

## MINUTES

### CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING Thursday, September 13, 2018

The regular Meeting of the Cleveland-Cuyahoga County Port Authority Board of Directors was held at the Port of Cleveland Conference Center, 1100 W. 9<sup>th</sup> Street – Suite 100, Cleveland, Ohio on Thursday, September 13, 2018. The meeting was called to order by Chairman Darrell McNair at 8:38 a.m. Attendance by roll call showed the following:

#### PRESENT

Darrell McNair, Chair  
Jan Roller, Vice-Chair  
Pat Ramsey, Secretary  
Harriett Applegate  
J. Stefan Holmes  
Paul Hoogenboom  
Chris Ronayne  
Robert Smith  
David Wondolowski

#### VIA TELEPHONE

#### ABSENT & EXCUSED

#### ALSO PRESENT

W. Friedman, President & CEO  
D. Gutheil, Chief Commercial Officer  
C. Naso, Chief Financial Officer  
M. Rivalsky, Controller  
R. Snipes, Senior Accountant  
N. LaPointe, Director, Planning & Capital Development  
M. Freilino, Manager, Executive & Administrative Operations  
R. Bever, Director of Finance  
G. Woodson, Director, Development Finance & Inclusion  
L. Sternheimer, Director, Urban Planning & Engagement  
J. Magyar, Director, Operations & Facilities  
D. Wilcox, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A.  
M. Armagno, PNC  
R. Kozak, Huntington  
S. Willobee, Huntington  
P. Anselmo, Huntington  
D. Whalen, Harbor Bay  
J. Roth, Tucker Ellis  
M. Jarboe, The Plain Dealer

**APPROVAL OF MINUTES**

The minutes of the Board of Directors meetings of July 26, 2018 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Ronayne, seconded by Director Hoogenboom and unanimously carried, the Board minutes of July 26, 2018 were approved.

**PUBLIC COMMENT PERIOD**

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

**PRESIDENT'S COMMENTS**

Mr. Friedman addressed the Board of Directors and thanked Mr. LaPointe for his management of the conference center project. He also thanked Ms. Freilino for her work on the project and thanked Mr. Andy Clark and his team for their efforts.

Director Ramsey read Resolution 2018-23 in honor and remembrance of Reverend Sterling E. Glover. On motion by Director Smith, seconded by Director Wondolowski, and unanimously carried,

RESOLUTION 2018-23

A RESOLUTION OF APPRECIATION AND GRATITUDE FOR  
REVEREND DR. STERLING E. GLOVER

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(C)(1)(a) – Church & State Development Project – Conduit TIF Revenue Bonds***

Director Roller welcomed Mr. Michael Panzica and Mr. Graham Veysey who referred to a presentation attached hereto as "**Exhibit A**." Ms. Rhonda Bever addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit B**." Chairman McNair asked whether the advisors fee was enacted on behalf of the Port or the developer. Ms. Bever replied it was enacted on behalf of the Port. Director Roller asked about community pushback and if there are any plans to address the concern. Mr. Veysey stated they worked closely with the Ohio City Inc. and their board voted in support of the project. The Ohio City Block Club and the Lakeview Advisory Committee also voted in support of the project. Director Roller asked whether the amphitheater space would be available for public use. Mr. Veysey replied yes, it was an intentional part of the retail strategy to have the space open to the public. Director Ramsey asked whether job training is being incorporated into the project. Mr. Veysey replied that conversations have been had with both the City and the County regarding the community development agreement. Mr. Panzica added that the project is 100% union and is promoting job training. Director Applegate and whether there were any plans to commemorate and/or integrate the historic importance of the landmark. Mr. Veysey replied it is extremely important and funds are being pursued to allow

restoration to continue to take place. The name of the project is a deliberate nod to the importance of the history and celebration of social justice. Director Ronayne noted that the density in the area will drive economic vitality. He noted that due to the increased traffic on W.28<sup>th</sup> and W. 29<sup>th</sup> Streets there is a need for pedestrian crossing. He asked whether any progress has been made in that area. Mr. Veysey replied that Mr. Ben Trimble at Ohio City Inc. and Councilman McCormick have been involved in discussions regarding necessary crossing needs that must be made.

On motion by Director Ronayne, seconded by Director Ramsey, with Director Wondolowski abstaining from the vote, then unanimously carried by roll call vote (8-0),

#### RESOLUTION NO. 2018-18

A RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$6,500,000 OF TAXABLE REVENUE BONDS OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY, FOR THE PURPOSE OF FINANCING COSTS OF "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, SPECIFICALLY PAYING A PORTION OF THE COSTS OF ACQUISITION, CONSTRUCTION, RECONSTRUCTION, INSTALLING AND EQUIPPING CERTAIN IMPROVEMENTS CONSTITUTING MULTI-FAMILY HOUSING, PARKING AND RETAIL; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE TO SECURE THE SERIES 2018 BONDS; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A COOPERATIVE AGREEMENT AND CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE SERIES 2018 BONDS AND ACQUISITION, CONSTRUCTION, RECONSTRUCTION, INSTALLATION AND EQUIPPING OF THE PROJECT; AUTHORIZING THE EXECUTION OF A PURCHASE AGREEMENT AND THE EXECUTION AND DISTRIBUTION OF A DISCLOSURE STATEMENT IN CONNECTION WITH THE SERIES 2018 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.

#### **REAL ESTATE & DEVELOPMENT FINANCE COMMITTEE**

##### ***Agenda Item 4(C)(1)(b) – May Company Project – Taxable Lease Revenue Bonds***

Mr. Ken Till addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit C**." Ms. Rhonda Bever addressed the Board and referred to a presentation attached hereto as "**Exhibit D**." Director Smith asked when the Tower City Development Plan will be released. Mr. Till stated it is in the initial planning phase but something should be available in 3-4 weeks. Director Roller asked about what market reports are saying regarding saturation rates for downtown living. Mr. Till replied that according to the DCA study, downtown Cleveland is at 100% occupancy, but could still absorb approximately 2000 additional apartments. Director Wondolowski expressed his gratitude to the developers for taking on such difficult projects.

On motion by Director Hoogenboom, seconded by Director Holmes, and unanimously carried by roll call vote,

RESOLUTION NO. 2018-19

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY TAXABLE CAPITAL LEASE REVENUE BONDS, SERIES 2018 (MAY COMPANY PROJECT) IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$125,000,000.00 FOR THE PURPOSE OF PAYING OR REIMBURSING THE COSTS OF ACQUIRING, CONSTRUCTING, RECONSTRUCTING, RENOVATING, INSTALLING, EQUIPPING AND IMPROVING CERTAIN PORT AUTHORITY FACILITIES CONSISTING OF THE REDEVELOPMENT OF THE BUILDING COMMONLY KNOWN AS THE MAY COMPANY BUILDING, LOCATED IN THE CITY OF CLEVELAND, OHIO; AUTHORIZING THE ACQUISITION OF A LEASEHOLD INTEREST IN CERTAIN REAL ESTATE PARCELS BY A GROUND LEASE EVIDENCING LEASEHOLD OWNERSHIP OF THE PROJECT SITE (HEREINAFTER DEFINED); AUTHORIZING A CAPITAL LEASE TO PROVIDE FOR THE LEASING OF THOSE FACILITIES BY THE PORT AUTHORITY TO HADDAS WINDOWPANE LLC TO PROVIDE FOR THE PAYMENT OF BOND SERVICE CHARGES ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, GROUND LEASE, LEASE, AN ASSIGNMENT OF LEASE, PRIVATE PLACEMENT AGREEMENT AND CONSTRUCTION MANAGER AGREEMENT AND OTHER INSTRUMENTS, STATEMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND SECURING OF THE 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.

**REAL ESTATE & DEVELOPMENT FINANCE COMMITTEE**

***Agenda Item 4(C)(1)(c) – Increase in the Bond Fund Letter of Credit***

Ms. Rhonda Bever addressed the Board and referred to a presentation attached hereto as “**Exhibit D.**” Director Ramsey asked whether there are any delinquencies or defaults. Ms. Bever replied no, not currently. Regarding the rating, Director Ronayne asked about the market threshold and whether the Port is rated by anyone other than S&P. Ms. Bever replied that \$1.5 million is the minimum and that the Port is only rated by S&P. Director Ronayne asked whether a new transaction requires a new rating. Ms. Bever replied yes. Chairman McNair asked why the number \$12 million. Ms. Bever replied that the number the product of negotiation with Huntington, the bank issuing the letter of credit. Director Smith asked if anything can be done to increase the deal flow. Ms. Bever stated that there are a number of projects in que and that there may be opportunities for PACE (energy conservation) funding that can be explored. Director Roller asked whether the Port would be responsible in the event of a default. Ms. Bever replied no, the Port is not required to pay back the principal of the bonds. Director Holmes asked whether the attorney fees are reasonable. Ms. Bever stated the fees are nominal, approximately \$2K. Director Roller asked

On motion by Director McNair, seconded by Director Ronayne, and unanimously carried by roll call vote,

RESOLUTION NO. 2018-20

A RESOLUTION AUTHORIZING AND APPROVING ENTERING INTO AN AMENDMENT TO A REIMBURSEMENT AGREEMENT WITH THE HUNTINGTON NATIONAL BANK TO INCREASE THE AMOUNT OF THE LETTER OF CREDIT AND EXTEND ITS TERM FOR THE PORT OF CLEVELAND BOND FUND PROGRAM AND APPROPRIATING FUNDS TO PAY COSTS THEREFOR

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(C)(1)(d) – Project Update***

Mr. Naso addressed the Board and referred to a presentation attached hereto as “**Exhibit E.**” Director Holmes noted that the projects the Port has completed are truly tremendous and have promoted economic development and job creation. Director Ramsey requested that a column be added for the number of jobs created and the number of jobs retained. Director Roller suggested pushing this story out publically through various avenues.

**BUDGET & ADMINISTRATION COMMITTEE**

***Agenda Item 4(C)(2)(a) – Financial Report***

Mr. Naso addressed the Board and referred to the Financial Report on pages 39-41 of the Agenda. Director Smith noted that the Port has a very strong balance sheet.

**BUDGET & ADMINISTRATION COMMITTEE**

***Agenda Item 4(C)(2)(b) – Tax Advances***

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

RESOLUTION NO. 2018-21

A RESOLUTION REQUESTING ADVANCES FROM THE CUYAHOGA COUNTY FISCAL OFFICER FROM THE COLLECTION OF THE FIRST AND SECOND HALF 2018 REAL PROPERTY TAXES AND ALL 2019 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)(2)(c) – Tax Amounts and Rates***

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

RESOLUTION NO. 2018-22

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.

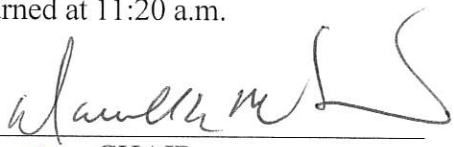
**BUDGET & ADMINISTRATION COMMITTEE**


***Agenda Item 4(C)(2)(d) – Policy Discussion on Workforce, Inclusion, Equity & Wages***

Mr. Friedman addressed the Board and referred to a presentation attached hereto as “**Exhibit F.**” Referring to slide 3, Chairman McNair stated that 25% is too low since the current number is 27%. Director Wondolowski stated that construction associations have gone to great lengths to expand MBE/FBE business in Cuyahoga County. He agreed that the participation rate could be increased to 27% as an attainable goal. Also referring to slide 3, Director Roller stated that specific demographic categories should be identified and there should be goals for each demographic. Director Wondolowski stated that it’s not necessary to reinvent the wheel. The Fannie Lewis law can be implemented and most projects already have a Community Benefits Agreement with the City. Director Roller added that the rate(s) should be applied to areas other than construction, for example janitorial and legal. The goals must be set and reflected in the numbers. Director Applegate suggested including numbers that reflect permanent jobs that have been created noting that there are many more workers than there are owners. Director Smith stated it might be beneficial to have firms disclose their internal MBE/FBE policies to reinforce that the Port finds this important. Director Wondolowski stated that Amazon is bringing in over 200 workers from out of state to work on conveyor lines and that takes 200 jobs away from Northeast Ohio. Director Applegate stated that in order to address poverty, wages must be discussed and considered. Director Wondolowski asked when the policy will be implemented. Mr. Friedman replied as soon as possible once there is a consensus that the policy is comprehensive. Director Wondolowski applauded the Port’s efforts and stated that it is real economic vitality. Chairman McNair requested that any additional feedback be sent to Mr. Friedman as soon as possible.

Chairman McNair opened the floor for Public Comment. There being no comments, at 10:56 a.m. Chairman McNair made a motion to adjourn into Executive Session to discuss certain matters in Revised Code 121.22 specifically to discuss with counsel pending or imminent litigation. On motion by Director Roller, seconded by Director Ramsey and carried unanimously by roll call vote, the Board entered Executive Session.

Chairman McNair reconvened the meeting and immediately adjourned at 11:20 a.m.

  
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CHAIR

  
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SECRETARY