

## MINUTES

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

Thursday, May 12, 2016

The regular Meeting of the Cleveland-Cuyahoga County Port Authority Board of Directors was held at the Aloft Hotel located at 1111 West 10<sup>th</sup> Street, Cleveland, Ohio on Thursday, May 12, 2016. The meeting was called to order by Chairman Ronayne at 8:30 a.m. Attendance by roll call showed the following:

#### PRESENT

Chris Ronayne, Chair  
Diane Downing, Vice Chair  
Harriet Applegate  
Paul Hoogenboom  
Darrell McNair  
Patricia Ramsey  
Jan Roller  
Robert Smith

#### ABSENT AND EXCUSED

Anthony Moore, Secretary

#### ALSO PRESENT

W. Friedman, President & CEO  
D. Gutheil, VP, Maritime & Logistics  
B. Leslie, Chief Financial Officer  
M. Freilino, Office Manager & Exec. Asst. to CEO  
G. Woodson, Director, Development Finance & Inclusion  
E. Place, Staff Accountant  
M. Rivalsky, Controller  
L. Sternheimer, Director, Urban Planning & Engagement  
J. White, Director, Sustainable Infrastructure Programs  
J. Magyar, Director, Operations & Facilities  
N. LaPointe, Director, Planning & Capital Development  
J. Davis, Vice President, External Affairs  
J. McJunkin, FMT  
J. Baker, Jr., ILA  
P. Jeffrey, LWV, Greater Cleveland  
I. MacDougall, Walter Haverfield  
M. Zaidan, Walter Haverfield  
N. Felker, Walter Haverfield  
C. Hebebrand, Arcadis  
R. Sommers, Project Management Consultants, LLC  
J. Bogan, Arcadis  
R. Nelson, Red Tree Investment Group  
D. Dicaro, BGL  
J. Dunford, BGL  
M. Armagno, Piper Jaffray  
R. Stefan, Piper Jaffray  
R. Friedman, Art & Science Lighting  
R. Zadkovich, Great Lakes Towing  
P. Snavelly, Snavelly Group

D. Wilcox, Climaco, Wilcox, Peca, Tarantino & Garofoli Co., L.P.A

### **APPROVAL OF MINUTES**

The minutes of the Board of Directors meeting of April 14, 2016 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Hoogenboom, seconded by Director Ramsey and unanimously carried, the Board minutes of April 14, 2016 were approved.

### **PUBLIC COMMENT PERIOD**

There being no public comment on the agenda items, Chairman Ronayne then proceeded with the Chair's Comments.

### **CHAIR'S COMMENTS**

Chairman Ronayne complimented Mr. Friedman and Port staff for a terrific event on May 10, 2016. He noted that the new cranes were revealed at the event. Lubrizol signing as a customer of the Cleveland-Europe Express shows that the Port is building confidence among the business community.

### **PRESIDENT'S COMMENTS**

Mr. Friedman addressed the Board of Directors and noted that the Retap water bottles that were given away at the event are actually shipped in on the Cleveland-Europe Express. The company that distributes the bottles relocated to Cleveland from California. Mr. Friedman stated that there is a Great Lakes Restoration Initiative Grant for \$650,000. A portion of these dollars will be used to eradicate invasive plant species along the lakeshore, and a sizeable amount will be directly for the Cleveland Lakefront Nature Preserve. The Port has reached a milestone in being able to attract one of Ohio's largest exporters, Lubrizol, as a customer.

Chairman Ronayne asked that Mr. Friedman provide details regarding the cranes. Mr. Friedman responded that the funding came from two sources, one being the Congestion Mitigation and Air Quality (CMAQ) grant. The Port was able to get the CMAQ grant because the cranes are low emission and that moving goods by ship eliminates truck traffic. The Port went through NOACA to access the money. Grace Gallucci and Randy Lane were instrumental in having the Port receive the grant. The other source of funding was through the Ohio Department of Development with the assistance of JobsOhio. The Liebherr cranes are extremely efficient and will undoubtedly improve the number of containers moved per hour.

Chairman Ronayne added that the Port of Cleveland received the Robert J. Lewis Pacesetter Award for increasing international cargo by 9%. He stated that one of the challenges the Port faces in receiving the Pacesetter Award next year is the ongoing battle with the United States Army Corps of Engineers (USACE) regarding dredging. Mr. Friedman replied that typically sediment accumulates rather quickly in the spring and ships need to be light loaded to make it up the river. The key element is how soon USACE gets the dredging completed, and no one has received word yet as to when that might occur. Chairman Ronayne then asked for Director Roller to introduce the Real Estate and Development Finance Committee items.

**REAL ESTATE & DEVELOPMENT FINANCE COMMITTEE**

***Agenda Item 4(C)(1)(a) – w25d Development Project – Capital Lease Revenue Bonds***

Director Roller introduced and welcomed Mr. Peter Snavelly, Jr. Mr. Snavelly, Jr. addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit A**.” Director Roller asked about start and completion dates. Mr. Snavelly, Jr. replied the goal is to break ground in June, 2016 and conclude the project in early 2018. Director McNair asked about the market based rents. Mr. Snavelly, Jr. replied it’s approximately \$2 per square foot. Director Ramsey asked how the talks went with CMHA. Mr. Snavelly, Jr. stated that the talks went very well. CMHA was engaged on neighborhood connectivity, the need for an early childhood education school, and needs from a service perspective. Director Applegate complimented Mr. Snavelly, Jr. on the mixed income project and asked whether the project was prevailing wage. Mr. Snavelly, Jr. replied that a portion of the project will be prevailing wage, but not the entire project. Mr. Leslie replied that the Community Benefits Agreement applies City laws, and MBE/FBE laws are required, but not prevailing wage. Mr. Friedman added there will be a facilitated discussion regarding prevailing wage and other policies that come into play as part of financing projects. These meetings will take place during the strategic planning sessions with the Board. Chairman Ronayne stated that he agrees that the Board needs to deliberate on these items during the planning sessions. Director McNair agreed that a group discussion needs to take place before making any decisions. Director Ramsey complimented the Snavelly Group for putting together a comprehensive and inclusive package for the community.

Mr. Leslie addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit B**” (slides 1-10).

On motion by Director Downing, seconded by Director Ramsey and with Director Applegate abstaining from the vote,

RESOLUTION NO. 2016-20

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY TAXABLE LEASE REVENUE BONDS SERIES 2016 (OHIO CITY DEVELOPMENT PROJECT) IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000 FOR THE PURPOSE OF PAYING OR REIMBURSING THE COSTS OF ACQUIRING, CONSTRUCTING, INSTALLING, EQUIPPING AND IMPROVING CERTAIN PORT AUTHORITY FACILITIES CONSISTING OF A CONDOMINIUM UNIT COMPRISED OF A PORTION OF AN UNDERGROUND LEVEL, A PORTION OF FLOOR 1 AND FLOORS 2 THROUGH 5 WITHIN A TO-BE-CONSTRUCTED 6-STORY (INCLUDING THE UNDERGROUND LEVEL) COMMERCIAL MIXED-USE BUILDING, WHICH UNIT SHALL CONTAIN APPROXIMATELY 194 RESIDENTIAL APARTMENT UNITS, LOCATED IN THE CITY OF CLEVELAND, OHIO; AUTHORIZING THE ACQUISITION OF A LEASEHOLD INTEREST IN CERTAIN REAL ESTATE PARCELS BY GROUND LEASE EVIDENCING LEASEHOLD OWNERSHIP OF THE PROJECT UNIT (HEREINAFTER DEFINED); AUTHORIZING A LEASE TO PROVIDE FOR THE LEASING OF THOSE FACILITIES BY THE PORT AUTHORITY TO W25D RESIDENTIAL LLC; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE FOR THE BONDS TO PROVIDE FOR THE PAYMENT OF BOND SERVICE CHARGES ON THE BONDS, AN OPEN-END MORTGAGE (FEE AND LEASEHOLD), ASSIGNMENT OF RENTS AND SECURITY AGREEMENT, AN ASSIGNMENT OF LEASES AND RENTS 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 by the Directors voting. 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) –Phase II Flats East Bank – Additional Bonds Request***

Mr. Leslie addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit B**” (slides 11-14). Director Downing advised that she will be abstaining from discussion and vote. Director Applegate asked whether the job was prevailing wage. Mr. Leslie replied yes.

On motion by Director McNair, seconded by Director Applegate, and with Director Downing abstaining from the vote,

RESOLUTION NO. 2016-21

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$7,150,000 OF ADDITIONAL BONDS OF CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY FIRST MORTGAGE REVENUE BONDS, SERIES 2014B (FLATS EAST RESIDENTIAL LLC PROJECT) (THE “SERIES 2014B BONDS”) FOR THE PURPOSE OF PAYING OR REIMBURSING THE COSTS OF ACQUIRING, CONSTRUCTING, INSTALLING, EQUIPPING AND IMPROVING CERTAIN PORT AUTHORITY FACILITIES CONSISTING OF AN APPROXIMATELY 233 UNIT RESIDENTIAL APARTMENT BUILDING WITH 233 SPACES OF STRUCTURED PARKING FOR PHASE II OF THE FLATS EAST DEVELOPMENT PROJECT; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS PROVIDED FOR IN THE INDENTURE FOR SERIES 2014B BONDS FOR SUCH ADDITIONAL BONDS TO PROVIDE FOR THE PAYMENT OF BOND SERVICE CHARGES ON A PARITY WITH THE OUTSTANDING \$46,150,000 FIRST MORTGAGE REVENUE BONDS, SERIES 2014B (FLATS EAST RESIDENTIAL LLC PROJECT (“OUTSTANDING BONDS”) AND AUTHORIZING AMENDMENTS, TO THE EXTENT NECESSARY, TO THE LEASE, ASSIGNMENT OF LEASE, PROJECT BOND MORTGAGE, THE LEASEHOLD MORTGAGE, INDENTURE AND COMPLETION GUARANTY FOR THE OUTSTANDING BONDS AND TO AUTHORIZE OTHER INSTRUMENTS, STATEMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND SECURING OF THE ADDITIONAL BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS

was approved by the Directors voting. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

**BUDGET AND ADMINISTRATION COMMITTEE**

***Agenda Item 4(C)(2)(a) – 2016 Budget Adjustments & Appropriations***

Mr. Leslie addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit C**” (slides 1-5). Director Ramsey asked whether these expenses were anticipated when the bond refinancing took place. Mr. Leslie replied that the one was anticipated. The market right now is in good enough shape that the Port is considering refinancing ahead of the lease expiration. The preference is to make the adjustment one time. Mr. Friedman stated that the second refinancing that may come back to the Board is the lease with Cleveland Bulk Terminal.

Chairman Ronayne asked about the use of the Ohio Lake Erie Grant. Mr. Friedman replied that the grant is earmarked for the improvements at CDF 12. Chairman Ronayne added that it was very smart to allocate dollars for legal funding related to the USACE.

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

RESOLUTION NO. 2016-22

A RESOLUTION AUTHORIZING APPROVING A REVISION TO THE 2016 OPERATING AND CAPITAL BUDGET OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2016

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

**BUDGET AND ADMINISTRATION COMMITTEE**

***Agenda Item 4(C)(2)(b) – 2017 Alternative Tax Budget***

On motion by Director Hoogenboom, seconded by Director Downing, and unanimously carried,

RESOLUTION NO. 2016-23

A RESOLUTION ADOPTING THE 2017 ALTERNATIVE TAX BUDGET OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY

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

**MARITIME COMMITTEE**

***Agenda Item 4(C)(3)(a) – CDF 12 2016 Site Engineering Quality Assurance Contract Award***

Mr. James White addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit D**” (slides 1-3).

On motion by Director Downing, seconded by Director McNair, and unanimously carried,

RESOLUTION NO. 2016-24

A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION OF AN AGREEMENT WITH HULL AND ASSOCIATES FOR THE PURPOSE OF UNDERTAKING THE SCOPE OF WORK AND SERVICES AGREEMENT TO SUPPORT QUALITY ASSURANCES FOR THE 2016 SITE IMPROVEMENTS FOR CDF 12 IN AN AMOUNT NOT TO EXCEED \$20,000

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

**MARITIME COMMITTEE**

***Agenda Item 4(C)(3)(b) -- Cleveland Harbor Lights/ Silo Lighting***

Mr. Friedman and Ms. Linda Sternheimer addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit C**" (slides 4-9). Director Hoogenboom asked whether there are other requests out for funding. Mr. Friedman replied that the Port applied for funding from the Gund Foundation but has not yet heard back.

On motion by Director Downing, seconded by Director Applegate, and unanimously carried,

RESOLUTION NO. 2016-25

A RESOLUTION AUTHORIZING AND APPROVING THE  
EXECUTION OF CONTRACT WITH HERBST ELECTRIC CO.  
FOR THE PURPOSE OF INSTALLING THE HARBOR LIGHTS  
PROJECT

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

**PUBLIC COMMENT PERIOD**

Chairman Ronayne then opened the floor for public comment related to non-agenda items.

There being no public comment, the meeting adjourned at 9:40 a.m. by motion of Chairman Ronayne, seconded by Director Ramsey and approved unanimously by the Board.

  
CHAIR

  
SECRETARY