Frost Brown Todd Represents Toledo-Lucas County Port Authority in University of Toledo P3 Parking Concession

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A team of Frost Brown Todd's (FBT) Ohio and Kentucky Public Finance and Government Service attorneys recently closed $68,670,000 par amount of tax-exempt bonds issued by the Toledo-Lucas County Port Authority. The bonds were sold at a premium to produce more than $74,500,000 of gross proceeds for the financing.

This transaction is a unique public-private partnership (P3) involving not only a parking concession but also a mobility concession utilizing a 35-year lease of all parking assets from the University of Toledo to ParkUToledo Inc., a new Ohio non-profit corporation created by the Port Authority. The Port Authority team, led by Toledo-Lucas County Port Authority CEO and President Thomas J. Winston, was integral in structuring this unique concession. Through this new entity, the Port Authority adds to its expertise as an experienced issuer of tax-exempt and taxable bonds and as a parking operator.

"The Toledo-Lucas Port Authority is honored to serve as a community partner with the University of Toledo in this transaction, the proceeds of which will help to further the educational mission of the University while providing the environment for a low-interest rate bond financing," said Thomas Winston, President, and CEO of the Toledo-Lucas County Port Authority.

The Project and Concessionaire team was led by Diogenes Capital as the asset manager and advisor to the Port Authority, with SP+ Corporation as the operator and KeyBanc Capital Markets acting as the underwriter. FBT attorneys and David Teed, managing partner of Diogenes Capital (previously with Oaktree Capital and Queensland Investment Corporation), worked together on the successful 2012 P3 parking concession for The Ohio State University (OSU). This team, along with KeyBanc, used their OSU parking experience to create an updated P3 model using governmental tax-exempt bonds that generated a lower interest rate, a larger concession fee to the University, and more initial capital and ongoing revenue for the University of Toledo. The University of Toledo was paid $52,500,000 upfront for the lease and concession and is projected to receive an additional amount of over $140,000,000 during the life of the deal.

Significantly, KeyBanc has advised that this was the lowest net interest rate P3 parking concession ever successfully completed in the U.S. That result was achieved by using tax-exempt bonds and several levels of reserves, including a $5,000,000 escrow created by the University of Toledo.

"SP+ provided leadership in operations, service, technology and overall campus mobility, and the Port Authority and KeyBanc provided leadership in accessing the tax-exempt bond market. Frost Brown Todd provided its leadership in understanding the common goals of the University and the Port Authority, while also executing and updating concession documents and concepts that started with the OSU transaction," stated Teed.

"This is a world-class team of professionals who worked together to produce a successful finance and operational structure for the University of Toledo and the Port Authority. It benefits the University's students, administration, and educators as they engage in transforming the experience at its main campus and its nearby medical campus," said FBT team leader David Rogers. "In addition, the Diogenes Capital team put together a P3 finance and operational proposal that was innovative and met all the goals of the University of Toledo, winning a formal RFP process initiated by the University.

FBT acted as bond counsel to the Port Authority and special counsel to its subsidiary, ParkUToledo Inc. In addition, former affiliate FBT Project Finance Advisors acted as a special municipal advisor to the Port Authority.

For more information, contact lead attorneys David Rogers, Emmett Kelly, Pat Woodside, Steve Sparks, Emma Mulvaney and Jason Halligan.