



Cleveland – Cuyahoga County Port Authority

PORT BRIEF: news from Port Authority leadership directly to you...

In current economic conditions, reporting of complex financial news can be difficult to interpret, and can potentially produce great anxiety. Too often, the limited reporting that gets done on a subject can result in distorted coverage with minimal context. We'd like to take an opportunity to communicate directly with civic leaders in our community about news concerning our Common Bond Fund Program, and our fiscal health generally.

The Port Authority is financially sound. We have more than adequate financial reserves, a low amount of debt relative to our assets, our bond rating is investment grade, and we have costs-savings measures in place to offset recent revenue declines. Part of our ability to stay mean and lean is the fact that we have a small staff relative to the extent and reach of our work.

And the ability to do our work is what counts. Despite all that has transpired in the last year and all the changes in Northeast Ohio since our inception in 1968, the Port Authority remains an economic engine for the region that produces jobs, finances projects, operates a maritime Port and now is beginning to help transform our downtown waterfront into a world class place to be. We will continue to finance projects, grow maritime business, develop real estate and act as an economic development partner across the region. In other words, we will continue with our mission to help Cleveland and the region be the strongest and best it can be.

Below is more specific information about one of the Port Authority's financing tools.

Last evening, Fitch Ratings downgraded the Port Authority's Common Bond Fund Program from 'BBB+' (Rating Watch Negative) to 'BBB-' with a 'Negative Outlook'. This downgrade follows a similar rating issued last week on the Toledo-Lucas County Port Authority Northwest Ohio Bond Fund. The rating for the Common Bond Fund is separate and apart from the Port's own implied credit rating, which is also currently rated 'BBB-' with a 'Negative Outlook'.

The Common Bond Fund Program has been used as an effective financing tool for approximately 25 projects, primarily in Northeast Ohio. The Port's initial \$2 million investment, matched by the State of Ohio, has generated over \$100 million of investment in local projects that have successfully focused on creating and retaining tens of thousands of jobs since 1997. The Port's Bond Fund provides long-term, fixed-rate financing to both public and private entities and offers access to the capital markets that entities may not otherwise have.

This action means the Port Authority still maintains an Investment Grade rating for its Common Bond Fund Program, which provides long-term, fixed-rate financing to public and private entities in the Northeast Ohio region.

Fitch's action will not affect the Port's recently approved financing for the Veteran's Administration construction project and its expected creation of more than 1,000 jobs for the Cleveland area, nor will it impact the Port Reconfiguration project.

Steven J. Williams, Chair, Cleveland Cuyahoga County Port Authority
Adam Wasserman, President and CEO