

CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS

Wednesday, January 20, 2010

8:30 a.m.

One Cleveland Center – 1375 East Ninth Street – The Forum Conference Center

AGENDA

1. Roll Call

DRAFT 01.15.10

2. Adoption of previous meeting minutes:

A. December 18, 2010 – **Pages X-X**

3. Public Comment Period – *Today's Agenda Items Only*

4. Reports and Communications from Officers and Committees

A. Chair's Comments

B. President's Comments

C. Committee Reports

1. Transition Committee Update

a) *Boyden Global Executive Search* – **Page X-X**

2. Maritime Committee Update

a) *Dredge Summit 2010* – *No Board action required*

3. Real Estate & Development Finance Committee

a) Flats East Bank Project – **Pages X-X**

b) Cleveland Stadium Project Refinancing

i. *Refunding Certificates Issuance* – **Pages X-X**

c) Ohio Manufacturers' Association – Stipulation Program

i. *Memorandum of Understanding Agreement* – **Pages X-X**

5. Public Comment Period – *Non-Agenda Items*

6. Executive Session to consider certain personnel matters to be specified

7. Next Meeting – **February 17, 2010**

TRANSITION COMMITTEE

Agenda Item 4(C)(1)(a) – Boyden Global Executive Search

At the November 25, 2009 Transition Committee, members approved a Request for Proposals (RFP) for firms interested in performing recruitment services for the permanent President & CEO position at the Cleveland-Cuyahoga County Port Authority.

The RFP was published on the Port Authority's website, the *Plain Dealer*, the *Call and Post* and the American Association of Port Authorities (AAPA) newsletter and website. Additionally, firms who had inquired about the opportunity, either with staff or Board, were directly sent a copy of the RFP.

The Port Authority received 19 responses, with 18 being received prior to the December 11, 2009 deadline. Proposals ranged from large, global search-firms, to local, sole-proprietorships. The compensation for services generally ranged from 25% to 35% of the first-year salary.

When reviewing the proposals, staff examined which firms had the most relevant search experience in our industry. Additionally, the "reach" of each firm into sectors beyond the Port Authority industry was considered, since the CEO position could potentially be filled by a variety of candidate types.

Staff narrowed the proposals down to 3 firms who were brought in for interviews.

The interviews and review of the 3 firms' proposals were conducted by Transition Committee members Marc Krantz and Bob Smith, as well CEO Peter Raskind and CFO Brent Leslie (the "evaluation team").

Two of the firms were larger, international firms with significant port, public and private search experience. The third firm had some significant local experience within the region recruiting for prominent positions and also had a broad array of experiences.

As a result of the proposals receive and interviews conducted, the evaluation team is recommending to the Transition Committee that Boyden Global Executive Search be retained to conduct the search for the next President & CEO of the Cleveland-Cuyahoga County Port Authority. Boyden has vast public sector seaport experience, including CEO searches at the following places:

- Cleveland Hopkins International Airport
- San Diego Unified Port District
- Virginia Port Authority
- South Carolina State Ports Authority
- Wallenius Wilhelmsen Lines

Boyden was extremely impressive in their interview with the evaluation team. Their experience and knowledge of the port industry, coupled with a strong understanding of the current situation

at the Cleveland-Cuyahoga County Port Authority, differentiated them from other firms. Additionally, Boyden focused heavily on outreach efforts to obtain a diverse slate of candidates and demonstrated a track record of diverse recruitments, which is especially impressive in the port industry.

Additionally, the maritime experience of the Managing Director should provide valuable insight into the current search.

The Search will be led by Tim McNamara, who leads the firm's Global Transportation Practice and has over 25 years of executive search and management consulting experience. Prior to entering the management consulting business, Mr. McNamara engaged in international maritime operations, primarily in the Great Lakes. He was the founder and President and CEO of American Heavy Lift Shipping Company, which built two American flag ships in Sturgeon Bay, Wisconsin and later sold the company to Gulf Oil Corporation. He was named by "Business Week" as one of the top 100 most influential headhunters in the world and has strong ties to the greater Cleveland area.

Mr. McNamara will be assisted Derek Wilkinson, who is a Principal in Boyden's Washington, D.C. office and has 15 years of experience in recruiting and search.

Boyden's professional fee for this engagement would be 30% of the first year's total cash compensation (base pay plus any bonus, including sign-on and targeted year-end bonus), with a minimum fee of \$65,000. The Port will also be invoiced for fixed indirect expenses of \$7,000 and direct travel expenses for Boyden and candidates not to exceed \$15,000.

The invoices are to be paid in thirds: 1/3 at commencement, 1/3 30 days thereafter and the final 1/3 at hire.

Boyden provides a warranty relative to each search assignment. In the event a candidate recommended and hired through their assistance is terminated for cause or the employee resigns within 12 months, Boyden will conduct another search to replace the individual at no cost to the Port. Additionally, Boyden will not recruit from the Cleveland-Cuyahoga County Port Authority for a period of 12 months.

The Board of Directors is being requested to execute an Engagement Letter with Boyden Global Executive Search for executive recruitment services for the President and CEO of the Cleveland-Cuyahoga County Port Authority for an amount consistent with the engagement letter, to be paid from funds previously appropriated for Professional Services.

REAL ESTATE AND DEVELOPMENT FINANCE COMMITTEE

Agenda Item 4(C)(3)(a) – Flats East Bank Project

The Port Authority, in collaboration with the City of Cleveland, Cuyahoga County, State of Ohio, Federal Government, Northeast Ohio Regional Sewer District, Cleveland Public Power, Cleveland Division of Water, Cleveland Municipal School District, Greater Cleveland Partnership and others have been working for the past several years with Scott Wolstein, through Flats East Development LLC (“Developer”), on a major redevelopment project in Cleveland, Ohio, known as the Flats East Bank Neighborhood Project.

The Project will be located on approximately 3 acres of land and will include a commercial office building (“Office Tower), a hotel, retail space, a surface parking lot located on land adjacent to the project site, a public parking garage, related public land and public improvements, all located on the banks of the Cuyahoga River, adjacent to Lake Erie in the Flats/Downtown Cleveland. The Project will be the first phase of a multi-phase development (the “Development”).

Construction of the Project will commence in 2010 and will be completed by June 2012. The Development will have a total cost of approximately \$278,500,000 (which does not include the cost of land and the future development costs related to subsequent phases of the Development):

- **Office Tower Project:**
 - 24 stories above parking garage;
 - 476,000 square feet;
 - “Minimum Office Pre-Leased Space” (63%):
 - Ernst & Young will lease 166,000 square feet over 10 years;
 - Tucker Ellis & West will lease 108,000 square feet over 12 years;
 - Additional tenants – 16,000 square feet; and
 - Total estimated cost is \$154,800,000.

- **Hotel Project:**
 - Approximately 150 rooms;
 - Hotel lobby located on 3rd floor, above Retail Project; and
 - Total estimated cost is \$34,500,000.

- **Retail Project:**
 - Will include 2 floors of retail tenants,
 - 31,000 square feet;
 - “Minimum Retail Pre-Leased Space” – 15,000 square foot fitness center; and
 - Total estimated cost is \$12,400,000.

- **Parking Garage Project:**
 - Approximately 550 space Parking Garage;
 - To be owned by the Cleveland Port; and
 - Total estimated cost is \$18,900,000.

- **Public Improvement Project: and Surface Parking Project:**
 - Land, streets, infrastructure, utilities, site work and other related improvements;
 - Funding to be provided by various governmental loan and grant programs;
 - Approximately 450 surface parking spaces owned by the Developer located adjacent to the Project Site; and
 - Total estimated cost is \$57,900,000.

In addition to the proposed Cleveland-Cuyahoga County Port Authority financing, the Summit County Port Authority (the “Summit Port”) will also issue approximately \$2,020,000 of Recovery Zone Facility Bonds (“RZFB”) and \$2,680,000 of Tax-exempt Public Infrastructure Improvement Bonds to finance a portion of the public improvements related to the development project. The project had been and will be financed by numerous other funding sources including the Northeast Ohio Regional Sewer District, City of Cleveland, Cleveland Development Partnership, Cuyahoga County, Cleveland Public Power, Cleveland Division of Water, State of Ohio and the Federal Government.

The proposed financing before the Board is also contingent on a number of other conditions, including, without limitation, the following: (1) Closing HUD 108 Loans with the City and County to finance the Parking Garage, (2) Closing First Mortgage financing for the Office Project, Hotel Project and Retail Project, which will be presented to the Board for approval later in 2010, and (3) other real estate and financing issues.

The Developer is requesting that the Port Authority consider authorizing the following at this time:

- A. Issuing Tax-Exempt Port Authority Bond Fund Tax Increment Financing (“TIF”) Revenue Bonds (“Port TIF Bonds”), as Recovery Zone Facility Bonds, in an amount not to exceed \$8,800,000 to pay; (i) construction cost for the Office Tower; (ii) capitalized interest on the Bonds during construction; (iii) a Bond reserve deposit, as required and (iv) Issuance Costs. The term of the bonds will be 30 years.

Also the non-recourse Borrower of Revenue Bonds being issued by the Ohio Department of Development, through its Ohio Enterprise Bond Fund (“OEBF Bonds”), in 2 series (Tax-Exempt Recovery Zone Facility Bonds and Taxable Bonds) in an amount not to exceed \$15,000,000 to pay; (i) construction cost for the Office Tower; (ii) capitalized interest on the Bonds during construction; and (iii) a Bond reserve deposit, as required and (iv) Issuance Costs. The term of the bonds will be 25 years.

The sources of repayment for the TIF Bonds and OEBF Bonds are primarily from a parity senior pledge of TIF Service Payments and the Minimum TIF Service Payments, equal to an amount that will be sufficient to generate an acceptable annual debt service coverage on the Port TIF Bonds and the OEBF Bonds. The Developer will agree to make monthly escrow payments for the semi-annual Minimum TIF Service Payment to the Disbursing Agent/ Trustee.

The Developer will enter into an agreement, which will run with each tax parcel, not to contest a minimum market value (the “Minimum TIF Value”) of less than set forth below:

- \$98,249,000 for the Office Tower*
- \$19,326,000 for the Hotel*
- \$8,760,000 for the Retail*
- \$36,856,000 for the Future Development Area*

- B. Issuing City of Cleveland Taxable Annual Appropriation – Recovery Zone Economic Development Bonds in an amount not to exceed \$11,000,000 to cover the cost of acquisition of certain real property for the public rights-of-way in conjunction with the Project and to pay costs of certain other public improvements including a public plaza to be owned and operated by the Port Authority.

Under the financing proposal, the property will be purchased by the City of Cleveland pursuant to a Cooperative Agreement by and among the Port Authority, the City of Cleveland, Flats East Bank Development LLC and the Huntington National Bank, as Trustee for the Bonds.

The City of Cleveland will agreed to make periodic payments to the Trustee on behalf of the Port Authority, as governed by a Trust Indenture, for the payment of principal and interest on the Bonds and ancillary on-going cost related to the issuance and administrative maintenance of the Bonds. Such payments will be subject to annual appropriation by Cleveland City Council. The term of the bonds will be 25 years.

The Board of Directors is being requested to adopt resolutions to:

- A. ***Authorize the issuance of Tax-Exempt Port Authority Bond Fund Tax Increment Financing (“TIF”) Revenue Bonds (“Port TIF Bonds”) in an amount not to exceed \$8,800,000 for the Project, and all associated financing documents necessary in relation thereto including the Cooperative Agreement and authorize the Port Authority to act as the Non-recourse Borrower of Revenue Bonds being issued by the Ohio Department of Development, through its Ohio Enterprise Bond Fund (“OEBF Bonds”) in an amount not to exceed \$15,000,000 million for the Project, and all associated financing documents necessary in relation thereto;***
- B. ***Authorize the issuance of City of Cleveland Annual Appropriation Bonds in an amount not to exceed \$11,000,000 million and all associated financing documents necessary in relation thereto including the Cooperative Agreement.***

REAL ESTATE AND DEVELOPMENT FINANCE COMMITTEE

Agenda Item 4(C)(3)(b) – Cleveland Stadium Project Refinancing

The City of Cleveland is requesting that the Port Authority authorize the signing and delivery of various documents in connection with the refinancing for the Cleveland Stadium, including supplements to the existing Lease-Purchase Agreement between the Port Authority and the City and the Trust Agreement between the Port Authority and U.S. Bank National Association, as trustee, providing for either the issuance of additional Certificates of Participation to refund all or a portion of the outstanding 2007 Certificates of Participation (\$108,390,000) and 1999 Certificates of Participation (\$21,180,000) or the conversion of the 2007 Certificates of Participation from one interest rate period to another interest rate period, thus enabling the City of Cleveland to obtain savings or to stabilize interest rates or to minimize risks of increased interest expense or increased risks, burdens or other costs associated with hedging arrangements or credit support instruments, to mitigate burdensome schedules of payments on the Certificates and the City's corresponding base rent payments under the Lease-Purchase Agreement, or to remove, avoid or mitigate burdensome covenants or costs of funding or maintaining reserves in connection with the Certificates.

The Board of Directors is being requested to adopt a resolution to authorize and approve the signing of various documents in connection with the refinance for the Cleveland Stadium Project by either the issuance of refunding Certificates of Participation or the conversion of the outstanding Series 2007 Certificates of Participation.

REAL ESTATE AND DEVELOPMENT FINANCE COMMITTEE

Agenda Item 4(C)(3)(c) – Ohio Manufacturers' Association – Stipulation Program

The Cleveland-Cuyahoga County Port Authority (the “Cleveland Port”), the Summit County Port Authority (the “Summit Port”) and the Toledo- Lucas County Port Authority (the “Toledo Port”) together with the Ohio Manufacturers' Association (“OMA”) made up of The Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (collectively the “Companies”) will enter into an agreement (the “Agreement”) to develop a new loan program.

The OMA has agreed to invest \$2.483M in each of the 3 Port Authorities Bond Fund Programs. The money will be paid by the companies through FirstEnergy Corp. (“FirstEnergy”) to OMA, due to a rate Stipulation case approved by the Public Utilities Commission of Ohio against FirstEnergy. The OMA will receive \$7.5M from FirstEnergy to assist with economic development within FirstEnergy's region (which nicely overlaps the Cleveland, Summit County and Toledo areas).

The OMA was convinced that the most impactful use of the funds would be to allow the Port Authorities to utilize the funds to increase the program reserves of the 3 respective Port Authorities. Doing so would strategically create loan opportunities through the 3 Port Authorities bond fund programs. The goal is to increase our lending capability to the membership of OMA through our Bond Fund Program.

The OMA will make an annual payment of \$2.5 million during each year for three years, to be equally divided between each Port Authority (approximately \$833,333). However, the first payment to be paid by January 15, 2010 to each Port will be reduced by \$16,667 each. This amount totaling \$50,000 will be withheld and redirected to OMA to be used to promote and market the program to the OMA member companies throughout Ohio.

As a result the 3 Port Authorities will receive program reserve deposits of \$816,667 on January 15, 2010, then \$833,333 on July 1, 2010 and finally \$833,333 on July 1, 2011. Upon receipt of the final payment on July 1, 2011, the OMA obligation to the 3 Port Authorities will be fully and completely satisfied additionally, there will be no further expectation or obligation by the Port Authorities to the OMA. *(This money was received on*

The investment in the program could have long lasting effects in the region by initiating a great opportunity to form a strategic partnership with First Energy and the OMA. More importantly, this is a critical first step in increasing the Cleveland Port's Bond Fund Program reserves. This measure directly addresses a key component to strengthen the Program, by increasing our reserves-to-outstanding bonds and demonstrates to rating agencies our commitment to the Program. While more capital may be necessary to increase the current investment-grade rating, the investment from OMA immediately enhances the Program and provides a great start to 2010 in our initiative to enhance our financing capabilities.

The Board of Directors is being requested to adopt a resolution to authorize, approve and ratify entering into a Memorandum of Understanding with the Summit County Port Authority, Toledo- Lucas County Port Authority together with the Ohio Manufacturers' Association, The Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company, and all associated documents necessary in relation thereto.

MINUTES

CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING Friday, December 18, 2009

The Board Meeting of the Cleveland-Cuyahoga County Port Authority Board of Directors was held in the One Cleveland Center Building, 1375 E. Ninth Street, The Forum Conference Center, Cleveland, Ohio on Friday, December 18, 2009. The meeting was called to order by the Chair at 8:34 a.m. Attendance by roll call showed the following:

PRESENT

Steven J. Williams, Chair
Richard Knoth, Vice Chair
Robert Peto, Secretary
Rose Rodriguez-Bardwell
John J. Carney
Marc Krantz
Anthony R. Moore
Robert Smith

ABSENT AND EXCUSED

Brian Hall

ALSO PRESENT

D. Wilcox, Climaco, Lefkowitz, Peca, Wilcox & Garofoli Co., L.P.A.
M. Freilino, Exec Assist./Office Manager
E. Johnson, Real Estate Director
P. Davis, Environmental Sustainability Manager
G. Woodson, Assistant VP Development Finance
B. Leslie, Chief Financial Officer
M. Rivalsky, Controller
E. Baker, Staff Accountant
A. James, Administrative Assistant
D. Moyers, Administrative Assistant
D. LoGalbo, Citizen
S. Pfeiffer, Citizen
J. Brant, Citizen
D. Hertz, Dix & Eaton
V. Anzalone, Vangaurd Industries
R. Audi, Vangaurd Industries
R. Richard, Roetzel & Andress
M. Roberts, *Cleveland Magazine*
P. Jeffrey, League of Women Voters
L. Henrichsen, City of Cleveland Planning
C. Lowe, Parsons Brinckerhoff
J. Lechak, Parsons Brinckerhoff
T. Harris, Arthur J. Gallagher

J. Baker, Jr., ILA
J. Baker Sr., ILA
Mike Woytowicz, AJG
J. Miller, *Crains Cleveland Business*
C. West, ULI
J. McCarty, *The Plain Dealer*
S. Ross, CB Richard Ellis
J. May, Carmeuse
D. O'Neill, Colliers
R. Turner, Heery
A. Boone, GAP Communications
J. Ditchman, Colliers One
J. Washington, Washington Enterprises
H. Yee, Washington Enterprises
R. Minter-Sonyers, Thompson Hine, LLP
J. Grant, Colliers International
L. Davis, Thompson Hine, LLP
J. Cox, Flats Industry
J. Rice, Rice Consulting

APPROVAL OF MINUTES

The minutes of the Board of Directors meetings of November 18, 2009 and December 1, 2009 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Peto, seconded by Director Smith, and unanimously carried, the minutes of November 18, 2009 were approved. On motion by Director Smith, seconded by Director Peto, and unanimously carried, the minutes of December 1, 2009 were approved.

PUBLIC COMMENT – AGENDA ITEMS

Chairman Williams then opened up the floor for public comment pertaining to today's agenda items only. There being no comment, Chairman Williams proceeded with the agenda.

CHAIR'S COMMENTS

The Board has identified seven areas for review during the transitional period and will address these items moving forward into 2010 with a renewed sense of momentum. In recent weeks the port has taken the following action: made steps to improve the organizations financial position; approved Peter E. Raskind as the Interim President and CEO; moved forward with the Waterfront Redevelopment Project; begun the process for a national search for a permanent President and CEO; and continued work with the USACE to identify interim dredging solutions. The port will continue to review the scope of the relocation of the port to the E. 55th Street site, as it remains the best site for the new port. Chairman Williams reminded the audience that there will be a Strategic Planning Committee Meeting following the Board Meeting at 9:30 a.m. Chairman Williams acknowledged staff and President Raskind for their hard work on the Waterfront Development Plan and recognized them for a job well done.

Chairman Williams advised that he has engaged Directors Krantz and Peto to assist in developing a strategy to raise dollars and develop funding options for the move to E. 55th Street. Chairman Williams advised that there are new committee assignments for 2010. They are as follows:

- Maritime/Relocation Committee: Robert Peto (Chair); Anthony Moore (Vice Chair); Rose Rodriguez-Bardwell; John Carney; Richard Knoth.
- Real Estate & Development Finance: Marc Krantz (Chair); Robert Smith; John Carney; Brian Hall; Robert Peto.
- Waterfront Development Committee: Brian Hall (Chair); Marc Krantz; Richard Knoth; Anthony Moore; Rose Rodriguez-Bardwell.
- Budget & Administration Committee: Robert Smith (Chair); Rose Rodriguez-Bardwell; Richard Knoth; Robert Peto; John Carney.

Chairman Williams stated that the Communications Sub-Committee has been discontinued now that Mr. Raskind is on board. Director Knoth has been requested to head up the legal structure with respect to engaging the City of Cleveland on the waterfront property and supporting the Waterfront Development Plan. He will assist General Counsel and the President in negotiations with the City moving forward. Chairman Williams asked Director Rodriguez-Bardwell to serve as a Board and Community liaison which will serve as an outreach effort to stakeholders in our community.

Director Rodriguez-Bardwell then requested that Chairman Williams explain what has transpired since her conversation with him that she wished to remain Chair of the Budget and Administration Committee. Chairman Williams stated that he looked at skill sets and tried to align those that best fit with the focus and objectives that the committees will be faced with in 2010. Director Rodriguez-Bardwell noted to each of the Board Members that her intent was to remain as Chair of the Budget and Administration Committee.

PRESIDENT'S COMMENTS

Mr. Raskind stated he is pleased to be a part of the organization and the past two weeks have been a learning process. Mr. Raskind stated that he is distinctly impressed with the quality, commitment, loyalty and knowledge of the Port Authority team. He added that the morale of the organization is good which is a testament to the maturity and commitment of the team despite the many changes that have occurred. Some difficult but appropriate staffing decisions were made in respect of the Port's financial circumstances. The result is a 2010 budget that is very appropriate under the current economic environment and very conservatively assembled. Mr. Raskind mentioned that the plans for Waterfront Development will continue to move forward and will be an area of focus for 2010. It is important to note that the first two phases will in no way conflict with the maritime operations of the port. Mr. Raskind stated that following two weeks on the job, it is obvious yet important to state that though the Port has several important initiatives underway, number one is to assure the viability and vitality of the Port's maritime operations, which is at the core of the mission.

TRANSITION COMMITTEE

Chairman Williams then requested that Director Smith provide an update on the Transition Committee. Director Smith stated that the key item on the next agenda will be the review of the executive search firms that submitted proposals. The hope is to make a recommendation at the Transition Committee in order to bring the matter to a vote at the January 20, 2010 Board Meeting.

MARITIME COMMITTEE

Director Peto welcomed Mr. Raskind on Board and stated that Maritime remains a primary focus for the Port Authority. Director Peto stated he would like to begin to coordinate meetings with the users of the port on a regular basis. He also stated the port is an economic engine and the community needs to be involved as well.

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(1)(a) – 2010 Operating Budget & Appropriations

Director Bardwell thanked Mr. Leslie and his team for their hard work in balancing the budget and then invited Mr. Leslie to address the Board.

Mr. Leslie stated that the 2010 Port Authority Operating Budget was presented and discussed at the Committee meetings held on December 8, 2009.

Additionally, a detailed narrative on the 2010 Budget was distributed to the Board prior to the meeting and is included by reference as “**Exhibit A**” in these materials. The formal budget that will be adopted is referred to as “**Exhibit B**” in these materials.

Adoption of the budget and the associated appropriations does not preclude the staff from bringing contracts or expenditures back to the Board, either by preference or if required by statute. Expenditures out of the Capital/Non-Operating Budgets that exceed \$25,000 require further Board approval.

The last resolution appropriates the necessary funds to carry out the 2010 Operating Budget, as well as the Capital/Non-Operating Budget.

Director Knoth inquired what the Port currently has in the bank. Mr. Leslie responded approximately \$9 million unrestricted. Director Knoth congratulated Mr. Leslie and his staff on putting the budget together. Director Knoth stated that he is fully in favor of the budget with a caveat that putting aside \$1 million no later than February 2010 to cover the maritime and real estate issues we need to explore. Mr. Leslie and Chairman Williams both agreed.

As a part of the budget process, the Board of Directors was then requested to adopt two Resolutions: A resolution adopting the Port Authority 2010 Operating and Capital/Non-Operating Budget and a 2010 appropriation resolution.

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

RESOLUTION NO. 2009-35

A RESOLUTION ADOPTING THE 2010 OPERATING BUDGET
OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY AND THE 2010
CAPITAL/NON-OPERATING BUDGET
FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2010

was adopted. The resolution in its full text is incorporated in the Resolutions journal of the Port Authority.

On motion by Director Peto, seconded by Director Rodriguez-Bardwell, and unanimously carried,

RESOLUTION NO. 2009-36

A RESOLUTION TO MAKE APPROPRIATIONS FOR THE CURRENT EXPENSES
AND OTHER EXPENDITURES OF THE CLEVELAND-CUYAHOGA COUNTY PORT
AUTHORITY DURING THE PERIOD FROM JANUARY 1, 2010 THROUGH
DECEMBER 31, 2010

was adopted. The resolution in its full text is incorporated in the Resolutions journal of the Port Authority.

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(1)(b) – 2010 North Coast Harbor Budget

Mr. Leslie stated that the Board is asked to approve a resolution for the 2010 Budget for North Coast Harbor annually. The Port is simply an agent to disburse funds on behalf of the Common Area Maintenance participants (the Rock and Roll Hall of Fame, the Great Lakes Science Center, the Cleveland Browns and the Goodtime), who have been provided a copy of the budget and have informally agreed to the forecasted expenditures after several discussions. The North Coast Harbor budget is referenced as "**Exhibit C**" in these materials.

Additionally, there is a separate Capital/Event Fund that is separate from the Operating Budget of North Coast Harbor that is funded with parking revenues. No budget is provided for these funds, as the Port Authority takes direction from the City of Cleveland when they would like to expend these dollars. Amounts out of the Capital/Event Fund are solely for North Coast Harbor and appropriated as part of the overall NCH appropriation.

Director Krantz inquired as to whether the on-site manager is an employee of the port. Mr. Leslie stated yes. Director Krantz inquired as to whether that salary was separate from the budget that was previously approved. Mr. Leslie stated that is correct.

As a part of the budget process, the Board of Directors was then requested to adopt a resolution adopting the 2010 North Coast Harbor Budget.

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

RESOLUTION NO. 2009-37

A RESOLUTION ADOPTING THE 2010 NORTH COAST HARBOR
COMMON AREA MAINTENANCE BUDGET FOR THE FISCAL
YEAR BEGINNING JANUARY 1, 2010

was adopted. The resolution in its full text is incorporated in the Resolutions journal of the Port Authority.

BUDGET AND ADMINISTRATION COMMITTEE

Agenda Item 4(C)(1)(c) – Designation of Assistant Secretary for Eric Johnson

Mr. Leslie stated that the Port Authority has traditionally designated at least two individuals as an “Assistant Secretary” enabling formal documents to be signed internally. The “Assistant Secretary” essentially has similar authority to the Secretary role, which is outlined in the Port Authority’s Rules & Regulations. With the recent resignation of Rose Ann DeLeon as Vice President of Strategic Development, the Port Authority only has one person on staff, interim President & CEO Peter E. Raskind, who is able to sign a variety of documents that may require a quick turnaround.

The staff is recommending that Real Estate Director, Eric Johnson, be designated an “Assistant Secretary” to replace the recently departed Rose Ann DeLeon as an Assistant Secretary.

The Board of Directors was then requested to adopt a resolution designating Eric Johnson as an Assistant Secretary for the Board.

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

RESOLUTION NO. 2009-38

A RESOLUTION DESIGNATING ERIC JOHNSON AS AN
ASSISTANT SECRETARY FOR THE BOARD OF DIRECTORS OF THE
CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY

was approved. The resolution in its full text is incorporated in the Resolutions journal of the Port Authority.

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(1)(d) – Resolution of Appreciation for Rose Ann DeLeon

Mr. Leslie stated that recently the Port Authority had a member of its leadership team take another position within the region. Rose Ann DeLeon resigned from the Port Authority on December 4, 2009 to become the Executive Director of the Western Reserve Port Authority.

Rose Ann joined the Port in 1993 and went to hold a variety of positions including Office Manager, Finance Development Manager, Director of Strategic Development and most recently Director of Government and Legislative Relations. Rose Ann was instrumental in many of the port's key initiatives, including the financing and construction of the Rock and Roll Hall of Fame, the acquisition of the Cleveland Bulk Terminals property and numerous other initiatives. Rose Ann will be dearly missed by the staff and Board and we wish her the best in her new role.

Director Carney stated that he worked with Rose Ann for many years and he has relied on her for institutional knowledge of the organization throughout her tenure.

The Board of Directors was then requested to adopt a resolution recognizing Rose Ann DeLeon for her important contribution to the Port Authority and Northeast Ohio over the past 16 years.

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

RESOLUTION NO. 2009-39

A RESOLUTION OF APPRECIATION FOR ROSE ANN DELEÓN

was approved. The resolution in its full text is incorporated in the Resolutions journal of the Port Authority.

Chairman Williams then stated he would like to again recognize Director Rodriguez-Bardwell and thank her for her work when she served as Chair of the Budget and Administration Committee. He then requested that Eric Johnson proceed with the Real Estate and Development Finance agenda item.

REAL ESTATE & DEVELOPMENT FINANCE COMMITTEE

Agenda Item 4(B)(2)(a) – Waterfront Development Plan

Mr. Johnson stated that in spring 2009 working in conjunction with the City and a larger Steering Group (Cuyahoga County, Ohio Department of Natural Resources, Greater Cleveland Partnership and Downtown Alliance), the Cleveland-Cuyahoga County Port Authority engaged two consulting teams to prepare a phased redevelopment strategy for Cleveland's downtown lakefront between the Cuyahoga River and North Coast Harbor based on the Port Authority's ultimate phased relocation of its maritime facilities.

PA Consulting was engaged to lead a team of consultants assessing the market demand and strategic options for the redevelopment of the downtown lakefront.

Ehrenkrantz, Eckstut & Kuhn Architects (EEK) was retained to lead a team of consultants to assess the microclimate and existing infrastructure to prepare a physical plan and phasing strategy to create the mixed use development envisioned in the Cleveland Waterfront District Plan for the downtown lakefront.

It has been the intent of the Port Authority that the final plan would result in a flexible design framework that sought to define critical development blocks, the waterfront, open spaces and, roadway network. The end of this initial phase of work resulted in a framework for an integrated waterfront district as an authentic thriving neighborhood with a mix of uses that will augment existing districts such as North Coast Harbor, Flats East Bank and Warehouse District while maintaining and creating public access to the water and connections to the core of downtown.

Utilizing the community engagement strategies similar to those that generated the Cleveland Waterfront District Plan, the EEK consulting team held numerous stakeholder meetings with individuals and groups representing various constituencies including boaters, environmentalists, real estate developers, regional business and government to gather input and review conceptual plans. To engage the general public, community meetings were held on April 30, 2009, July 9, 2009 and August 13, 2009, a presentation was made at a Cleveland City Club Forum on August 19, 2009 and the draft plan was presented to the Cleveland City Planning Commission on August 20, 2009. Based on comments made at these sessions and directly to the Port Authority staff, a final draft document, Master Planning & Development of Cleveland's Downtown Lakefront (October 2009), was posted on the Port Authority's web site.

On Friday December 4, 2009, the Cleveland City Planning Commission took action to adopt the Master Planning & Development of Cleveland's Downtown Lakefront document as a general framework for future development planning for the downtown Cleveland lakefront between the Cuyahoga River and North Coast Harbor. Additionally, a letter was sent to the Commission by Mayor Frank G. Jackson expressing his support for the plan. Stating that, "This plan would transform Cleveland's downtown lakefront into a world-class waterfront district through a sustainable mix of parks, housing, offices, retail, restaurants, hotels and boating on Lake Erie" and that the "the transformation of Cleveland's downtown lakefront and the reconstruction of our port are two of the most important actions that we can take today to ensure Cleveland's future as a place of growth, prosperity and sustainability."

The Cleveland City Planning Commission passed the motion with conditions and the understanding that further work and refinement would be done in 2010.

Chairman Williams requested that Mr. Johnson provide feedback from the GCP meeting earlier in the week. Mr. Johnson stated he would provide feedback on some recent meetings. Mr. Johnson stated that the plan has received much positive attention. The port has been requested to come back to Planning Commission frequently to provide updates. Chairman Williams asked Mr. Johnson to discuss next steps. Mr. Johnson stated that an integration strategy is key and resource development is important. The port will continue to work toward having maritime and waterfront redevelopment succeed together and will also continue to work as a partner with the City. Chairman Williams requested that Director Knoth work with general counsel to start the process of negotiations directly with the City. Director Carney stated that Mr. Johnson and his staff have done a terrific job of creating the plan and carrying it through. He stated that the concept of starting at the east end is doable while the infrastructure plan is further developed. Mr. Johnson acknowledged the steering committee and thanked them for their participation, support and partnership. Director Krantz stated that he seconds Director Carney comments and

further added that there is still much work to be completed in 2010. Approval of the plan is the first step toward an exciting beginning.

The Board of Directors was then requested to accept the Master Planning & Development for Cleveland's Downtown Lakefront (October 2009) report prepared by Ehrenkrantz, Eckstut & Kuhn Architects and the Cleveland Waterfront Market Demand and Development Options Report (October 2009) prepared by PA Consulting with the understanding that further refinement, analysis and testing as well as the preparation of a financial plan in order to hold a public hearing prior to final adoption by the Board (in accordance with the Ohio Revised Code 4582.07) and to comply with Cleveland Planning Commission requirements for plan review and adoption.

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

RESOLUTION NO. 2009-40

A RESOLUTION AUTHORIZING AND APPROVING THE ACCEPTANCE OF: (1) THE MASTER PLANNING & DEVELOPMENT FOR CLEVELAND'S DOWNTOWN LAKEFRONT (OCTOBER 2009) REPORT PREPARED BY EHRENKRANTZ, ECKSTUT & KUHN ARCHITECTS; AND (2) THE CLEVELAND WATERFRONT MARKET DEMAND AND DEVELOPMENT OPTIONS REPORT (OCTOBER 2009) PREPARED BY PA CONSULTING, CONDITIONED UPON: (1) FURTHER REFINEMENT, ANALYSIS AND TESTING, (2) THE PREPARATION OF A PLAN INCLUDING FINANCIAL PLAN IN ORDER TO HOLD A PUBLIC HEARING PRIOR TO FINAL ADOPTION BY THE BOARD (IN ACCORDANCE WITH THE OHIO REVISED CODE 4582.07) AND TO COMPLY WITH CLEVELAND PLANNING COMMISSION REQUIREMENTS FOR PLAN REVIEW AND ADOPTION

was adopted. The resolution in its full text is incorporated in the Resolutions journal of the Port Authority.

PUBLIC COMMENT PERIOD – Non-agenda Items

Chairman Williams then opened the floor for public comment on non-agenda related items.

Ms. Penny Jeffrey, League of Women Voters, addressed the Board. She stated that recently there has been much discussion about the need for the Port Authority as the local cooperating agency with the U.S. Army Corps of Engineers to produce \$150 million for the construction of a CDF as a foundation for the proposed port at E. 55th Street. She stated that Chairman Williams mentioned also seeking \$500 million needed for the redevelopment of E. 55th. It seems that the waterfront development plan is working around the port at the present time. It seems that the port should consider going back to the Army Corps to see if there is a less costly site solution than the E. 55th site, if all that is really to be considered is to be filling a CDF and not a facility for the port.

Mr. Cliff West then addressed the Board on behalf of the Urban Land Institute. He stated that his organization is about reasonable and sustainable development. He further stated that he

supports the direction of the Board and thinks things are moving forward at a well thought out pace. Mr. West hopes that the good work will continue and thinks the Port is headed in exactly the right direction.

Mr. David O'Neill, Colliers International, addressed the Board. He stated that he has had the benefit of seeing mixed use development in waterfront settings in tandem with working and operating ports. Colliers fully understands the importance of the need for a fully functioning port. Additionally, creating mixed use can potentially revitalize the waterfront and the City. He stated he and Colliers fully support the Board moving forward in opening up the waterfront. Mr. Joseph Ditchman, Colliers International also stated his support of the Board and commended the staff on the waterfront development plan that has been presented.

Mr. Steve Pfeiffer then addressed the Board regarding Phase One and Phase Two in regards to the Maritime operations on the Port. He suggested that the Board poll the stakeholders of the port to learn about their long term plans moving forward and what their future needs entail. He stated that perhaps a premature determination has been made regarding moving forward with developing the waterfront.

Chairman Williams thanked the public for their comments. He stated that the Board is mindful of moving forward in support of maritime as well as development of downtown.

There being no further business to come before the Board, on motion by Director Smith, seconded by Director Peto, and unanimously carried, the meeting was adjourned at 9:47 a.m.

Chair

Secretary