



For immediate release

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The Dayton-Montgomery County Completes PACE Funding for Dayton Phoenix Group Plant and Offices

*Dayton Phoenix Group's Kuntz Road facilities rebuilding after severe damaged by
2019 Memorial Day tornadoes*

Dayton, Ohio (November 1, 2021) – Joseph M. Geraghty, Executive Director of The Dayton-Montgomery County Port Authority, announced on Wednesday, October 20, 2021 that the Port Authority has closed on financing of \$6,260,000 through the Southwest Ohio Regional Bond Fund (Bond Fund) for the Dayton Phoenix Group plant Property Assessed Clean Energy (PACE) bonds, as part of the manufacturing company's plant and offices reconstruction at 1619 Kuntz Road, Dayton.

The Dayton Phoenix facility was severely damaged by the 2019 Memorial Day tornadoes along with other businesses and homes near the plant. Dayton Phoenix management estimates that the entire project, including demolition and rebuilding is valued more than \$63 million.

"The PACE funding helped support our core purpose in saving more than 250 jobs here in Dayton," said Darryl Patak, Chief Financial Officer for Dayton Phoenix. "There was a shortfall from an insurance policy and PACE helped cover the shortfall and allowed us to rebuild while also reducing our carbon footprint with new and efficient lighting and air handling systems."

"Our core purpose is to serve our communities, create jobs, and provide opportunities for our team members to be the best they can be," said Patak. "The PACE financing helps us fulfill that purpose."

The Dayton Daily News reported on July 19, 2021 that the Dayton-Montgomery County Port Authority board of trustees had voted unanimously on the same date to approve the financing of the Dayton Phoenix funding as part of the rebuilding of the damaged manufacturing property.

PACE stands for Property Assessed Clean Energy—the loan is repaid by an assessment on the property. One of the many appeals of PACE financing is that in the event of sale of the building, the PACE financing does not have to be paid off—the assessment stays with the property.



Port Authority Executive Director Joe Geraghty described how PACE funding helps organizations make significant improvements in the energy efficiency of their respective facilities. “In the instance of Dayton Phoenix, for example, the Port Authority issues bonds which are sold in the national bond market and purchased by investors who value both the yield – the monetary return on their investment – and the security of the bonds issued,” Geraghty said.

“PACE is ‘special tax assessment’ executed by the property owner. This assessment is no different than allowing the local municipality to fix sidewalk and ‘assess’ the property owner. With the property owner’s agreement to self-assess, the Port then can issue bonds.”

“The Dayton Port is excited about providing market competitive long-term financing to Dayton Phoenix,” Geraghty said. “This structure provides Dayton-Phoenix with the right financing to fund and conclude their rebuild.”

According to Geraghty, the PACE financing tool was first employed by the Port Authority to upgrade the Kettering Tower – now the Stratacache Tower – with a new, building heating and ventilation system, cooling tower upgrades, and high efficiency lighting. Most recently, the Port Authority provided PACE funding to the 130 West Second Street building in downtown Dayton for several large-scale improvements in energy and natural resource consumption. The Port Authority has financed a number of additional PACE projects including Top of Market Banquet Center, Delco Lofts, Social Row Transitional Care, and Front Street buildings.

The Dayton Phoenix Group PACE funding, along with several other funding projects, is made by the Southwest Ohio Regional Bond Fund which is jointly operated with the Port of Greater Cincinnati Development Authority. Earlier this year, the Dayton-Montgomery Port Authority announced a \$5 million increase in the reserves of the Bond Fund, thereby increasing the Port Authority’s lending capacity to support and grow the regional economy.

Recently, in partnership with JobsOhio, an additional \$10 million increase in reserves is available to the Bond Fund. JobsOhio announced on October 22, 2021, that it has partnered with six qualified Ohio Port Authorities that sponsor five regional investment-grade bond funds to establish \$50 million in additional debt service reserves, \$10 million of which will be available to the Dayton-Montgomery County and Cincinnati port authorities. The commitment to the ports supports their S&P Global, A- rated investment-grade bond funds that fund critical economic development efforts such as public infrastructure and manufacturing and distribution facilities which will support the creation of tens of thousands of jobs statewide.

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ABOUT The Dayton/Montgomery County Port Authority

The Dayton/Montgomery County Port Authority, a government entity serving 14 counties in southwest Ohio, was created by the City of Dayton and Montgomery County to facilitate economic and community development, capital investment, and job creation and retention in southwest Ohio. Ohio law allows the Dayton Port to construct facilities, issue bonds, make loans, and sell or buy real and personal property. Port Authorities can loan or secure funds, receive grants, and buy assets all in order to facilitate incentive driven financing transactions. The Dayton Port can also provide sales tax savings by purchasing materials for construction and then leasing the improvements to the company on a capital lease basis. In addition, The Dayton Port can act as an independent lender, and employs investment bankers to structure transactions and place debt in capital markets. Find more information at www.daytonport.com