

MINUTES

CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING

Friday, July 19, 2019

The Meeting of the Cleveland-Cuyahoga County Port Authority Board of Directors was held at the Port of Cleveland Conference Center, 1100 W. 9th Street – Suite 100, Cleveland, Ohio on Friday, July 19, 2019. The meeting was called to order by Chair Roller at 8:40 a.m. Director Holmes joined the meeting from a remote location by teleconference pursuant to Article III, Section II of the Port Authority's Rules and Regulations. Director Holmes having given proper notice of his remote attendance and having been provided relevant Board materials prior to the meeting. Director Holmes provided the correct password given prior to the meeting, verified he was more than ¼ mile from the primary meeting locations and was clearly heard and was able to hear other Board Members. Attendance by roll call showed the following:

PRESENT

Jan Roller, Chair
Pat Ramsey, Vice, Chair
Harriett Applegate, Secretary
Bob Smith

VIA TELEPHONE

J. Stefan Holmes

ABSENT & EXCUSED

Darrell McNair
Paul Hoogenboom
Chris Ronayne
David Wondolowski

ALSO PRESENT

W. Friedman, President & CEO
D. Gutheil
C. Naso, Chief Financial Officer
M. Rivalsky, Controller
R. Bever, Director of Finance
N. LaPointe, Director,
G. Woodson, Director, Development Finance & Inclusion
L. Sternheimer, Director, Urban Planning & Engagement
J. Davis, VP, External Affairs
L. Bohinc, Finance Coordinator
D. Wilcox, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A
P. Ritzert, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A
T. Beasley, McDonald Hopkins
S. Brinner, OmniTrax
K. Milay, Wilkerson
K. Murphy, Euclid Avenue Development
K. Palmer, Crain's Cleveland Business
J. Ferenczy, Osborn Engineering
B. Brown, Cleveland Harborbelt Railroad
D. Bemer, Shark & Minnow
B. Midlite, Stark Enterprises
D. Schafer, West Creek

APPROVAL OF MINUTES

The minutes of the Board of Directors meeting of June 13, 2019 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Applegate, seconded by Director Ramsey, and unanimously carried by roll call vote, the Board minutes of June 13, 2019 were approved.

PUBLIC COMMENT PERIOD

Chair Roller then opened the floor for public comment related to agenda items. There being no public comment, she proceeded with the agenda.

CHAIR'S COMMENTS

Chair Roller addressed the Board of Directors and noted that due to time constraints, the first agenda item will be 4(C)(2)(a).

REAL ESTATE & DEVELOPMENT FINANCE COMMITTEE

Agenda Item 4(C)(2)(a) – Euclid Avenue Development Corporation Project Tax-Exempt Development Refunding Revenue Bonds

Ms. Rhonda Bever addressed the Board and referred to a presentation attached hereto as “**Exhibit A**”. Chair Roller asked if the savings occurred due to the change in interest rate. Ms. Bever replied yes, the market is favorable right now. On motion by Director Smith, seconded by Director Applegate, and unanimously carried by roll call vote,

RESOLUTION 2019-15

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF DEVELOPMENT REFUNDING REVENUE BONDS, SERIES 2019 (EUCLID AVENUE DEVELOPMENT CORPORATION PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$23,000,000 FOR THE PURPOSE OF REFUNDING A PORTION OF THE OUTSTANDING PRINCIPAL AMOUNT OF THE SERIES 2014 BONDS, THE PROCEEDS OF WHICH WERE USED TO FINANCE THE COST OF ACQUIRING, CONSTRUCTING, INSTALLING, FURNISHING AND EQUIPPING CERTAIN PARKING FACILITIES, THE PROCEEDS OF WHICH WERE LOANED TO EUCLID AVENUE DEVELOPMENT CORPORATION FOR THOSE PURPOSES; AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES 2019 LOAN AGREEMENT TO PROVIDE FOR THE PAYMENT OF SERVICE CHARGES ON THE SERIES 2019 BONDS, A TAX COMPLIANCE AGREEMENT AND OTHER INSTRUMENTS, STATEMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2019 BONDS; 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(C)(1)(a) – Cleveland Port Railway Agreement

Mr. David Gutheil addressed the Board and referred to a presentation attached hereto as “**Exhibit B**” (slides 1-5). He noted that Mr. Scott Brinner will make his presentation once the other agenda items have been covered. Director Smith asked whether there will be inflation adjustments since the agreement is for ten years. Mr. Gutheil replied no, the main concern is the increased number of cars and increased revenue. Mr. Friedman added that the cargo will be subject to wharfage and dockage fees which will be updated regularly. Director Applegate asked about the volume of cars currently handled. Mr. Gutheil replied approximately 100 cars per year. Chair Roller asked whether the economic impact can be measured. Mr. Friedman replied yes, the Port’s economic impact model will allow for tracking and measuring.

On motion by Director Smith, seconded by Director Applegate, and unanimously carried by roll call vote,

RESOLUTION NO. 2019-09

A RESOLUTION AUTHORIZING AND APPROVING AN AGREEMENT WITH CLEVELAND PORT RAILWAY, LLC TO PROVIDE MARKETING SERVICES AND RAIL SWITCHING SERVICES IN CONJUNCTION WITH THE PORT AUTHORITY’S OPERATIONS OF DOCKS 20-30

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

MARITIME COMMITTEE

Agenda Item 4(C)(1)(b) – Cruise Terminal & Fiber Utility Easement

Mr. Nicholas LaPointe addressed the Board and referred to a presentation as “**Exhibit B**” (slides 6-19). Director Applegate noted that the cost of the structure seems very high for the size. Mr. LaPointe replied yes, there are certain safeguards that will be included in the building that may not be shared publicly. Mr. Friedman noted that on a national level there is lobbying being done to make USCPD fiscally responsible for these types of facilities, not port authorities. On motion by Director Smith, seconded by Director Applegate, and unanimously carried by roll call vote,

RESOLUTION NO. 2019-10

A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION OF A CONSTRUCTION CONTRACT WITH THE R.W. CLARK COMPANY IN AN AMOUNT NO-TO-EXCEED \$615,689.00 INCLUDING A \$29,319.00 PORT AUTHORITY CONTROLLED CONTINGENCY, FOR THE PURPOSES OF CONSTRUCTING THE PORT OF CLEVELAND CRUISE TERMINAL AND AUTHORIZING THE EXPENDITURE OF FUNDS FROM MONIES APPROPRIATED IN THE FY 2019 CAPITAL BUDGET

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 Smith, and unanimously carried by roll call vote,

RESOLUTION NO. 2019-11

A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A RIGHT OF ENTRY AGREEMENT WITH EVERSTREAM SOLUTIONS, LLC TO ACCESS THE PORT AUTHORITY'S GENERAL CARGO TERMINAL, ALONG WEST 3RD STREET, FOR THE PURPOSES OF INSTALLING AND MAINTAINING A SUB-SURFACE FIBER OPTIC CABLE AND CONDUIT TO SUPPLY BUSINESS CLASS INTERNET SERVICE TO THE PORT AUTHORITY'S GENERAL CARGO TERMINAL

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

MARITIME COMMITTEE

Agenda Item 4(C)(1)(c) – Cleveland Bulk Terminal City of Cleveland Waterline Easement

Mr. Nicholas LaPointe addressed the Board and referred to a presentation attached hereto as "Exhibit B" (slides 18-20).

On motion by Director Smith, seconded by Director Ramsey, and unanimously carried by roll call vote,

RESOLUTION NO. 2019-12

A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AN EASEMENT AGREEMENT WITH THE CITY OF CLEVELAND FOR THE PURPOSES OF INSTALLING AND MAINTAINING A WATER MAIN ALONG THE SOUTHERN BORDER OF THE CLEVELAND BULK TERMINAL PROPERTY

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

MARITIME COMMITTEE

Agenda Item 4(C)(1)(d) – Agreements for Irishtown Bend Funding

Ms. Linda Sternheimer addressed the Board and referred to a presentation attached hereto as "**Exhibit B**" (slides 21-27). She introduced Mr. Derek Schafer of West Creek LLC. Director Smith asked Ms. Sternheimer to comment on the joint use and whether there are internal controls. Ms. Sternheimer replied there is a cooperative agreement that states the Port will manage the process. Director Smith asked Mr. Naso whether he is comfortable that the funds are being deployed properly. Mr. Naso replied yes, there will be an audit for function. Chair Roller asked

how many additional parcels are needed to complete Irishtown Bend. Ms. Sternheimer replied there are two major sites, however, all of the riverfront properties have been acquired so it will not interfere with bulkhead repairs.

On motion by Director Smith, seconded by Director Applegate, and unanimously carried by roll call vote,

RESOLUTION NO. 2019-13

A RESOLUTION AUTHORIZING AND APPROVING: 1) THE EXECUTION OF JOINT USE AGREEMENTS WITH RIVERBED WEST LLC FOR PURPOSES OF USING \$5,000,000 IN GRANTS FROM THE OHIO DEPARTMENT OF NATURAL RESOURCES FOR THE FRANKLIN HILL STABILIZATION PROJECT; AND 2) A COOPERATIVE AGREEMENT WITH RIVERBED WEST LLC

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

MARITIME COMMITTEE

Agenda Item 4(C)(1)(e) – Engineering Services for Irishtown Bend

Ms. Linda Sternheimer addressed the Board and referred to a presentation attached hereto as “**Exhibit B**” (slides 28-30). Mr. Joe Ferenczy, Director of Civil Engineering, Osborn Engineering addressed the Board and referred to slides 30-38 of “**Exhibit B**”. Chair Roller asked how many jobs will be as a result of the consulting team, and what the timeline will be. Mr. Ferenczy stated approximately 8-9 people completing 15,000 man hours for design. Construction service hours have not yet been reviewed.

On motion by Director Smith, seconded by Director Applegate, and unanimously carried by roll call vote,

RESOLUTION NO. 2019-14

A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION OF AN AGREEMENT WITH THE OSBORN ENGINEERING COMPANY FOR THE PURPOSE OF UNDERTAKING ENGINEERING SERVICES FOR THE CUYAHOGA RIVER FRANKLIN HILL STABILIZATION PROJECT IN AN AMOUNT NOT TO EXCEED \$3,405,897 AND AUTHORIZING THE EXPENDITURE OF FUNDS FROM CERTAIN GRANT FUNDS TO BE RECEIVED PURSUANT TO RESOLUTION NO. 2019-14

was approved. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority. Director Holmes noted he will be leaving the conference call (9:30 a.m.).

MARITIME COMMITTEE

Agenda Item 4(C)(1)(a) – Cleveland Port Railway Agreement

Chair Roller then advised Mr. Gutheil to continue with the Maritime Agenda Item. Mr. Gutheil welcomed and introduced Mr. Scott Brinner with OmniTrax. Mr. Brinner addressed the Board and referred to a presentation attached hereto as “**Exhibit C**”.

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(3)(a) – 2018 Audit Report

Mr. Carl Naso addressed the Board and stated that the 2018 external audit was completed and resulted in a clean opinion. The audit states that our financial statements are presented fairly in all the material aspects. An audit exit conference was held on June 17 and Director Ramsey was in attendance. Mr. Naso noted that the auditors tested the Port’s internal accounting controls. While the auditors don’t issue an opinion on the internal controls, no deficiencies were found.

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(3)(b) – May Financial Statement

Mr. Carl Naso addressed the Board and referred to pages 36-37 of the Agenda. He noted that several projects were in the pipeline but some, like NuCLEus, have pulled back. At this point we’re not sure if they’ll come back or not. Mr. Friedman added that the Port remains engaged and would like to see them return. Mr. Naso noted that the trend now is residential and mixed- use projects. Developers have told us that it’s difficult to reach the 100% prevailing wage. Mr. Friedman added that over the past 5 years the projects have been mostly residential and mixed-use, and they’re smaller projects, which makes it difficult for contractors to meet the policy 100%. Chair Roller stated she’d like to see developers accept that prevailing wage is the new way of doing business in Cuyahoga County. Mr. Naso stated that in the past the Port has generated approximately \$1 million in revenue, if the current pace continues, the Port will need to find other sources of income. Mr. Friedman stated that management will need to make conservative assumptions about the future. Management will need to focus on how to generate revenue elsewhere and will have to closely monitor spending. We can no longer count on a \$3 million/year bond financing projects.

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(3)(c) – Key Performance Indicators

It was decided that the Port’s Key Performance Indicators will be presented at the next meeting.

PUBLIC COMMENT

There being no public comment, Chairwoman Roller noted that the next Board of Directors Meeting is scheduled for September 12, 2019. Chair Roller adjourned the meeting at 10:25 a.m.

Abstention : Wondolowski


CHAIR


SECRETARY