

MINUTES

CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING Thursday, April 14, 2016

The regular Meeting of the Cleveland-Cuyahoga County Port Authority Board of Directors was held at the Aloft Hotel located at 1111 West 10th Street, Cleveland, Ohio on Thursday, April 14, 2016. The meeting was called to order by Chairman Ronayne at 8:37 a.m. Attendance by roll call showed the following:

PRESENT

Chris Ronayne, Chair
Diane Downing, Vice Chair
Anthony Moore, Secretary
Harriet Applegate
Paul Hoogenboom
Darrell McNair
Patricia Ramsey
Jan Roller
Robert Smith

ABSENT AND EXCUSED

ALSO PRESENT

W. Friedman, President & CEO
B. Leslie, Chief Financial Officer
M. Freilino, Office Manager & Exec. Asst. to CEO
E. Bohinc, Finance Coordinator
G. Woodson, Director, Development Finance & Inclusion
E. Place, Staff Accountant
M. Rivalsky, Controller
L. Sternheimer, Director, Urban Planning & Engagement
J. White, Director, Sustainable Infrastructure Programs
J. Magyar, Director, Operations & Facilities
N. LaPointe, Director, Planning & Capital Development
J. Davis, Vice President, External Affairs
J. McJunkin, FMT
J. Baker, Jr., ILA
P. Jeffrey, LWV, Greater Cleveland
J. Cox, Flats Industry
I. MacDougall, Walter Haverfield
J. Miller, Crain's Cleveland Business
M. Rogers, SC Health System
D. Stewart, Mercy Medical Center
R. Stefan, Piper Jaffray
J. Roth, Tucker Ellis
K. Olson, PNC Bank
B. Lynch, Citizen
J. Ridge, Share the River
R. Friedman, Art & Science Lighting
D. Wilcox, Climaco, Wilcox, Peca, Tarantino & Garofoli Co., L.P.A.

APPROVAL OF MINUTES

The minutes of the Board of Directors meeting of March 10, 2016 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Roller, seconded by Director McNair and unanimously carried, the Board minutes of March 10, 2016 were approved.

PUBLIC COMMENT PERIOD

There being no public comment on the agenda items, Chairman Ronayne then proceeded with the Chair's Comments.

CHAIR'S COMMENTS

Chairman Ronayne complimented Mr. Friedman on the successful allocation of State capitol funding for Irish Town Bend.

PRESIDENT'S COMMENTS

Mr. Friedman addressed the Board of Directors and shared that the House has presented the Capital Budget and has appropriated \$2.5 million for Irish Town Bend, specifically the bulkhead work. We are hopeful that the governor will sign off on the budget and then the Port can work to leverage additional dollars from interested parties.

Mr. Friedman noted that the mobile harbor cranes are in the process of being assembled. Senator Portman recently visited the port to get an update on dredging issues. He visiting CDF 12 and was impressed with the progress. Senator Portman is Chair of the Senate Subcommittee of Investigations which is looking at the budget line item Cleveland Harbor. The Port will continue to pursue a solution to the dredging impasse at every place possible, including providing a full briefing to the Council of Environmental Quality. The Port is waiting for the United States Army Corps of Engineers (USACE) to share how bids will be awarded. The USACE bid out dredging for the year with three alternatives; open lake disposal, CDF 12, and disposal in CDF 10-B which is operated by the USACE. Once this information has been received, the Port can then confer with the State and will likely be back in court asking for another injunction.

Strategic planning is underway and planning sessions with the Board have been scheduled. The first one is scheduled for June 9, 2016. Mr. Friedman then referred to letter that he submitted to the Editor of American Shipper Magazine attached hereto as "**Exhibit A.**" The letter will likely be published in the June issue of the magazine.

Chairman Ronayne then requested that Mr. Brent Leslie proceed with the Financial Report.

FINANCIAL REPORT

Mr. Leslie addressed the Board of Directors and referred to pages 8-11 of the Board Agenda.

Referring to page 9, Director Smith asked whether the pension liability was for 2014. Mr. Leslie replied yes, it was adjusted as of the end of 2014 and then it started January 1, 2015.

Referring to page 8, Director Ramsey stated that it's great that the Port has managed its balance sheets and income statements. She noted that parking revenue had decreased and asked Mr. Leslie to elaborate. Mr. Leslie replied that Cleveland Browns pay \$200,000 per year to utilize parking lots on game days. However, use is contingent upon Port operations. Wharfage, dockage and user fees were up and the Port was much busier last year. Therefore the Browns were unable to utilize the lots for parking and the Port only realized approximately \$25,000 of the \$200,000.

Chairman Ronayne stated that the Port's total asset base a few years back was about 2/3 of what it is now. He asked whether the purchase of 1100 W. 9th Street have caused the capital assets to be higher. Mr. Leslie replied yes, it was also impacted by the rail project, the CDF leases, and there's been more investment in physical assets on the port docks.

Chairman Ronayne then asked Director Roller to introduce the Real Estate and Development Finance Committee items.

REAL ESTATE & DEVELOPMENT FINANCE COMMITTEE

Agenda Item 4(D)(1)(a) – Sisters of Charity of St. Augustine Health System and Mercy Medical Center – Refunding Bonds

Director Roller addressed the Board of Directors and stated the Board will be requested to consider 6 different resolutions for two different financings. She welcomed David Stewart, CFO of Mercy Medical and Melissa Rogers, CFO, Sisters of Charity Health System. Mr. Leslie addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit B.**" Chairman Ronayne asked who is serving as trustee. Mr. Leslie replied U.S. Bank.

On motion by Director Downing, seconded by Director McNair and unanimously carried,

RESOLUTION NO. 2016-11

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A TAX-EXEMPT REVENUE REFUNDING BOND, SERIES 2016A (MERCY MEDICAL CENTER, INC.) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$36,000,000 FOR THE PURPOSE OF REFINANCING COSTS OF ACQUIRING, CONSTRUCTING, INSTALLING, EQUIPPING AND IMPROVING CERTAIN PORT AUTHORITY FACILITIES; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT TO PROVIDE FOR THE PAYMENT OF SERVICE CHARGES ON THAT BOND, A TAX AGREEMENT AND OTHER INSTRUMENTS, STATEMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BOND; AUTHORIZING AND APPROVING RELATED MATTERS

was approved. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

On motion by Director Smith, seconded by Director McNair and unanimously carried,

RESOLUTION NO. 2016-12

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A TAX-EXEMPT REVENUE REFUNDING BOND, SERIES 2016B (SISTERS OF CHARITY OF ST. AUGUSTINE HEALTH SYSTEM, INC.) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$26,000,000 FOR THE PURPOSE OF REFINANCING COSTS OF ACQUIRING, CONSTRUCTING, INSTALLING, EQUIPPING AND IMPROVING CERTAIN PORT AUTHORITY FACILITIES; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT TO PROVIDE FOR THE PAYMENT OF SERVICE CHARGES ON THAT BOND, A TAX AGREEMENT AND OTHER INSTRUMENTS, STATEMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BOND; AUTHORIZING AND APPROVING RELATED MATTERS

was approved. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

REAL ESTATE & DEVELOPMENT FINANCE COMMITTEE

Agenda Item 4(D)(1)(b) – Port of Cleveland Refunding Project 2016

Director Downing advised that she would be recusing herself from discussion and vote for this agenda item. Mr. Leslie addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit C**.” Referring to slide 6, Director Smith asked whether the rates would stay close to their estimated levels. Mr. Leslie replied that it was his expectation that they would meet or exceed those stated interest rates in the bond market. Director Moore asked who is serving as bond counsel and Mr. Leslie replied that Climaco is bond counsel. Director Moore asked whether the proposed transaction in Garfield Heights (a new outlet mall development) would affect the transaction before the Board. Mr. Leslie replied that nearby developments would be a credit positive as being an overall boost to the development within the City of Garfield Heights. Chairman Ronayne asked how this fits in to the Port’s overall portfolio of finance tools. Mr. Leslie replied that in total it represents approximately less than 10% of the total principal ever issued.

On motion by Director Smith, seconded by Director McNair, and with Director Downing abstaining from the vote,

RESOLUTION NO. 2016-13

A RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$2,430,000 OF DEVELOPMENT REVENUE BONDS OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY (“AUTHORITY”) UNDER THE PORT OF CLEVELAND BOND FUND PROGRAM (THE “SERIES 2016A BONDS”) FOR THE PURPOSE OF REFINANCING PORT OF CLEVELAND BOND FUND BONDS ISSUED IN 1997 AS SERIES 1997A BONDS (THE “PRIOR BONDS”) TO PAY COSTS OF “PORT AUTHORITY FACILITIES” WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, NAMELY FOR THE PURPOSE OF ASSISTING IN THE FINANCING OF THE COSTS OF IMPROVING DOCK 20 BY PROVIDING BULKHEADS AND OTHER VARIOUS TRANSPORTATION, UTILITY AND

OTHER INFRASTRUCTURE IMPROVEMENTS TO SERVE THE PORT OF CLEVELAND (THE "1997A PROJECT"); AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE, PURCHASE AGREEMENT AND CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE FOREGOING; AUTHORIZING THE RETENTION OF FINANCIAL ADVISOR AND TERMINATION, ASSIGNMENT OR AMENDMENT OF DEBT SERVICE RESERVE FORWARD DELIVERY AGREEMENT; AUTHORIZING THE EXECUTION AND DISTRIBUTION OF A DISCLOSURE STATEMENT IN CONNECTION WITH THE SERIES 2016A BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS

was approved. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

On motion by Director Hoogenboom, seconded by Director Ramsey, with Director Downing abstaining from the vote, and unanimously carried by the remaining Directors,

RESOLUTION NO. 2016-14

A RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$1,365,000 OF DEVELOPMENT REVENUE BONDS OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY ("AUTHORITY") UNDER THE PORT OF CLEVELAND BOND FUND PROGRAM (THE "SERIES 2016B BONDS") FOR THE PURPOSE OF REFINANCING PORT OF CLEVELAND BOND FUND BONDS ISSUED IN 1999 AS SERIES 1999A BONDS (THE "PRIOR BONDS") TO PAY COSTS OF "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, TO ASSIST IN FINANCING COSTS OF SITE IMPROVEMENTS, BULKHEADING, DREDGING AND OTHER DOCK, BUILDING, UTILITY AND WALKWAY IMPROVEMENTS TO SERVE THE PORT OF CLEVELAND (THE "1999A PROJECT"); AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE, BOND PURCHASE AGREEMENT AND CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE FOREGOING; AUTHORIZING THE EXECUTION AND DISTRIBUTION OF A DISCLOSURE STATEMENT IN CONNECTION WITH THE SERIES 2016B BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS

was approved. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

On motion by Director Applegate, seconded by Director Moore, and with Director Downing abstaining from the vote, and unanimously carried by the remaining Directors,

RESOLUTION NO. 2016-15

A RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$2,285,000 OF DEVELOPMENT REVENUE BONDS OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY (THE "AUTHORITY") UNDER THE PORT OF CLEVELAND BOND FUND PROGRAM (THE "SERIES 2016C BONDS") FOR THE PURPOSE OF REFINANCING PORT OF CLEVELAND BOND FUND BONDS ISSUED IN 2005 AS SERIES 2005B BONDS (THE "PRIOR BONDS") TO PAY COSTS OF "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, FOR THE BENEFIT OF FAIRMOUNT MONTESSORI ASSOCIATION, TO BE USED AS A CLASSROOM AND EDUCATIONAL FACILITY FOR FACULTY AND STAFF OF A SCHOOL USED FOR THE

ADVANCEMENT OF EDUCATION AND INSTRUCTION OR TRAINING OF STUDENTS AND FOR OTHER USES RELATED THERETO (THE "SERIES 2005B PROJECT"); AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO LOAN AGREEMENT, A SUPPLEMENTAL TRUST INDENTURE, BOND PURCHASE AGREEMENT AND CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE FOREGOING; AUTHORIZING THE EXECUTION AND DISTRIBUTION OF A DISCLOSURE STATEMENT IN CONNECTION WITH THE REVENUE BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS

was approved. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

On motion by Director McNair, seconded by Director Ramsey, and with Director Downing abstaining from the vote, and unanimously carried by the remaining Directors,

RESOLUTION NO. 2016-16

A RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$4,910,000 OF DEVELOPMENT REVENUE BONDS OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY ("AUTHORITY") UNDER THE PORT OF CLEVELAND BOND FUND PROGRAM (THE "SERIES 2016D BONDS") FOR THE PURPOSE OF REFINANCING PORT OF CLEVELAND BOND FUND BONDS ISSUED IN 2004 AS SERIES 2004D BONDS (THE "PRIOR BONDS") TO PAY COSTS OF "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, FOR THE BENEFIT OF THE CITY OF GARFIELD HEIGHTS, OHIO CONSISTING OF PUBLIC IMPROVEMENTS INCLUDING PUBLIC ROADWAYS, SANITARY SEWER AND STORM WATER SYSTEMS, CURBS AND GUTTERS, LIGHTING, TRAFFIC SIGNALS AND TRAFFIC MEDIANS (THE "2004D PROJECT"); AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO COOPERATIVE AGREEMENT, A SUPPLEMENTAL TRUST INDENTURE, BOND PURCHASE AGREEMENT AND CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE FOREGOING; AUTHORIZING THE EXECUTION AND DISTRIBUTION OF A DISCLOSURE STATEMENT IN CONNECTION WITH THE SERIES 2016D BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS

was approved. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

MARITIME COMMITTEE

Agenda Item 4(D)(2)(a) – Acceptance of Ohio Healthy Lake Erie Funds

Mr. James White addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit D**" (slides 1-7). Director Hoogenboom asked whether this plan will bring the site to maximum capacity. Mr. White replied this plan will provide the opportunity to harvest 205,000 yards per year. 20,000 yards of that will come off the site for reuse. This plan will provide approximately 5-7 more years of capacity. Chairman Ronayne asked what the material is used for with the land bank. Mr. White replied it is subgrade material that is used as fill and for foundation stability.

On motion by Director Downing, seconded by Director Applegate, and unanimously carried,

RESOLUTION NO. 2016-17

A RESOLUTION TO APPROVE AND RATIFY THE ACCEPTANCE OF A GRANT IN THE AMOUNT OF \$1,000,000 FROM THE OHIO HEALTHY LAKE ERIE FUND AND AUTHORIZING AND APPROVING ENTERING INTO AN AGREEMENT WITH THE OHIO DEPARTMENT OF NATURAL RESOURCES TO CARRY OUT THE COORDINATION AND RESPONSIBILITIES OF THE GRANT

was approved. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

MARITIME COMMITTEE

Agenda Item 4(D)(2)(b) – CDF 12 2016 Site Preparation Contract Award

Mr. White addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit D**” (slides 8-10). Director McNair asked about the range of the bids and how many bids were received. Mr. White replied that four bids were received which ranged from \$1.1 million to \$1.5 million.

On motion by Director Smith, seconded by Director Downing, and unanimously carried,

RESOLUTION NO. 2016-18

A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION OF THE SITE PREPARATION CONTRACT WITH MARK HAYNES CONSTRUCTION, INC. IN AN AMOUNT NOT-TO-EXCEED \$1,065,840 FOR THE PURPOSE OF EXPANDING SEDIMENT PROCESSING CAPACITY ON CDF 12

was approved. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

MARITIME COMMITTEE

Agenda Item 4(D)(2)(c) – Cleveland Harbor Lights/ Silo Lighting

Ms. Linda Sterneimer address the Board of Directors and referred to “**Exhibit D**” (slides 11-20). Mr. Friedman added that the Port is always looking for how we improve public access. Unfortunately there are limited opportunities due to security. It’s our thought that this project will draw attention to the Port without compromising security. Director Hoogenboom asked whether the stakeholders have had a positive reception to the project. Mr. Friedman replied there has been interest, however no commitments in terms of funding. Director Downing applauded the effort, especially with the RNC being in Cleveland. The eyes of the nation and the world will be on Cleveland, and this would be a wonderful addition as the region moves forward. Director Moore asked whether there was an annual maintenance fee. Ms. Sternheimer replied the main cost is electricity. The LED lights are meant to last 30-40 years assuming they run 10 hours per day. Director Roller asked whether there would be costs associated with monitoring the lights. Ms. Sternheimer replied that staff members will be monitoring the lights remotely and that each light

show is pre-programmed. Director Moore asked why the Port is only restricting \$100,000 rather than the full cost of the project. Chairman Ronayne replied that the idea was for the Port to put up the \$100,000 in hopes of getting potential grantors to pledge additional dollars. Several potential grantors have been contacted regarding a potential match for the project. Most of the potential grantors don't meet until June, which adds pressure to the timeline of having the project fully funded before the RNC. Another way to handle it would be for the Port to fully fund the project up front. Director Moore recommended to change the resolution \$220,000 and add language that staff will work to obtain matching grants so that the project can move forward immediately. Director Roller wondered how the funders would react seeing that the full amount has already been appropriated. Chairman Ronayne did agree it is a complex decision. A representative from the lighting company stated that if the money was appropriated today, there would be no problem completing the project before the RNC. The lead time needed to order the materials is 4-5 weeks. Director Moore noted that the budget is tight and questioned whether the Port needs to fully fund the project.

On motion by Director Downing, seconded by Director Applegate, and unanimously carried,

RESOLUTION NO. 2016-19

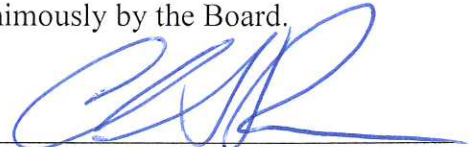
A RESOLUTION AUTHORIZING AND APPROVING RESTRICTING \$100,000 AS A COST SHARE
AND FUTURE INVESTMENT FOR THE HARBOR LIGHTS PROJECT

was approved. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

PUBLIC COMMENT PERIOD

Chairman Ronayne then opened the floor for public comment related to non-agenda items.

There being no public comment, the meeting adjourned at 9:54 a.m. by motion of Director Downing, seconded by Director Applegate and approved unanimously by the Board.



CHAIR



Asst. SECRETARY