

## MINUTES

### CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING Thursday, February 9, 2017

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, February 9, 2017. The meeting was called to order by Chairman Ronayne at 8:38 a.m. Attendance by roll call showed the following:

#### PRESENT

Chris Ronayne, Chair  
Diane Downing, Vice Chair  
Anthony Moore, Secretary  
Harriett Applegate  
Paul Hoogenboom  
Darrell McNair  
Patricia Ramsey  
Jan Roller  
Robert Smith

#### ABSENT AND EXCUSED

#### ALSO PRESENT

W. Friedman, President & CEO  
D. Gutheil, VP, Maritime & Logistics  
M. Freilino, Office Manager & Exec. Asst. to CEO  
R. Bever, Project Accountant  
G. Woodson, Director, Development Finance & Inclusion  
L. Sternheimer, Director, Urban Planning & Engagement  
N. LaPointe, Director, Planning & Capital Development  
L. Bohinc, Finance Coordinator  
J. Davis, Vice President, External Affairs  
J. Magyar, Director, Operations & Facilities  
J. McJunkin, FMT  
M. Paquin, Logistec  
R. Corrigan, Logistec  
I. MacDougall, Walter Haverfield  
J. Roth, Tucker Ellis  
M. Armagno, PNC Capital Markets, LLC  
C. Chaffinch, Goodwill  
J. Markey, Roetzel & Andress  
R. Kozak, Huntington  
P. Angelo, Huntington  
J. Broadwater, Michael Baker International  
D. Blank, Michael Baker International  
M. Fisher, PNC  
M. Panzica, Hemingway Development  
G. Pekham, LANDStudio  
J. Wimbiscus, LANDStudio  
J. Miller, Crain's Cleveland Business  
S. Robinson, Emerald Cities Collaborative  
J. Nielson, Arthur J. Gallagher  
D. Wilcox, Climaco, Wilcox, Peca, Tarantino & Garofoli Co., L.P.A

### **APPROVAL OF MINUTES**

The minutes of the Board of Directors meeting of December 8, 2016 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director McNair, seconded by Director Downing and unanimously carried, the Board minutes of December 8, 2016 were approved.

### **PUBLIC COMMENT PERIOD**

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

### **CHAIR'S COMMENTS**

Chairman Ronayne thanked the Board and staff for a terrific 2016 and stated he's looking forward to the year ahead. He then requested that Mr. William Friedman proceed with the President's comments.

### **PRESIDENT'S COMMENTS**

Mr. Friedman addressed the Board and noted that 2016 was a difficult year for the shipping industry. For example, Maersk lost approximately \$376 million in 2016. There is much uncertainty surrounding tariffs and trade wars. Congress has referenced a border adjustment tax which may affect the industry. He stated that demand for traditional cargo in Cleveland is stable, particularly iron ore, and Mr. Gutheil will provide a more detailed Maritime Update later in the agenda.

Director Hoogenboom then introduces the Maritime Committee items.

### **MARITIME COMMITTEE**

#### ***Agenda Item 4(c)(1)(a) – Operating Agreement for Logistec USA Inc.***

Mr. Gutheil thanked Carmeuse Lime and Stone for their stewardship and partnership over the years. Carmeuse ran a great operation and has been a good partner. Mr. Gutheil addressed the Board and introduced two guests from Logistec, Ms. Madeleine Paquin, President & CEO, and Mr. Rodney Corrigan, Regional Vice President. Ms. Paquin addressed the Board and referred to a presentation attached hereto as "**Exhibit A**". Director Moore asked Ms. Paquin to elaborate on what Logistec is currently doing on the Great Lakes. Ms. Paquin replied that most of Logistec's business is on the Canadian side and that working with Cleveland would be the first U.S. partnership. Mr. Corrigan then addressed the Board and also referred to "**Exhibit A**". Director Roller asked whether Logistec would have employees stationed in Cleveland. Mr. Corrigan replied that he expects the current hourly employees will remain, and that they will receive training. Discussions are underway with Carmeuse to outline the transition plan. A Logistec representative will be present during the transition to ensure that the facility meets company standards. Director Moore asked what marketing strategies Logistec plans to bring and where the marketing/sales team is located. Ms. Paquin replied that the core business is cargo handling and stevedoring and Logistec has an extensive sales team that can reach out to the marketplace on both the side of carriers and industrial companies. In Cleveland the focus will likely be the industrial companies and determine how to entice them to use the facility. Ms. Paquin replied that there is sales coverage in New London and the Great Lakes. Mr. Friedman added that a selling point for Logistec was that they are a terminal operating company with a sales network and many



maritime contacts. While Carmeuse was a great partner, their core business was mining and selling their own product. Director Moore asked what attracted Logistec to choose Cleveland. Ms. Paquin stated that the Port of Cleveland is interested in expanding a cargo base, and Logistec has similar interests. Mr. Gutheil added that the Port's wanted to partner with a company that's core business is handling cargo. Logistec is experienced and has multiple locations on the Great Lakes. Mr. Gutheil then addressed the Board and referred to a presentation attached hereto as "**Exhibit B**" (slides 1-5). Director McNair asked about the transition period and what it will entail. Mr. Gutheil replied that the agreement with Logistec is 10 years and coincides with Cliffs 10 year agreement with ArcelorMittal. Mr. Friedman stated that an environmental and baseline assessment of the property is underway as part of the transition. Mr. Corrigan added that an environmental and condition assessment will be completed by the end of March. There will be a 90 day period following the changeover in which Logistec and Carmeuse will work together to ensure the transition goes smoothly. Director Ramsey requested that Logistec be cognizant of diversity when looking at their employment opportunities. Chairman Ronayne asked Mr. Friedman to elaborate on fee collection and stated it would be a good time to revisit. Mr. Friedman replied that the agreement with Carmeuse was negotiated 20 years ago, and the fees were flat for ten years. Mr. Gutheil added that there is a 10 year renewal option and there will be a renegotiation of rates at that time. The renewal option is in the favor of Logistec, subject to being in good standing and renegotiation of rates. Director Moore asked under what conditions could the Port decline exercising the option for renewal. Mr. Friedman replied primarily if the rates could not be agreed upon, or if there were a breach in the agreement.

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

#### RESOLUTION NO. 2017-01

A RESOLUTION AUTHORIZING AND APPROVING: (1) LOGISTEC USA INC. AS A TERMINAL OPERATOR, AND (2) AN OPERATING AGREEMENT FOR THE USE OF CLEVELAND BULK TERMINAL

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

#### **MARITIME COMMITTEE**

##### ***Agenda Item 4(c)(1)(b) – Contract for Security Services***

Mr. Gutheil addressed the Board and referred to a presentation attached hereto as "**Exhibit B**" (slides 6-8).

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

#### RESOLUTION NO. 2017-02

A RESOLUTION AUTHORIZING AND APPROVING ENTERING INTO A RENEWED SECURITY SERVICES AGREEMENT WITH G4S SECURE SOLUTIONS (USA) INC. FOR SECURITY SERVICES AND AUTHORIZING AND APPROVING EXPENDITURE OF FUNDS

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

**MARITIME COMMITTEE**

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

Mr. Gutheil addressed the Board and referred to a presentation attached hereto as “**Exhibit B**” (slides 9-11).

**MARITIME COMMITTEE**

***Agenda Item 4(C)(2)(d) – Michael Baker International Inc. Consultant Agreement for Transportation for Livable Communities Planning Grant***

Ms. Linda Sternheimer addressed the Board and referred to a presentation attached hereto as “**Exhibit C**.” Director Smith asked about the condition of the bulkheads and when repair or replacement work would begin. Mr. Friedman replied that the plan is to begin construction of the initial phase in early 2018. Director Roller asked whether the two buildings being demolished are public housing, and asked about the total acreage of the project. Ms. Sternheimer stated the building being removed is the old CMHA headquarters, and the total acreage is 23 acres. Director Moore asked who will own the property. Ms. Sternheimer replied that ultimately the City has agreed to take ownership and the Metroparks will manage the area.

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

RESOLUTION NO. 2017-03

A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION OF A CONTRACT WITH MICHAEL BAKER INTERNATIONAL, INC. IN AN AMOUNT NOT-TO-EXCEED \$125,000 FOR THE PURPOSE OF PERFORMING A TRANSPORTATION FOR LIVABLE COMMUNITIES INITIATIVE PLANNING STUDY FOR IRISHTOWN BEND

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

**REAL ESTATE AND DEVELOPMENT FINANCE COMMITTEE**

***Agenda Item 4(C)(2)(a) – Goodwill Industries of Greater Cleveland Project Tax-exempt Revenue Bonds***

Ms. Rhonda Bever addressed the Board and referred to a presentation attached hereto as “**Exhibit D**.” Director Downing advised that she will be recusing herself from both discussion and vote. Director Moore suggested that a press release or internal signage be considered so the public knows that the Port is involved.

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

RESOLUTION NO. 2017-04

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF AN AMOUNT NOT TO EXCEED \$4,000,000 IN PRINCIPAL AMOUNT OF CLEVELAND-CUYAHOGA COUNTY



PORT AUTHORITY TAX-EXEMPT DEVELOPMENT REVENUE REFUNDING BONDS, SERIES 2017 (GOODWILL INDUSTRIES OF GREATER CLEVELAND AND EAST CENTRAL OHIO, INC. PROJECT), FOR THE PURPOSE OF REFUNDING CERTAIN TAXABLE DEBT INCURRED TO FINANCE THE COSTS OF PORT AUTHORITY FACILITIES; AUTHORIZING THE SIGNING AND DELIVERY OF A LOAN AGREEMENT AND A TRUST INDENTURE TO PROVIDE FOR THE ISSUANCE OF, AND SECURING THE PAYMENT OF BOND SERVICE CHARGES PAYABLE ON, THE BONDS; AUTHORIZING THE SIGNING AND DELIVERY OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE SALE OF THE BONDS AND OF CERTAIN OTHER DOCUMENTS AND INSTRUMENTS IN CONNECTION WITH, AND THE TAKING OF ACTIONS NECESSARY OR DESIRABLE TO EFFECT THE ISSUANCE OF, THE BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS

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

**REAL ESTATE AND DEVELOPMENT FINANCE COMMITTEE**

***Agenda Item 4(C)(2)(b) – Explorys/IBM Project – Lease Revenue Bonds***

Ms. Rhonda Bever introduced Mr. Michael Panzica who addressed the Board and referred to a presentation attached hereto as “**Exhibit E**.” Ms. Bever then addressed the Board and referred to a presentation attached hereto as “**Exhibit F**.” Director McNair suggested notifying Councilwoman Mitchell to be sure she and her constituents are aware of the project. Director Applegate asked whether the project is prevailing wage. Ms. Bever replied that it’s Federal.

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

RESOLUTION NO. 2017-05

A RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY TAXABLE LEASE REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$4,000,000 FOR THE PURPOSE OF FINANCING “PORT AUTHORITY FACILITIES” WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, INCLUDING PAYING OR REIMBURSING THE COSTS OF ACQUIRING, CONSTRUCTING, RECONSTRUCTING, INSTALLING, EQUIPPING AND IMPROVING AN OFFICE BUILDING, RELATED PARKING FACILITIES AND SITE IMPROVEMENTS (THE “PROJECT FACILITIES”), LOCATED IN THE CITY OF CLEVELAND, OHIO; AUTHORIZING THE ACQUISITION OF A LEASEHOLD INTEREST IN THE PROJECT SITE (THE “PROJECT SITE”); AUTHORIZING A LEASE TO PROVIDE FOR THE LEASING OF THE PROJECT FACILITIES AND THE PROJECT SITE BY THE ISSUER TO PROVIDE FOR THE PAYMENT OF BOND SERVICE CHARGES ON THE SERIES 2017 BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE TO SECURE THE SERIES 2017 BONDS, MORTGAGE, ASSIGNMENT OF LEASE, DISBURSING AGREEMENT, CONSTRUCTION MANAGER AGREEMENT, INTERCREDITOR AGREEMENT AND OTHER INSTRUMENTS, STATEMENTS AND DOCUMENTS NECESSARY IN

CONNECTION WITH THE ISSUANCE AND SECURING OF THE SERIES 2017 BONDS;  
AND AUTHORIZING AND APPROVING RELATED MATTERS

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)(3)(a) – External Affairs Update***

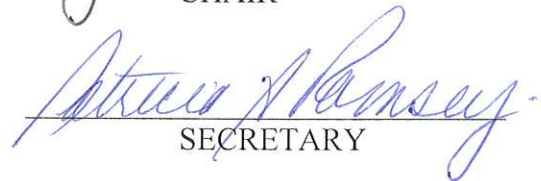
Mr. Jade Davis addressed the Board and referred to a presentation attached hereto as “**Exhibit G.**”

**PUBLIC COMMENT PERIOD**

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

There being no public comment, Chairman Ronayne made a motion to enter into Executive Session. On motion by Chairman Ronayne, seconded by Director Smith and unanimously carried by roll call vote, the Board of Directors entered into Executive Session at 10:52 a.m. At 11:35 a.m. Director Ramsey made a motion to end the executive session, which was seconded by Director Smith and approved unanimously by roll call vote. Upon motion by Director Smith, seconded by Director Ramsey, and approved unanimously by the Board the meeting was adjourned at 11:36 a.m.

  
CHAIR

  
SECRETARY