



NORTHEAST OHIO AREAWIDE COORDINATING AGENCY

MEMORANDUM

TO: NOACA Board of Directors

FROM: Grace Gallucci, Executive Director

DATE: June 3, 2016

RE: **Resolution 2016-013 – Cleveland-Cuyahoga County Port Authority Infrastructure Financing**

ACTION REQUESTED

The Board of Directors is asked to give the Executive Director the authority to evaluate and arrange Cleveland-Cuyahoga County Port Authority Infrastructure Financing program financing for existing Transportation Improvement Program (TIP) projects originally planned for financing through the State Infrastructure Bank (SIB), and execute all necessary documents required for such a transaction.

The Finance and Audit Committee recommends this action.

BACKGROUND/JUSTIFICATION FOR CURRENT ACTION

The NOACA 2016-2019 Transportation Improvement Program (TIP) includes transportation infrastructure projects that were approved for funding contingent upon financing through the ODOT State Infrastructure Bank (SIB). The projects are:

- CUY EAST 55TH STREET, sponsored by the City of Cleveland. The project is currently estimated at a cost of \$7.5 M for construction and construction administration, with a Board approved NOACA share of \$5,984,135.
- CUY HIGHLAND ROAD BRIDGES: sponsored by Cuyahoga County. The project is currently estimated at a cost of \$13.3 M for construction and construction administration, with a Board approved NOACA share of \$7,828,480.
- CUY ROYALTON ROAD: sponsored by Cuyahoga County. The project is currently estimated at a cost \$13.5 M for construction and construction administration, with a Board approved NOACA share of \$10,348,800.
- CUY TOWER CITY BRIDGES: sponsored by the City of Cleveland. The project is currently estimated at a cost of \$12 M for construction and construction administration, with a Board approved NOACA share of \$9,384,529.

- MED CARPENTER ROAD: sponsored by the City of Brunswick. The project is currently estimated at a cost of \$13.8 M for construction and construction administration, with a Board approved NOACA share of \$10,982,002.

The Finance and Audit Committee recommended, and the Board of Directors approved, the Executive Director to submit applications and execute loan related documents for these projects. Unfortunately, ODOT has communicated to NOACA that there are currently no funds available through the SIB to finance any of the requests.

Given that the SIB program is not sufficient, staff recommends that alternate financing be sought through the Cleveland-Cuyahoga County Port Authority's (CCPA) Infrastructure Financing Program. This would be similar to the Board approved funding strategy for the Provisional Transportation Asset Management Program (2014-026) in July 2014. The program provides loans for public improvement infrastructure projects with comparable administrative and financial terms to that of the SIB loan or Bond Programs and, as such, is a favorable alternative.

This action will extend authority to the Executive Director, as previously granted for SIB related financing, to evaluate and arrange financing through the CCPA Infrastructure Financing Program and to execute all documents required for such a transaction.

FINANCIAL IMPACT

NOACA will be financially responsible for the repayment of principal, interest, and administrative costs, up to the Board of Directors approved project funding caps and any future Board approved funding increases, over the term of the loan. The loan will be repaid from the NOACA administered STP funds that are apportioned annually to NOACA. Below are the possible benefits of the CCPA Infrastructure Financing Program:

- Term of Loan – Up to 30 years
- Fixed interest rates based on the taxable or tax-exempt bond rates, set when the bonds are sold

CONCLUSION/NEXT STEPS

With Board approval, CCPA Infrastructure Financing Program loans will be further evaluated and arranged for these projects as not to delay current project schedules.

GG/rl/2905b

**RESOLUTION 2016-013
(CLEVELAND-CUYAHOGA
COUNTY PORT AUTHORITY
INFRASTRUCTURE FINANCING)**

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
NORTHEAST OHIO AREAWIDE COORDINATING AGENCY**

WHEREAS, the Northeast Ohio Areawide Coordinating Agency (NOACA) is the Metropolitan Planning Organization (MPO) for the counties of Cuyahoga, Geauga, Lake, Lorain, and Medina, and the areawide water quality management agency for the same region; and

WHEREAS, as the MPO, NOACA develops and manages the Transportation Improvement Program (TIP) for the same region; and

WHEREAS, the following projects are included in the state fiscal years (SFYs) 2016 - 2019 TIP contingent upon financing through the SIB or other innovative financing:

CUY EAST 55TH STREET, sponsored by the City of Cleveland. The project is currently estimated at a cost of \$7.5 M for construction and construction administration, with a Board approved NOACA share of \$5,984,135

CUY HIGHLAND ROAD BRIDGES: sponsored by Cuyahoga County. The project is currently estimated at a cost of \$13.3 M for construction and construction administration, with a Board approved NOACA share of \$7,828,480

CUY ROYALTON ROAD: sponsored by Cuyahoga County. The project is currently estimated at a cost \$13.5 M for construction and construction administration, with a Board approved NOACA share of \$10,348,800

CUY TOWER CITY BRIDGES: sponsored by the City of Cleveland. The project is currently estimated at a cost of \$12 M for construction and construction administration, with a Board approved NOACA share of \$9,384,529

MED CARPENTER ROAD: sponsored by the City of Brunswick. The project is currently estimated at a cost of \$13.8 M for construction and construction administration, with a Board approved NOACA share of \$10,982,002; and

WHEREAS, the NOACA federal-aid share of the projects are listed in the TIP as being financed through a loan from the Ohio State Infrastructure Bank (SIB) or other innovative financing; and

WHEREAS, the Board of Directors approved the Executive Director to submit SIB program applications and execute loan related documents for these projects; and

WHEREAS, the Ohio Department of Transportation (ODOT) has communicated to NOACA that there are currently no funds available through the SIB to finance any of the requests; and

WHEREAS, alternate financing is potentially available through Cleveland-Cuyahoga County Port Authority's (CCPA) Infrastructure Financing Program; and

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WHEREAS, the CCPA Infrastructure Financing Program provides loans for public improvement infrastructure projects with comparable administrative and financial terms to that of the SIB loan or Bond Programs and, as such, is a favorable alternative; and

WHEREAS, the Executive Director needs authority, as previously granted for SIB related financing, to evaluate and arrange financing through the CCPA Infrastructure Financing Program; and

WHEREAS, NOACA would be financially responsible for the repayment of loan principal, interest, and administrative costs, up to the Board of Directors approved project funding share and any future Board approved funding increases, over the term of the loan; and

WHEREAS, the loan security and payments from the NOACA Board of Directors will be in the form of Surface Transportation Program (STP) funds that are apportioned annually to NOACA per federal transportation law; and

WHEREAS, project sponsors are responsible for the local financial share of the project and perform other project sponsor activities as needed.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Northeast Ohio Areawide Coordinating Agency, consisting of 45 principal officials serving general purpose local governments throughout and within the counties of Cuyahoga, Geauga, Lake, Lorain, and Medina that:

Section 1: The Executive Director is authorized to evaluate and arrange financing through the CCPA Infrastructure Financing Program and to execute all documents required for such a transaction to finance the NOACA Board approved funding share, including loan interest and administrative costs, for the referenced projects;

Section 2: The Executive Director is authorized to transmit certified copies of this resolution to appropriate federal, state, and local agencies.

Certified to be a true copy of a Resolution of the Board of Directors of the Northeast Ohio Areawide Coordinating Agency adopted this 10th day of June 2016.

Secretary: _____

Date Signed: _____

6/10/16