

MINUTES

CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING Thursday, September 14, 2017

The regular Meeting of the Cleveland-Cuyahoga County Port Authority Board of Directors was held at the Cleveland Metroparks Lakefront Office, 8701 Lakeshore Blvd., Cleveland, Ohio on Thursday, September 14, 2017. The meeting was called to order by Chairman McNair at 8:37 a.m. Attendance by roll call showed the following:

PRESENT

Darrell McNair, Chair
Jan Roller, Vice-Chair
Patricia Ramsey, Secretary
Harriett Applegate
Paul Hoogenboom
Robert Smith

ABSENT AND EXCUSED

Chris Ronayne
Anthony Moore

ALSO PRESENT

W. Friedman, President & CEO
D. Gutheil, VP, Maritime & Logistics
C. Naso, Chief Financial Officer
G. Woodson, Director, Development Finance & Inclusion
L. Bohinc, Finance Coordinator
L. Sternheimer, Director, Urban Planning & Engagement
R. Snipes, Staff Accountant
M. Rivalsky, Controller
N. LaPointe, Director, Planning & Capital Development
D. Wilcox, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A
R. Kozak, Huntington
P. Angelo, Huntington
I. MacDougall, Walter Haverfield
H. Homae, KS Associates, Inc.
M. Cencer, KS Associates, Inc.
J. McJunkin, FMT
J. Ziss, Kurtz Bros. Inc.

APPROVAL OF MINUTES

The minutes of the Board of Directors meetings of July 20, 2017 and August 1, 2017 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Hoogenboom, seconded by Director Ramsey and unanimously carried, the Board minutes of July 20, 2017 and August 1, 2017 were approved.

PUBLIC COMMENT PERIOD

Chairman McNair then opened the floor for public comment related to agenda items. There being no public comment, Chairman McNair proceeded with the agenda.

CHAIR'S COMMENTS

Chairman McNair mentioned that there was a kick off for the Port's levy campaign and thanked all those involved. Chairman McNair referenced the draft Board of Directors 2018 meeting schedule. He stated that the dates have been finalized and the information will be distributed to the Board, posted on the website and shared with the public. He then requested that Mr. Friedman proceed with the President's comments.

PRESIDENT'S COMMENTS

Mr. Friedman addressed the Board and stated that the Board Meetings for the remainder of the year will be held at the Cleveland Metroparks Lakefront Office. He also noted that the Port plans to build its own conference center on the first floor once the current tenants lease has expired. Once construction has been completed, all Board Meetings will be held in the new space.

Mr. Friedman mentioned that the U.S. Army Corps of Engineers (USACE) has unofficially indicated they don't plan to appeal Judge Nugent's ruling.

Mr. Friedman stated that the Forest Hills Apartments project may be receiving media coverage. The Port did the bond issuance for this project located in East Cleveland. The current owners of the facility have fallen behind on their bond payments, which was disclosed publicly as required. Director Ramsey asked about the trustee of the project. Mr. Garth Woodson replied that the trustee has recently been reassigned and that he could provide the name to Director Ramsey following the meeting.

FINANCIAL REPORT

Mr. Carl Naso addressed the Board of Directors and presented the Financial Report (pages 8-10 of agenda). Chairman McNair stated for clarification that the rental income variance will be wider later in the year. Mr. Naso replied yes, it is anticipated to be \$270,000 by year end. Director Applegate asked for clarification on the Office Expense line item on page 9. Mr. Naso replied that the amount is favorable. Mr. Naso stated he would revise the format of the Financial Report for future meetings to ensure the report is easier to read.

REAL ESTATE AND DEVELOPMENT FINANCE COMMITTEE

Agenda Item 4(D)(1)(a) – Dave's Midtown Market Lease Revenue Bonds

Director Jan Roller addressed the Board introduced Mr. Michael Panzica with Hemingway Development. Mr. Panzica referred to a presentation attached hereto as "**Exhibit B**". Mr. Friedman asked where the "Link 59" term originates from. Mr. Panzica indicated they wanted to be able to provide a linkage along the health street corridor and 59th street is the north-south link. Director Ramsey asked whether Dave's Supermarket would be working closely with University Hospitals to best determine how to serve residents in the area. Mr. Panzica replied yes. Mr. Naso addressed the Board and referred to a presentation attached hereto as "**Exhibit C**". Director Ramsey asked whether the term sheets have been approved. Mr. Panzica replied yes. Referring to slide 7, Director Ramsey asked who the Executed Community Benefit Agreement was with. Mr. Panzica replied it's with the City of Cleveland.

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

RESOLUTION NO. 2017-28

A RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY DEVELOPMENT LEASE REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,000,000 FOR THE PURPOSE OF FINANCING "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, INCLUDING PAYING OR REIMBURSING THE COSTS OF ACQUIRING, CONSTRUCTING, INSTALLING, EQUIPPING AND IMPROVING AN APPROXIMATELY 53,000 SQUARE FOOT SINGLE TENANT GROCERY STORE LEASED TO AND OPERATED BY DAVE'S SUPERMARKET, INC., AS SUBLESSEE (THE "PROJECT FACILITIES"), LOCATED IN THE CITY OF CLEVELAND, OHIO; AUTHORIZING THE ACQUISITION OF THE PROJECT SITE BY THE PORT AUTHORITY THROUGH AN ACQUISITION AGREEMENT (THE "PROJECT SITE"); AUTHORIZING A LEASE TO PROVIDE FOR THE LEASING OF THE PROJECT FACILITIES AND THE PROJECT SITE BY THE ISSUER TO THE DEVELOPER OR ITS DESIGNEE, AND TO SUBLESSEE, TO PROVIDE FOR THE PAYMENT OF BOND SERVICE CHARGES ON THE SERIES 2017 BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE TO SECURE THE SERIES 2017 BONDS, A FEE MORTGAGE, FIXTURE FILING, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTS, A CONSTRUCTION MANAGER AGREEMENT, A DISBURSING AGREEMENT AND OTHER INSTRUMENTS, STATEMENTS AND DOCUMENTS NECESSARY IN CONNECTION WITH THE ISSUANCE AND SECURING OF THE SERIES 2017 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.

Chairman McNair applauded the efforts to further develop the Midtown community.

MARITIME COMMITTEE

Agenda Item 4(D)(2)(a) – Maritime Update

Director Hoogenboom introduced Mr. David Gutheil who then addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit D**" (slides 1-4). Mr. Friedman noted that there has been positive feedback from the cruise line regarding Cleveland. The tour is from Toronto to Chicago with a stop in Cleveland. Director Roller asked whether Cleveland could become a home port for the cruise ship industry. The Port has requested to be a home port, however logistically we may not be the most favorable. They take convenience of air service into consideration. Director Roller asked whether there are any port charges associated with the cruise ship. Mr. Friedman replied that the fees have been kept low to get established. Permanent improvements to U.S. Customs will need to be considered if the service continues to grow. Director Roller asked who the Port is partnering with in the city. Mr. Friedman replied the Port is working with Positively Cleveland. Director Applegate asked whether Positively Cleveland was calculating the local economic impact of the service. Mr. Friedman replied that it could be calculated as part of the Port's economic impact study.

MARITIME COMMITTEE

Agenda Item 4(D)(2)(b) – Design Contract CBT Maritime Rehabilitation Contract

Mr. Gutheil addressed the Board of Directors and referred to “**Exhibit D**” (slides 5- 13).

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

RESOLUTION NO. 2017-29

A RESOLUTION AUTHORIZING AND APPROVING A REVISED CAPITAL BUDGET FOR THE PLANNED CLEVELAND BULK TERMINAL MARITIME INFRASTRUCTURE REHABILITATION PROJECT AND AUTHORIZING THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY TO FUND THE DESIGN & ENGINEERING SERVICES PHASE OF THE PROJECT OUT OF ITS COMMITTED PROJECT FUNDS

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 Applegate, and unanimously carried,

RESOLUTION NO. 2017-30

A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION OF AN AGREEMENT WITH KS ASSOCIATES, INC. FOR THE PURPOSE OF UNDERTAKING THE SCOPE OF WORK FOR DESIGN ENGINEERING SERVICES TO SUPPORT THE MARITIME INFRASTRUCTURE REHABILITATION PROJECT AT THE CLEVELAND BULK TERMINAL IN AN AMOUNT NOT TO EXCEED \$650,000 AND AUTHORIZING EXPENDITURE OF FUNDS

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) – Kurtz Bros. Operations and Material Marketing Agreement

Mr. Nicholas LaPointe addressed the Board and referred to a presentation attached hereto as “**Exhibit D**” (slides 14- 20). Mr. Jason Ziss addressed the Board and noted that sediment management is a key issue within the State. He stated that the Port has championed a model that other ports around the country will eventually use. Kurtz Bros. looks forward to a continued partnership. Director Roller asked whether any other ports are doing anything similar with sediment. Mr. LaPointe replied that Toledo is exploring a similar model but currently the Port of Cleveland is the only port on the Great Lakes. Mr. Friedman stated that Kurtz Bros. is uniquely qualified to get the material into the marketplace. Director Roller asked whether the Port has received any publicity. Mr. Friedman stated that various sediment conferences have reached out to have the Port present. Director Hoogenboom noted that the Port had inherited a terrible scenario 8 years ago and was facing a crisis in terms of capacity. He noted to not take for granted that a solution has been reached.

On motion by Director Applegate, seconded by Chairman McNair, and unanimously carried,

RESOLUTION NO. 2017-31

A RESOLUTION AUTHORIZING AND APPROVING AN AMENDED AND RESTATED COOPERATIVE PROJECT MANAGEMENT AGREEMENT WITH KURTZ BROTHERS, INC. FOR THE PURPOSE OF OPERATING THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY'S SEDIMENT PROCESSING & MANAGEMENT FACILITY

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

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(3)(a) – Tax Advances

Mr. Naso addressed the Board of Directors and referred to pages 36-37 of the Agenda.

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

RESOLUTION NO. 2017-32

A RESOLUTION REQUESTING ADVANCES FROM THE CUYAHOGA COUNTY FISCAL OFFICER FROM THE COLLECTION OF THE FIRST AND SECOND HALF 2017 REAL PROPERTY TAXES AND ALL 2018 PERSONAL PROPERTY TAXES

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

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(3)(b) – Tax Amounts & Rates

Mr. Naso address the Board of Directors and referred to pages 38-39 of the Agenda.

On motion by Director Ramsey, seconded by Director Roller, and unanimously carried,

RESOLUTION NO. 2017-33

A RESOLUTION ACCEPTING THE AMOUNTS AND RATES AS DETERMINED BY THE BUDGET COMMISSION AND AUTHORIZING THE NECESSARY TAX LEVIES AND CERTIFYING THEM TO THE COUNTY FISCAL OFFICER

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

PUBLIC COMMENT PERIOD

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

There being no public comment, Chairman McNair requested a motion to adjourn. On motion by Director Roller, seconded by Director Smith and approved unanimously by the Board, the meeting was adjourned at 9:56 a.m.



CHAIR



SECRETARY