive Session at 11:09 a.m. for personnel matters pursuant to Ohio Revised Code 121.22(G)(1) for the purpose of discussing the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee or official.

Mr. Curtin Seconded. Voice vote. All ayes.

Ms. Langston called the Roll:

Mr. Simon  
Mr. Keenan  
Mr. Celeste  
Mr. Phillips  
Mr. Curtin

The Chair excused OAQDA staff from the Executive Session and asked Legal Counsel to remain.

#### 12. Exit executive session

Mr. Keenan motioned to reconvene the meeting into public session at 11:28 a.m. Mr. Celeste Seconded. Voice vote. All ayes.

Legal Counsel called the Roll:

Mr. Simon  
Mr. Keenan  
Mr. Celeste  
Mr. Phillips

Mr. Curtin

13. Adjournment

The Chairman adjourned the meeting at 11:30 a.m.

**The regular meeting of the *OHIO AIR QUALITY  
DEVELOPMENT AUTHORITY* will be held on Tuesday,  
December 10, 2019 at 10:00 am at 480 South High Street,  
Columbus, Ohio.**