

MINUTES

**CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY
BOARD OF DIRECTORS MEETING
Thursday, February 8, 2018**

The regular Meeting of the Cleveland-Cuyahoga County Port Authority Board of Directors was held at the Cleveland Metroparks Lakefront Office, 8701 Lakeshore Blvd., Cleveland, Ohio on Thursday, February 8, 2018. The meeting was called to order by Vice-Chair Jan Roller at 8:39 a.m. Attendance by roll call showed the following:

PRESENT

Jan Roller, Vice-Chair
Patricia Ramsey, Secretary
Harriett Applegate
Paul Hoogenboom
Chris Ronayne
Robert Smith
Anthony Moore

VIA TELEPHONE

Darrell McNair, Chairman

ABSENT & EXCUSED

ALSO PRESENT

W. Friedman, President & CEO
D. Gutheil, VP, Maritime & Logistics
C. Naso, Chief Financial Officer
L. Bohinc, Finance Coordinator
L. Sternheimer, Director, Urban Planning & Engagement
M. Freilino, Manager, Executive & Administrative Operations
R. Bever, Director of Finance
M. Rivalsky, Controller
N. LaPointe, Director, Planning & Capital Development
G. Woodson, Director, Development Finance & Inclusion
J. Davis, VP, External Affairs
D. Wilcox, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A
T. Donovan, Canalway Partners
P. Kochera, Canalway Partners
H. Homage, KS Associates, Inc.
I. MacDougall, Walter Haverfield
P. Angelo, Huntington
F. Lamb, Zion's Bank
R. Nganga, Huntington
H. Bram-Kogelschatz, Share & Minnow

APPROVAL OF MINUTES

The minutes of the Board of Directors meetings of December 14, 2017 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Hoogenboom, seconded by Director Ronayne and unanimously carried, the Board minutes of December 14, 2017 were approved.

PUBLIC COMMENT PERIOD

Vice-Chair Roller then opened the floor for public comment related to agenda items. There being no public comment, Vice-Chair Roller proceeded with the agenda.

PRESIDENT'S COMMENTS

Mr. Friedman addressed the Board and indicated that the renovations of the first floor at 1100 W. 9th Street are moving forward, and the project is out for bid.

CHAIR'S COMMENTS

Chairman Darrell McNair joined the meeting at approximately 8:42 a.m. from a remote location by teleconference pursuant to Article III, Section 11 of the Port Authority's Rules and Regulations, Chairman McNair having given notice of his remote attendance and having been provided relevant Board materials prior to the meeting. Chairman McNair provided the correct password given prior to the meeting, verified he was more than ¼ mile from the primary meeting location and was clearly heard and was able to hear all other Board members.

Vice-Chair Roller indicated that Mr. Gutheil will present the Maritime Update as the first committee report.

MARITIME COMMITTEE

Agenda Item 4(C)(1)(c) – Maritime Update

Mr. David Gutheil addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit A**" (slides 14-18). Director Ronayne asked what the 3 biggest ports on the Great Lakes in terms of cargo. Mr. Friedman replied Duluth, Superior and Thunder Bay – all of which are aggregators for iron ore, coal, and grain. Director Roller asked Mr. Gutheil to elaborate on the passenger vessels. Mr. Gutheil replied the trips are 10 days originating from Toronto. They make various stops on the Great Lakes including Niagara Falls, Chicago, Detroit, Windsor, Mackinaw Island, and many others. Mr. Friedman stated that none of the trips begin in Cleveland, but it is being discussed as a possibility. Director Applegate asked about the number of cruise lines. Mr. Friedman replied that there are three major companies active in the Great Lakes.

Director Ramsey asked whether federal policy would have an impact on exports. Mr. Gutheil replied that the strength of the dollar affects exports. Referring to 2018 initiatives, Director Hoogenboom asked what type of cargo will be on barges from Canada. Mr. Gutheil replied steel coils. Director Roller asked what changes are planned for the main gate at the Port. Mr. Gutheil replied traffic has increased significantly, therefore lane expansions are planned to alleviate truck congestion. Mr. Friedman added that the improvements are necessary to accommodate the growing container business and increased truck traffic. Director Ramsey asked about the timeframe for the project. Mr. Gutheil replied the funds being used are part of the re-purposed earmark dollars which must be programmed to be spent by 2019.

MARITIME COMMITTEE

Agenda Item 4(C)(1)(a) – Memorandum of Agreement (MOA) among the United States Army Corps of Engineers (USACE), Ohio State Historic Preservation Office, Canalway Partners, Cleveland-Cuyahoga County Port Authority (Port Authority) and the Advisory Council on Historic Preservation

Ms. Linda Sternheimer addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit A**” (slides 1-5). She introduced Mr. Tim Donovan, Executive Director, Canalway Partners. Director Roller asked whether the plan is connected to the lawsuit that the Port was dismissed from and USACE remained a party. Mr. Donovan replied yes, part of the lawsuit was that a mitigation process must be developed to repair the damage to the Hulett’s. The court ordered the USACE to redo the permitting process so the Port could dredge. The settlement allows the USACE to issue a permit to the Port. Parties agree that this is sufficient mitigation. Currently, there is no active court case. Director Hoogenboom asked whether any dredging was done at the bulk terminal during the duration of reaching an agreement. Mr. Friedman replied no dredging was completed. Dredging will be performed at the berth after the bulkhead rehabilitation.

On motion by Director Smith, seconded by Director Ramsey, and with Director Ronayne abstaining from the vote,

RESOLUTION NO. 2017-38

A RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$7,000,000 OF TAXABLE DEVELOPMENT REVENUE BONDS OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY UNDER THE PORT OF CLEVELAND BOND FUND PROGRAM FOR THE PURPOSE OF FINANCING COSTS OF “PORT AUTHORITY FACILITIES” WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, AND SPECIFICALLY A PORTION OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, INSTALLATION, EQUIPPING, FURNISHING AND OTHER IMPROVEMENT OF THE PROPERTY GENERALLY KNOWN AS THE CLEVELAND ATHLETIC CLUB IN CONNECTION WITH THE REDEVELOPMENT THEREOF; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE TO PROVIDE FOR THE TERMS OF AND SECURITY FOR THE BONDS; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A TAX INCREMENT FINANCING COOPERATIVE AGREEMENT AND OTHER AGREEMENTS, INSTRUMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS AND THE ACQUISITION, FINANCING AND REDEVELOPMENT OF THE PROPERTY; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AN AGREEMENT TO PROVIDE FOR THE SALE OF THE BONDS AND THE PREPARATION, USE AND DISTRIBUTION OF A DISCLOSURE STATEMENT IN CONNECTION WITH THE SALE OF THE BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS

was approved by roll call vote (7-0). The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

MARITIME COMMITTEE

Agenda Item 4(C)(1)(b) – Cleveland Bulk Terminal Submerged Land Lease Modifications & Shore Structure Permit Application Authorization

Mr. Nick LaPointe addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit A**” (slides 6-9). Director Moore asked whether the 15 inches provides a contingency. Mr. LaPointe replied that it is 15 inches within the construction tolerances that will be built.

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

RESOLUTION NO. 2018-02

A RESOLUTION AUTHORIZING AND APPROVING SUBMITTAL OF AN APPLICATION TO THE STATE OF OHIO TO MODIFY SUBMERGED LANDS LEASES SUB-0646-CU & SUB-0016-CU AND OBTAIN A SHORE STRUCTURE PERMIT, IN CONNECTION WITH THE PLANNED MARITIME INFRASTRUCTURE IMPROVEMENTS AT THE CBT INTERMODAL BULK TRANSFER & STORAGE FACILITY

was approved by roll call vote (8-0). The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

MARITIME COMMITTEE

Agenda Item 4(C)(1)(c) – Port of Cleveland’s Sediment Processing & Management Facility Phase 3 Reconfiguration & Site Improvement Contract Award

Mr. LaPointe addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit A**” (slides 10-13). Director Hoogenboom asked what constraint prevents using 100% of the sediment for reuse. Mr. LaPointe replied that the quality of the sediment is less and less favorable further down the river channel. Director Hoogenboom asked whether it’s entirely a 2018 project. Mr. LaPointe replied yes, there are milestones built into the contract. Director Roller asked whether tipping fees would be increased. Mr. Naso replied yes. Mr. Friedman added that increasing the fees assist in recovering the funds that are put up front. Director Ramsey asked when the project would begin. Mr. LaPointe replied the beginning of March.

On motion by Director Ronayne, seconded by Director Ramsey, and unanimously carried,

RESOLUTION NO. 2018-03

A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION OF THE SITE PREPARATION CONTRACT WITH INDEPENDENCE EXCAVATING, INC. IN AN AMOUNT NOT-TO-EXCEED \$3,324,734.00 FOR THE PURPOSE OF RECONFIGURING THE PORT AUTHORITY’S SEDIMENT PROCESSING & MANAGEMENT FACILITY TO INCREASE THE BENEFICIAL REUSE THROUGHPUT CAPACITY AND CREATE MECHANICAL STORAGE CAPACITY THROUGH 2020

was approved by roll call vote (8-0). The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(2)(A) – Inclusion Policy Discussion

Director Moore addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit B**”. Director Moore stated that the second bullet on slide 2 states a broad conclusion without providing any detailed support or method as to how it was reached. He suggested unpacking the statement in the second bullet on slide 2 to begin. Mr. Friedman referred to “**Exhibit B**” and stated that the statement in the first slide is his conclusion and offered to share his thought process. He stated that the point he intended to make was that workforce development in the community is a major issue. The Port is involved in economic development and is therefore well positioned to contribute to finding a solution. Director Moore stated that the Port wanting to contribute to finding a solution is not the same as what is written in slide 2. The goal should be to determine how the Port can make a contribution. Mr. Friedman stated that the Port is a leader in the Maritime community, and the Port is uniquely positioned to make improvements within its sphere of influence. Directors Ramsey, Ronayne, Roller, Applegate and Smith concurred that the statement in bullet 2 is an appropriate starting point. Director Smith added that the statement offers direction and having a discussion about how to reach the intended goals is important before any voting were to take place. Director Applegate stated that workforce development is becoming a trend, and the Port must be responsible in its approach. Director Moore stated that he doesn’t have a problem with the idea, but it is lacking focus. Director Roller then requested the Mr. Friedman proceed with the presentation so that the idea can be heard. Referring to slide 7, Director Roller noted that the Cuyahoga County is engaged in workforce development discussions. The Port could contribute as a funder to be at the table to discuss and contribute to the effort. Director Hoogenboom suggested having regular workforce development updates at future Board Meetings.

On motion by Director Ramsey, seconded by Director Smith, and unanimously carried by roll call vote, the Board of Directors meeting was adjourned at 10:29 a.m.



CHAIR



SECRETARY