

OHIO AIR QUALITY DEVELOPMENT AUTHORITY

Mike DeWine
Governor

Members

James S. Simon
Chairman

Michael H. Keenan
Vice-Chairman

Ted Celeste
Michael F. Curtin

Ex Officio
Lance D. Himes, Interim Director
Ohio Department of Health

Laurie Stevenson
Ohio Environmental Protection Agency

Executive Director
Christina O'Keefe

Secretary-Treasurer
Christina O'Keefe

Legal Counsel
Stephen J. Smith, Esq.

Programs
Project Development and Financing
Clean Air Resource Center

The regular meeting of the *OHIO AIR QUALITY DEVELOPMENT AUTHORITY* will be held on Tuesday, August 11, 2020 at 10:00 am via video conference.

The meeting will be conducted in accordance with open meeting laws within the State of Ohio. During the current state of emergency and to protect employees, partners and the public, the Authority is offering video conference access and a call line as an option to attend the meeting remotely. To help ensure capacity on this conference line, please RSVP to info@aqda.state.oh.us with your interest to participate.

To access the meeting by video, choose this link: [Join Microsoft Teams Meeting](#)

To access the meeting by telephone, dial: 614.721.2972,,335896282#

1118 LeVeque Tower
50 West Broad Street
Columbus, Ohio 43215-5910

P 614.466.6825
F 614.752.9188
W ohioairquality.org



OHIO AIR QUALITY DEVELOPMENT AUTHORITY



TUESDAY, AUGUST 11, 2020

TENTATIVE AGENDA

The meeting will be conducted in accordance with open meeting laws within the State of Ohio. During the current pandemic and to protect employees, partners and the public, the Authority is offering video conference access and a call line as an option to attend the meeting remotely. To help ensure capacity on this conference line, please RSVP to info@aqda.state.oh.us with your interest to participate.

To access the meeting by video, choose this link: [Join Microsoft Teams Meeting](#)

To access the meeting by telephone, dial: 1 614-721-2972 Conference ID: 335 896 282#

1. Welcome and Introduction of Guests Chairman

2. Minutes July 14, 2020

3. Resolution 20-27 (PDAF) Easton Office LLC

A resolution 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 Easton Office, LLC.

4. Resolution 20-28 (Inducement) CCA CBD Cleveland, 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 CCA CBD Cleveland, LLC.

5. Resolution 20A08 (Administrative) Clean Air Improvement Program Guidelines

A resolution to approve the program guidelines for potential projects to serve as an “air quality facility” for the Authority’s bond financing and hereby called the Clean Air Improvement Program.

6. Resolution 20A09 (Administrative) Clean Air Improvement Program Application

A resolution to approve the application forms for the Clean Air Improvement Program

7. Resolution 20A10 (Administrative) Guidelines for Issuance of Bonds

A resolution that authorizes revisions to the Authority’s guidelines for the issuance of the bonds.

8. Executive Director's Report

Christina O'Keeffe

- Fiscal Update

Dawn Pertner, Fiscal Officer

9. Adjournment

OHIO AIR QUALITY DEVELOPMENT AUTHORITY

The regular meeting of the Ohio Air Quality Development Authority (“Authority”) was held remotely, on Tuesday, August 11, 2020 at 10:00 am.

As authorized through House Bill 197 as passed by the General Assembly and signed into law by Governor DeWine, the Authority conducted this meeting using online videoconferencing technology via Microsoft Teams in order to protect the public during the declaration of an emergency related to COVID-19 pandemic. A telephone number and videoconference link to the meeting was published on the Authority’s website and distributed to persons of interest prior to the meeting and in compliance with Open Meeting Laws.

These are the minutes of the meeting.

The following members were present:

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

Ex-Officio members present:

Gene Phillips, Ohio Department of Health
Laura Factor, Ohio Environmental Protection Agency

The following members were absent:

Ex-officio members absent:

Staff present:

Christina O’Keeffe, Executive Director
Sandra Langston, Administrative Manager
Dawn Pertner, Fiscal Officer
Brooke Grant, Manager of Planning & Projects
Gabe Lorenz, Customer Service Coordinator
Lynne Barker, Temporary Employee - Ingenesis

General Counsel:

Thad Boggs, Frost Brown Todd

Guests present:

Matt Schnackenberg, PFM
Blake Beachler, Calfee
Susana Solentino, Donovan Energy
Laura Franke, Laura Franke LLC
Marisa Long, Inspire PR Group
John Schlitter, CCA CBD Cleveland
Steve Sparks, Frost Brown Todd

Rob McCarthy, Bricker & Eckler
Brad Kitchen, Easton Office, LLC
Andy Holzhauser, Donovan Energy
John Kirschner, GB Solutions
Madeline Fleischer, Dickinson Wright
Katie Lundy, Inspire PR
Jonathan Holtzman, CCA CBD Cleveland

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 Chapter 3706-1 of the Ohio Administrative Code.

The Chairman called the meeting to order at 10:00 a.m.

1. The Chairman welcomed everyone.

The Chairman noted the meeting was being conducted through Microsoft Teams videoconferencing, in compliance with the Open Meetings Act and the administrative rules of the Authority.

General Counsel confirmed compliance with the Open Meetings Act, that a quorum was present, and that it remained an open, public meeting. General Counsel confirmed that the meeting was fully in compliance with state law.

Ms. Sandra Langston called the Roll:

Mr. Simon – Yea
Mr. Keenan - Yea
Mr. Celeste - Yea
Mr. Curtin - Yea
Ms. Factor – Yea
Mr. Phillips - Yea

Chairman Simon stated that the Authority would be explicit on which item was on the table for discussion or vote, and that he would recognize members and guests by name and title during discussions or ask them to introduce themselves. Additionally, he stated that roll call votes would be taken for each vote, and that if any member left the meeting it would be noted in the minutes. As part of the orientation to the meeting, the Chairman asked Mrs. Langston to provide information about the Teams software and the ground rules for the meeting. Ms. Langston announced all known guests and staff who were present on the meeting, and asked those not readily identifiable to introduce themselves.

2. Minutes – Regular business meeting July 14, 2020.

Mr. Keenan moved for approval of the minutes. Mr. Celeste seconded.

Roll call vote:

Mr. Simon – Yes
Mr. Keenan - Yes
Mr. Celeste - Yes
Mr. Curtin - Yes
Ms. Factor - Yes
Mr. Phillips - Yes

Motion passed. Minutes adopted.

3. Resolution 20-27 (PDAF)

Easton Office, LLC

A resolution authorizing the issuance and sale of Ohio Air Quality Development Authority Air Quality Revenue Bonds (Easton Office, LLC Project), Series 2020, in the aggregate principal amount of not to exceed \$2,000,000 to assist Easton Office, 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.

Director O’Keeffe introduced this Resolution for Easton Office, LLC, an affiliate of Alterra Real Estate Advisors. The company is making energy-efficiency improvements to the property for consideration by the Authority and the financial structure includes Property Assessed Clean Energy (PACE) in coordination with the lender. Bond Counsel is Rob McCarthy of Bricker & Eckler, and Issuer’s Counsel is Blake Beachler at Calfee, Halter & Griswold. She introduced Brad Kitchen of Easton Office and John Kirschner of GB Solutions to present on this project.

Mr. Kitchen thanked the Authority for the chance to present this project. The project is located at the entrance to the Easton area of Columbus. It includes HVAC upgrades, including ionization technology for air cleanliness. These improvements would allow for increased energy efficiency and health, along with increased tenant attractiveness due to the safety of the ionization technology. The project further includes HVAC controls and LED lighting. Mr. Kirschner then described additional upgrades, including a building automation system, TPO white roof, improved insulation, and elevator controls which would recapture energy as the elevator operates. Additionally, an 82-panel solar system would be installed that is expected to improve energy usage by 40 percent over current usage and 42 percent over code.

Ms. Factor asked about the value of improvements to the property and the status of office space moving forward during the public health situation. Mr. Kitchen stated that the building was 25 years old, and advancements that had been made in that time allowed for significant increases in efficiency. He stated that the ionization system is a valuable item for tenant sales, and that they expect the building to be fully occupied by the end of 2021.

Mr. Celeste moved to approve Resolution 20-27. Mr. Curtin seconded.

Roll call vote:

Mr. Simon – Yes
Mr. Keenan - Yes
Mr. Celeste - Yes
Mr. Curtin - Yes
Ms. Factor - Yes
Mr. Phillips - Yes

Motion passed. Resolution adopted.

4. Resolution 20-28 (Inducement)

CCA CBD Cleveland, 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 CCA CBD Cleveland, LLC.

Director O’Keeffe introduced this Resolution for CCA CBD Cleveland, LLC, which is an affiliate of City Club Apartments. The project involves construction of a new building in downtown Cleveland and consideration by the Authority is the energy improvement measures. Bond counsel is Mary Sullivan with Dinsmore & Shohl and Issuer’s Counsel is Steve Sparks with Frost Brown Todd. This resolution is for an inducement, which identifies outstanding items to be addressed before coming back to the Authority for approval on the bond financing. She introduced John Schlitter and Jonathan Holtzman with City Club Apartments.

Mr. Schlitter introduced the company, which was founded in 1919 by the current CEO Jonathan Holtzman’s grandfather. They own and operate mixed-use, commercial apartment buildings throughout the Midwest. They regularly use green building techniques as a focus of their projects. This project involves a new 304-unit mixed-use building with ground floor retail. They anticipate starting construction in the fourth quarter of 2020, with first residents in Spring 2022.

Mr. Schlitter then described the energy conservation measures, which are designed to meet the National Green Building Standard Silver Certification Level. They expect about \$6 million of hard cost systems to qualify for the Authority’s financing and exceed ASHRAE 90.1 standards. They expect to include building-wide HVAC systems, energy-efficient appliances, LED lighting, along with doors and windows to maximize energy usage reduction.

The Chairman and other members asked questions on the project location in Cleveland, as well as the tax exemptions and community outreach of the company. Mr. Schlitter stated that they have reached out to city officials including members of City Council and local groups but could use guidance on reaching out to the school district. Director O’Keeffe stated that the portion of the project that would qualify for the Authority’s financing and tax exemptions would be the specific costs of the energy-efficiency equipment, which is \$6 million of the total estimated \$80 million of the entire new building. In addition, she stated that the Authority has a template that can be used by projects as they contact local jurisdictions and can be shared with him.

Mr. Curtin moved to approve Resolution 20-28. Ms. Factor seconded.

Roll call vote:

Mr. Simon – Yes
Mr. Keenan - Yes
Mr. Celeste - Yes
Mr. Curtin - Yes
Ms. Factor - Yes
Mr. Phillips - Yes

Motion passed. Resolution adopted.

Approving the program guidelines for potential projects to serve as an “air quality facility” for the Authority’s bond financing and hereby calling it the Clean Air Improvements Program.

Director O’Keeffe introduced this Resolution, which will approve new program guidelines and change the name of the existing program. The new name for the program is Clean Air Improvement Program, which replaces the previous name of “Project Development and Financing (PDAF).” She explained the timeline for developing the guidelines, beginning late 2019 through August 2020, which included a team of the Authority staff, PFM Financial Advisors LLC, technical advisors from the University of Dayton and Texas A&M, and General Counsel. At the February 2019 Board retreat and with direction from the Members, this team developed a framework for the guidelines featuring the criteria that would be considered for new projects. Focus was placed on the following categories, technical, financial, impact, and accountability measures. Draft program guidelines were developed over the Spring 2020 and was shared with internal stakeholders for feedback including from the Board, Bond and Issuers’ Counsels, technical consultants, communication firm, and others.

Director O’Keeffe stated that, if these guidelines were adopted, the Authority would release the guidelines during a pilot period through March 2021, whereby experience working with applicants as well as input from external stakeholders can be gathered. At that point, any recommendations developed would be brought before the Board. She also noted that Authority was developing a campaign for outreach around the guidelines in coordination with Inspire PR, and that Authority had been in communication with the Governor’s Office regarding these communication efforts.

Question and discussion surrounded the pilot period, along with the ability for the Executive Director, in consultation with the Chairman, may consider any reasonable accommodations for project applications pending full approval by the Board. Mr. Celeste commended Director O’Keeffe and the team on their work.

Mr. Celeste moved to approve Resolution 20A08. Mr. Keenan seconded.

Roll call vote:

Mr. Simon – Yes
Mr. Keenan - Yes
Mr. Celeste - Yes
Mr. Curtin - Yes
Ms. Factor - Yes
Mr. Phillips - Yes

Motion passed. Resolution adopted.

6. Resolution 20A09 (Administrative)

Clean Air Improvement Program Application

A resolution to approve the application forms for the Clean Air Improvement Program.

Director O’Keeffe introduced this Resolution, which relates specifically to the application for the Clean Air Improvement Program. She explained that requesting separate approval for the application would enable the team to make changes to the application as needed and present to the Board for consideration without including the guidelines.

Mr. Curtin moved to approve Resolution 20A09. Mr. Phillips seconded.

Roll call vote:

Mr. Simon – Yes
Mr. Keenan - Yes
Mr. Celeste - Yes
Mr. Curtin - Yes
Ms. Factor - Yes
Mr. Phillips - Yes

Motion passed. Resolution adopted.

7. Resolution 20A10 (Administrative)

Guidelines for Issuance of Bonds

A resolution that authorizes revisions to the Authority’s guidelines for the issuance of the bonds.

Director O’Keeffe introduced this Resolution, which will amend the Authority’s guidelines for issuance of bonds that was previously adopted in October 2019. The revisions include the elimination of the agreement to issue bonds from inducement resolutions along with edits centered around the process of obtaining Green Bonds designations.

Mr. Keenan moved to approve Resolution 20A10. Ms. Factor seconded.

Roll call vote:

Mr. Simon – Yes
Mr. Keenan - Yes
Mr. Celeste - Yes
Mr. Curtin - Yes
Ms. Factor - Yes
Mr. Phillips - Yes

Motion passed. Resolution adopted.

8. Executive Director's Report

Director O'Keeffe informed Authority members that staff continues to telework. She noted that, in consultation with the Chairman, they expect staff to continue to telework through the end of 2020. Additionally, Board meetings will continue to occur virtually through the fall and likely through the allowable date of December 1 by the legislation passed by the General Assembly for voting to occur remotely.

She then provided an update on programs and projects. Outreach is moving forward on the Clean Air Resource Center (CARC) program through the efforts of Brooke Grant and Gabe Lorenz, in coordination with Inspire PR, to reach more Ohio small businesses. Three new applications have been received for the program. Additionally, in coordination with Inspire PR, a significant outreach program will be taking place with stakeholders and media to bring more visibility in upcoming months related to the new Clean Air Improvement Program (CAIP). The Petmin project, is moving forward with more focused due diligence occurring in upcoming weeks in coordination with the company. She also stated that she, along with General Counsel, had discussions with a utility-scale solar developer interested in the Authority's financing. Regarding House Bill 6, she said the Authority continues with its implementation of the programs, and General Counsel would be providing a more substantive memo to the Authority members regarding this matter.

Director O'Keeffe then introduced the final proposal for implementing electronic board meeting software, based on research conducted by Mrs. Langston, and to replace the large paper binders currently used for in-person meetings. She thanked Sandra Langston for her efforts in gathering and analyzing the options. Director O'Keeffe then noted that BoardEffect, the software being recommended by staff is the best and lowest-cost option of the software proposals being examined. It is currently used by other state agencies including the Ohio Water Development Authority and the Department of Aging. She invited Authority members to join her for a tutorial from BoardEffect to ensure this software meets their expectations. Timing for considering this request will be the September or October Authority meeting, if there is satisfaction after the demonstration of BoardEffect. If approved, the goal is to implement this tool in January 2021 to allow for appropriate time for onboarding. Ms. Factor stated that she is a member on the Board of the Ohio Water Development Authority and finds BoardEffect to be a good tool.

Director O'Keeffe then covered a few final updates. She introduced Lynne Barker, who will be working as a temporary employee, filling in for Dawn Pertner, while she's is on extended leave during the Fall. She mentioned the evaluation of the Authority's fee schedule, and thanked Brooke Grant for her work on researching it. She then pointed members to the informational report regarding PACE financing.

Director O'Keeffe introduced Dawn Pertner to give her fiscal update.

Mr. Phillips left the meeting at 11:00 a.m.

9. Fiscal Update

Dawn Pertner, Fiscal Officer

Ms. Pertner reported on total issuance for 2020, compared to the same point in 2019. She stated that the CARC projects were lower in number due to the rule review period that took place in the first half of the year. She then discussed PDAF issuance totals, noting that project size was significantly variable from year to year and that many companies were adjusting their plans due to the COVID pandemic.

Ms. Pertner then reported on revenue, noting that the Authority took a conservative approach in May and adjusted to reflect conservative forecasts, following up with additional reduction and adjustments later in the year. She noted that the trend line was still positive. She stated that administrative fees and income were even for what the Authority has brought in so far, including \$160,000 of revenue. She then discussed expenditures, stating that payroll and professional services were the largest expenditures. Most costs were in line with expected costs, other than General Counsel. She noted that General Counsel had incurred significant special project expenditures due to House Bill 6 and other significant items. Discussion surrounded special project variability and retainer costs for General Counsel. Director O’Keeffe stated that the Authority intended to bring a discussion forward with General Counsel on structuring the retainer and other costs moving forward, considering the number of special projects that came up from 2019-2020.

Ms. Pertner then reported on non-pass-through revenues and expenditures, including another budget update. She compared expected budget numbers at the beginning of the year and most recent revisions based on the situation as it has developed through the pandemic. She noted that payroll was not experiencing cost savings despite the state-mandated four percent reduction in pay that applied to each staffer, due to agencies still being required to pay 100 percent of the payroll. The four percent is being applied to a cost-saving fund with other state agencies. Discussion surrounded the cost-saving fund and the Authority not receiving the payroll savings.

Ms. Pertner described the Authority’s measures to curb expenses, including travel and hiring freeze, only essential training expenditures, reduced cost from identified expenses that could be pivoted, and reduced expenditures on IT services due to the new contract with Next Level Technologies. Furthermore, the Authority had been considering office expansion and bringing on new staff at the beginning of the year, but these plans are on hold. She stated that the Authority will continue to monitor the situation, in coordination with OBM and DAS, and noted that DAS suggested state agencies restructure fixed contracts to reduce expenses. She further noted that OBM suggested state agencies in extreme situations only use essential services.

Ms. Pertner discussed the Authority’s accounts, and stated that the goal is to have everything moving positive or at least neutral. She then reported on state-funded budget items including payroll, small business ombudsman expenses, and the small business assistance program. She provided Authority members with updates, and noted that the Authority intends to go before Controlling Board in early 2021, in coordination with OBM.

Discussion surrounded House Bill 6 expenses and the total expenditures incurred thus far that were intended to be reimbursed. Ms. Pertner said that the total thus far was \$226,000, with expected totals by the end of the fiscal year to be approximately \$300,000.

10. Adjournment

The Chairman adjourned the meeting at 11:09 a.m.

The regular meeting of the *OHIO AIR QUALITY DEVELOPMENT AUTHORITY* will be held remotely on Tuesday, September 8, 2020 via video conferencing through Microsoft Teams.