

MINUTES

CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING Thursday, October 10, 2024

The Meeting of the Cleveland-Cuyahoga County Port Authority Board of Directors was held at the Port Offices (1100 W. 9th Street) on Thursday, October 10, 2024, with notice of the meeting information provided to the public in advance. The meeting was called to order by Chairman Holmes at 9:06 a.m. Attendance by roll call showed the following:

PRESENT

Luis Cartagena
J. Stefan Holmes
Andrew Jackson
Ryan McCafferty
Glen Shumate
Teleange Thomas (9:08 a.m. arrival)
Dave Wondolowski
Peggy Zone Fisher (via zoom, non-voting)

ABSENT & EXCUSED

Darrell McNair

ALSO PRESENT

C. Beck, Senior Manager of Planning, Environment, and Information Systems
M. Bocanegra, Chief Legal Officer
K. Cotton, Manager, Marketing & Communications
J. Dugan, Senior Accountant
M. Freilino, Manager, Executive & Admin. Operations
W. Friedman, President & CEO
D. Gutheil, Chief Commercial Officer
C. Naso, Chief Financial Officer
M. Rivalsky, Vice President & Controller
R. Snipes, Senior Accountant
L. Sternheimer, Vice President, Urban Planning & Engagement
R. Winslow, Vice President, Development Finance
S. Simpkins, Mansour Gavin
N. Lesic, Lesic & Camper
P. Van Rumppe, Walter Haverfield
V. Barbalato, The Cleveland Foundation
A. Baker, The Cleveland Foundation
M. Notaro, Thompson Hine
I. MacDougall, Walter Haverfield
D. Cox, Wade Trim
J. Baker, Jr., ILA

APPROVAL OF MINUTES

As clarification, Mr. Simpkins informed Director Zone-Fisher that she was unable to vote since prior notification wasn't given. The minutes of the Board of Directors meeting of September 12, 2024 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Wondolowski, seconded by Director Cartagena, the Minutes of September 12, 2024 were unanimously approved (6-0) by roll call vote.

PUBLIC COMMENT PERIOD

There being no public comment, Chairman Holmes proceeded with the agenda.

CHAIR'S COMMENTS

Chairman Holmes welcomed new member, Director Glen Shumate, to the Board. He then noted that several new board members have labor affiliation. Past procedures have been that no matter what your business affiliation is, you can vote as a board member for any items that come forth. It's up to each Director to decide whether it's appropriate to vote or to abstain from any particular action. Chairman Holmes stated he's seeking further clarification, but as of now, the historic rules apply. Negotiation of Mr. Friedman's contract is still ongoing under the leadership of Director Jackson, the Committee Chair of the Contract Committee. Mr. Friedman's existing contract expires at the end of 2024. Chairman Holmes stated that in the hopes of increasing transparency, the Board will be reinstating a committee structure. Committees and Committee Chairs are as follows: Audit & Finance Committee, Director Cartagena; Maritime Committee, Director McCafferty; and Real Estate & Development Finance Committee, Chairman Holmes.

Director Wondolowski noted that per his request, he received the report prepared by Barnes & Thornburg. He then asked Chairman Holmes to provide communications between the firm, Mr. Friedman and Ms. Bocanegra. Director Wondolowski also asked Chairman Holmes to provide the cost associated with the report, and any retainer agreement that is in place. Chairman Holmes stated that Director Wondolowski's request has been noted, and hopefully it was communicated that some of the information was deemed attorney-client privilege and therefore could not be shared. Director Wondolowski then asked Mr. Simpkins to speak to attorney-client privilege as it relates to his request. Chairman Holmes stated that could be done in Executive Session. Mr. Wondolowski reminded Chairman Holmes that he asked for an Executive Session for today's meeting and was told it could not take place, therefore he'd like Mr. Simpkins to address it. Mr. Simpkins stated that he could provide a general summary of his understanding of attorney-client privilege. However, not having seen the referenced document, it would be difficult to make an assessment. Chairman Holmes reiterated that the discussion could be had during Executive Session. Director Wondolowski asked when he could expect to have the requested information, given that it's deemed not to be attorney-client privilege. Chairman Holmes stated he could begin working on it today, but is unable to provide a date-certain.

PRESIDENT’S COMMENTS

Mr. Friedman addressed the Board and stated he’d like to give an update on the budgeting process. The budget will be presented to the Board in December and noted that if the budget isn’t approved at the end of December, appropriations will run out. There is some immediacy to getting the information to the Board. Mr. Friedman gave a brief history of how committee meetings were handled in the past. Director Jackson asked if the budget will be reviewed by the Budget & Administration Committee and then be presented to the Board. Chairman Holmes replied yes, that’s the intent. However, he noted that Mr. Friedman offered to meet with Directors individually if that’s preferred.

REAL ESTATE & DEVELOPMENT FINANCE COMMITTEE

Agenda Item 4(C)(1)(a) – Taylor Tudor Plaza Project – Taxable Lease Revenue Bonds

Ms. Rhonda Winslow addressed the Board and referred to a presentation attached hereto as “**Exhibit A**” (slides 1-11). She noted that Mr. Matthew Wymer, Principal at WXZ Development, is joining via zoom. Mr. Wymer thanked the Board for the opportunity and said the City of Cleveland Heights is excited for this important project. Director Thomas asked whether tenants would be displaced. Ms. Winslow replied no, the building is vacant.

On motion by Director Thomas, seconded by Director Jackson, and unanimously approved by roll call vote (7-0),

RESOLUTION NO. 2024-40

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY TAXABLE DEVELOPMENT LEASE REVENUE BONDS, SERIES 2024 (TAYLOR TUDOR PLAZA PROJECT) FOR THE PURPOSE OF FINANCING COSTS OF “PORT AUTHORITY FACILITIES” WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, BY PAYING OR REIMBURSING THE COSTS OF ACQUIRING, CONSTRUCTING, EQUIPPING, RENOVATING, REMODELING, INSTALLING AND IMPROVING SAID PORT AUTHORITY FACILITIES LOCATED IN THE CITY OF CLEVELAND HEIGHTS, OHIO; AUTHORIZING THE ACQUISITION OF LEASEHOLD INTERESTS IN ONE OR MORE REAL ESTATE PARCELS BY GROUND LEASE; AUTHORIZING A LEASE TO PROVIDE FOR THE LEASING OF THOSE FACILITIES BY THE PORT AUTHORITY; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONSTRUCTION MANAGER AGREEMENT, AN ASSIGNMENT OF A CONSTRUCTION MANAGER AGREEMENT, A BOND PURCHASE AGREEMENT, A MORTGAGE AND OTHER INSTRUMENTS, STATEMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND SECURING OF THE BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS

was adopted. 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) – City/Guardians/Gateway Real Estate Transfer/Ownership of an Existing Parking Garage

Ms. Rhonda Winslow addressed the Board and referred to a presentation attached hereto as “**Exhibit A**” (slides 12-14). Chairman Holmes asked how this will affect the balance sheet in terms of assets. Mr. Naso replied the Port will receive \$1.8 million in restricted cash, and then there will be a payable or some sort of liability on the books. Chairman Holmes asked about the value of the garage. Ms. Winslow replied that an appraisal wasn’t done, and it’s not on the property tax roll. Director Cartagena asked whether the \$1.8 would be replenished. Ms. Winslow replied no, it was a negotiated one-time payment between the City and the Guardians.

On motion by Chairman Holmes, seconded by Director McCafferty, with Director Jackson voting no, and carried by roll call vote (6-1),

RESOLUTION NO. 2024-41

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A COOPERATIVE AGREEMENT WITH THE CITY OF CLEVELAND, OHIO, THE CLEVELAND GUARDIANS BASEBALL COMPANY, LLC (“GUARDIANS”), AND GATEWAY ECONOMIC DEVELOPMENT CORPORATION OF GREATER CLEVELAND (“GATEWAY”), RELATING TO THE OWNERSHIP, LEASING, OPERATION AND MAINTENANCE OF CERTAIN REAL PROPERTY AND IMPROVEMENTS LOCATED IN DOWNTOWN CLEVELAND, OHIO KNOWN AS THE GATEWAY EAST PARKING GARAGE AND BEING “PORT AUTHORITY FACILITIES” WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE; APPROVING AND AUTHORIZING ACCEPTANCE OF A QUIT CLAIM DEED FROM GATEWAY CONVEYING OWNERSHIP OF THE GATEWAY EAST PARKING GARAGE TO THE PORT AUTHORITY; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT BY WHICH THE PORT AUTHORITY WILL LEASE THE GATEWAY EAST PARKING GARAGE TO THE GUARDIANS; AND AUTHORIZING AND APPROVING RELATED MATTERS

was adopted. 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) – Cooperative Agreement with Cleveland Foundation

Ms. Linda Sternheimer addressed the Board and welcomed Mr. Victor Barbalato and Ms. Allison Baker from the Cleveland Foundation. Mr. Barbalato addressed the Board and stated it’s a tool to help create equitable economic and community driven development in Midtown and other areas of the City that have been historically underserved. Director Wondolowski said he supports the agreement and asked what makes the Port’s involvement more lucrative for potential development. Mr. Barbalato replied that many of the parcels are small, and land assembly is a complex and lengthy process which takes a long time to build enough land holdings in an area to actually make it worthwhile for development. Director Wondolowski asked how it benefits future developers. Mr. Barbalato said it gives the opportunity to assemble larger areas of land, and it allows

community input and involvement to find out what is needed. It provides the necessary pause needed to do those things and it can't be done without the port authority's involvement. Director Thomas asked what the Midtown Development Corporation's role will be in community development. Ms. Sternheimer replied it's the Port's intent to keep the agreement with Midtown. Midtown's participation will compliment what the Cleveland Foundation is doing. Mr. Friedman added the Port will be indemnified even though the land is held in the Port's name and the transactional costs are paid by the Cleveland Foundation as well.

On motion by Director Wondolowski, seconded by Director Thomas, with Director Jackson abstaining, and unanimously carried by roll call vote,

RESOLUTION NO. 2024-42

A RESOLUTION AUTHORIZING AND APPROVING A COOPERATIVE AGREEMENT FOR THE ASSEMBLY AND REDEVELOPMENT OF REAL PROPERTY BETWEEN THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY AND THE CLEVELAND FOUNDATION

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

MARITIME COMMITTEE

Agenda Item 4(C)(2)(a) – Irishtown Bend Change Order

Ms. Linda Sternheimer addressed the Board and referred to a presentation attached hereto as "**Exhibit A**" (slides 18-20). Director Wondolowski asked what was done in preparation before the pilings were installed to eliminate the potential collapse and whether the excavating equipment on the hillside created any ground shift. Ms. Sternheimer replied before we could get to this point, roughly 90,000 cubic yards of material from the hillside before it was deemed safe to continue with the project. Movement has been monitored, and the movement slowed significantly once the 90,000 cubic yards of material was removed. Director Jackson stated that he's having difficulty justifying approving a nearly million dollars of changes with such small details. Mr. Friedman said Ms. Sternheimer would share the details with the Board via email. Director McCafferty asked what would happen to any unused contingency. Mr. Dave Cox replied that any unused contingency would be returned.

On motion by Director Wondolowski, seconded by Director McCafferty, and unanimously carried by roll call vote (7-0),

RESOLUTION NO. 2024-43

A RESOLUTION AUTHORIZING AND APPROVING THE PORT AUTHORITY ENTERING INTO CHANGE ORDER NO. 1 IN AN AMOUNT NOT TO EXCEED \$892,640.45 WITH RICHARD GOETTLE CONSTRUCTION COMPANY FOR THE PURPOSES OF ADDRESSING MULTIPLE CHANGES TO SEVERAL BID ITEMS AS ORIGINALLY ESTIMATED AND AUTHORIZING THE EXPENDITURE OF FUNDS FROM MONIES THAT HAVE BEEN APPROPRIATED IN THE FY 2024 CAPITAL BUDGET

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

MARITIME COMMITTEE

Agenda Item 4(C)(2)(b) – Maritime Update

Mr. David Gutheil addressed the Board and referred to a presentation attached hereto as “**Exhibit A**” (slides 21-23). Chairman Holmes asked about fees associated with Foreign Trade Zones. Mr. Gutheil replied yes, the annual fee that's paid to the port after activation is based on the gross sales revenue of the client. For example, Swagelok pays \$30,000 a year for all their sites. Other companies who are smaller than that pay between \$5 and \$15,000 annually. There're also fees collected during the activation process.

PUBLIC COMMENT PERIOD – Non-Agenda Items

No public comment regarding non-agenda items.

On motion by Director McCafferty, seconded by Director Shumate, and unanimously carried (7-0) by roll call vote, the meeting was adjourned at 10:45 a.m.



CHAIR



SECRETARY