



For Immediate Release

## **Port sells land to Cleveland shipyard to aid expansion, create jobs**

**CLEVELAND – August 18, 2010** – The Cleveland-Cuyahoga County Port Authority board of directors has approved the sale of five acres of land that will be used to expand the facilities of the Great Lakes Towing Co. – which builds and operates tugboats and repairs other large vessels.

Great Lakes Towing – a 112-year-old Cleveland company located along the Old River Channel, near the mouth of the Cuyahoga River - has a long-term lease on land owned by the Port Authority. Leasing the facility makes it more difficult for the company to get commercial loans to finance expansion and also complicates participation in certain grant and loan programs. Buying the land will allow Great Lakes to expedite a multi-phased expansion effort. The company has completed its initial phase of expansion by erecting a new headquarters building and a state-of-the-art shipyard. These investments created or retained 64 jobs.

The company is now involved with the installation of the largest mobile hoist crane on the Great Lakes – a project that will add 25 new jobs and will also create construction jobs. The state of Ohio recently loaned the company \$6 million to assist with its expansion plans. The City of Cleveland and Cuyahoga County have also extended loans.

Great Lakes Towing next plans to build a 65,000 square foot facility that will allow year-round shipyard production, just to the west of the new hoist. This could result in up to 100 new jobs. Great Lakes is also positioning itself to expand its capabilities into servicing wind energy turbines that may be installed in or near Lake Erie.

In addition to building vessels such as tugboats and barges, Great Lakes Towing also repairs large watercraft. The company operates the largest towing and ship assist service on the Great Lakes. It has a fleet of 50 tugboats, most of which operate on the Great Lakes.

“Great Lakes Towing is an excellent example of how important the maritime industry is to the Cleveland area economy,” said Will Friedman, CEO of the Cleveland-Cuyahoga County Port Authority. “Great Lakes Towing has established itself regionally and beyond for its quality shipbuilding, repair service and tugboat operations. It is a company that looks ahead, seeking to diversify now into wind energy. The port is pleased to assist as they continue to grow and create jobs.”

Ron Rasmus, the company's president, said he is pleased that support from the port and other entities have resulted in Great Lakes Towing Company thriving in its home city.

"Owning this five acres of land will position us for our second phase of expansion," Rasmus said. "We are building high quality boats in Cleveland, and we are creating good jobs right here."

Also today, the board approved an arrangement where Chancellor University will satisfy its obligation to pay the balance of a note due to the port authority. No tax levy dollars are used in the port authority's development finance programs.

Given the current circumstances at the university, the school and the port reached an agreement to receive up to \$750,000 in payments and the title to a university building on Chester Avenue. The port helped finance the renovation of the building, which has significant value.

The building is located in the Midtown Cleveland Corridor, which is experiencing steady commercial development. The port plans to sell or lease the building once it is vacated.

As a result of today's actions, the Port Authority is expected to receive over \$1.3 million in cash, a \$250,000 note and title to a real estate asset with significant value. With these new assets, the Port plans on paying down over \$2.5 million in related debt, in order to further strengthen their financial position.