



For Immediate Release

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INVESTING IN THE PORT'S FUTURE

***New CEO takes steps to make port more competitive for northeast Ohio;
East 55th Street site no longer a focus for development***

CLEVELAND – June 23, 2010 – The Cleveland-Cuyahoga County Port Authority today initiated a comprehensive review of its business that will help determine dredging solutions, its best role in the maritime industry and future facility needs. By year-end, the port will have new, crucial information that is needed to chart a clear and aggressive course for maximum economic and community benefit.

“This is a critical milestone for this community,” said Will Friedman, port president and CEO. “We have big decisions with substantial economic consequences for the entire state that need to be made, but we don’t at this time have many of the facts to intelligently make these decisions. Soon, we will.”

Friedman also said today that the Port Authority is no longer focusing on a proposed 200-acre site north of East 55th Street as a potential confined disposal facility (CDF) for dredged material and a relocated port.

The Port Authority today engaged four highly-regarded national firms with extensive port and transportation experience to comprehensively review a wide array of pressing issues and questions that will help define the port’s future. Friedman has worked extensively with the firms and recommended their hiring to the Port Authority board of directors. The board agreed.

The firms will immediately start evaluating issues and performing tasks including:

- Conducting maritime cargo market analysis and projections.
- Assessing system-wide, collaborative approaches and opportunities.
- Conducting a detailed competitive analysis.
- Determining the size the port needs to be and what facilities are needed.
- Quantifying the port’s current and potential economic impact.
- Advising on the best approaches to dredge material management.
- Defining costs associated with facility and infrastructure needs.
- Providing tools for on-going decision-making and managing to meet performance goals.

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“Our goal is to get the right information and have the tools to make future decisions to ratchet up the port to the next level,” Friedman said. “It would be irresponsible to make decisions on such vital, far-reaching matters without first having basic information.”

Friedman, who has worked in executive positions in and around numerous U.S. ports for 20 years, said the port does not have available information or plans that provide the level of detail required to assess future opportunities and challenges.

For example, no capacity study has been done since 2003 – well before the economic recession. No master planning for port facilities needs has been conducted since 1998. And no economic impact study has been prepared since 1997.

Steve Williams, port board chairman, said the agency is engaging “an objective team of experts to provide an honest and unvarnished assessment of the port. This review will greatly influence how we position and improve Cleveland’s billion-dollar-a-year maritime economy for many, many years to come.”

Cleveland Mayor Frank Jackson said he has met with Friedman and expressed his desire “that we work to maximize maritime operations and not accept business as usual. Will’s direction is a good start.”

The Port Authority hired Martin Associates, led by John Martin, a leading national transportation economist based in Lancaster, PA, that serves as consultant to more than 90 ports worldwide; Berk & Associates, a strategic planning firm based in Seattle whose clients include numerous ports, public agencies and private companies including Microsoft; highly-experienced port transportation & infrastructure planning firm TEC out of Annapolis, MD; and dredging expert Richard Worthington of Steinberg & Associates based in McLean, VA.

The investment is well within the \$1.2 million budget the port had allocated for planning in 2010. Additionally, the port is in good financial condition, Friedman said. Cost-cutting efforts enacted over the past six months squeezed \$1.3 million in savings from the port’s administration, mostly through reductions in staff. Cargo and development finance revenues are also up.

Regarding the proposed relocation of the port to a confined disposal facility north of East 55th Street, Friedman said he understood the premise that led to consideration of the E. 55th site. “There was and continues to be a legitimate desire to maximize the maritime performance of the port,” he said, “while potentially opening up the lakefront for public access and broader uses.”

Previous port development sites that were contemplated — including along the west breakwall and at Burke Lakefront Airport — presented significant development challenges. That led to the consideration of the E. 55th Street site.

“However, it became increasingly clear that financing for the East 55th Street site is not currently available, and there were other significant development hurdles,” Chairman Williams said. “We need to find a less costly, more workable solution to dredge material management, short and long term, and we are asking the U.S. Army Corps of Engineers to keep working with us to that end.”

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Friedman said the port is keenly focused on working with its Dredge Task Force partners to resolve the interim dredge disposal issue. Friedman is confident a solution will be found.

Richard Worthington, hired to assist the port on dredging issues, has 38 years of experience working with the USACE and has consulted on major innovative dredge management projects throughout the nation.

Friedman also said the mayor's office has agreed to make Phase 1 of the port's proposed mixed-use waterfront development plan on 30 acres north of Browns Stadium a higher priority. The project was slowed as the city pressed the prior port administration for details on how they intended to fund the proposed move to E. 55th Street in a time of scarce public resources.

"Once we build this management foundation, we will be in position to maximize the potential of this port. I have promised the Board that we will be a high-performing enterprise that the citizens of greater Cleveland can take pride in," Friedman said.