MINUTES

CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY
BOARD OF DIRECTORS MEETING
Tuesday, July 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 10th Street, Cleveland, Ohio on Tuesday, July 12, 2016. The meeting was called to order by Chairman Ronayne at 8:34 a.m. Attendance by roll call showed the following:

PRESENT
Chris Ronayne, Chair
Harriett Applegate
Paul Hoogenboom
Darrell McNair
Patricia Ramsey
Jan Roller
Robert Smith

ABSENT AND EXCUSED
Diane Downing, Vice Chair
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
E. Place, Staff Accountant
R. Bever, Project Accountant
L. Bohinc, Finance Coordinator
L. Sternheimer, Director, Urban Planning & Engagement
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
J. Roth, Tucker Ellis
R. Stefan, Piper Jaffray
A. Marcovy, The Foundry
P. Anagnostos, The Foundry
D. Hildebrandt, The Foundry
J. Markey, Roetzel & Andress
C. Hebebrand, Arcadis
J. Kerkay, MetroHealth
R. Young, MCPc
J. Balog, The Dalad Group
N. Viny, The Dalad Group
J. Miller, Crain's Cleveland Business
G. Killeen, Tucker Ellis
H. Billingsley, Tucker Ellis
D. Wilcox, Climaco, Wilcox, Peca, Tarantino & Garofoli Co., L.P.A

APPROVAL OF MINUTES

The minutes of the Board of Directors meeting of June 9, 2016 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Roller, seconded by Director Smith and unanimously carried, the Board minutes of June 9, 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

Director Ronayne addressed the Board and stated that the strategic plan will be discussed later in the meeting. He then turned the agenda over to Mr. William Friedman.

PRESIDENT'S COMMENTS

Mr. Friedman addressed the Board of Directors and began with an update on dredging. The Port filed for an extension of last year's injunction to require the USACE to place dredged material into the CDF's at federal cost. The court has indicated they need additional time to review the motion. We hope to have a decision by early August, which is late for dredging to occur. The judge has been advised that there is urgency to get the process moving. The federal channel must be dredged first, then the steel mill will dredge from the federal channel to their docks. In addition to the motion, the court also laid out a schedule through January 2017 to submit motions for summary judgement. Director McNair asked whether last year's filing was the initial filing or whether it was an extension. Mr. Friedman replied it was the initial request.

Mr. Friedman noted that the Cleveland Lakefront Nature Preserve (CLNP) and the Nature Conservancy applied for grant money through the United States Environmental Protection Agency (USEPA). The CLNP was one of the locations chosen to receive the grant which will be used to remove invasive species and provide restoration improvements.

Mr. Friedman stated that the Port will be open for business as usual during the Republican National Convention (RNC). He also mentioned organizing a tour of the Port facilities for Board members sometime in the near future. Mr. Friedman also reminded the Board of the Harbor Lights event on Friday, July 15, 2016.

Chairman Ronayne requested that Director Roller proceed with the Real Estate and Development Finance Committee agenda items. Director Roller welcomed the following guests to the meeting: Mr. Joe Balog and Mr. Neil Viny with the Dalad Group; Mr. Jeff Kerkay, with MetroHealth; Mr. Aaron Marcovy and Mr. Peter Anagnostus with The Foundry; Mr. Rob Young and Mr. David Hildebrandt with MCPc. Director Roller then requested that Mr. Leslie introduce the first agenda item.

REAL ESTATE & DEVELOPMENT FINANCE COMMITTEE
Agenda Item 4(C)(1)(a) – Worthington Yards Project

Mr. Leslie addressed the Board and invited Mr. Joe Balog to address the Board. Mr. Balog addressed the Board and referred to a presentation attached hereto as "**Exhibit A**." Director Roller asked about the demand for downtown housing and whether it will continue. Mr. Balog replied there are currently 10,000-12,000 units in downtown Cleveland. There will be a softening of the market over time, but downtown could easily support 20,000 residents. The City of Cleveland's goal for downtown residents is set at 25,000 residents.

Chairman Ronayne asked what the projected rental cost will be square foot. Mr. Balog replied the initial proforma projected $1480 per unit per month for a 1000 square foot unit. The current rate is at $1800 per unit, per month. Chairman Ronayne asked whether Johnson's Ct. will be returned to pedestrians. Mr. Balog stated that the primary building entrance for pedestrians and vehicles is located on Johnson's Ct. The goal is to make Johnson's Ct. more pedestrian friendly, though it will remain open for vehicular traffic. Director Ramsey asked whether there are any low or moderate income units in the plan. Mr. Balog replied there are not. Director Ramsey also asked what the target demographic is for downtown housing. Mr. Balog replied it is a mix of millennials, empty nesters and people who work downtown. Director Applegate asked whether the job was prevailing wage. Mr. Balog replied no, although they are working with organized labor on the project.

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

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

RESOLUTION NO. 2016-28

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED $17,000,000 IN THE AGGREGATE PRINCIPAL AMOUNT OF CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY LEASE REVENUE BONDS, SERIES 2016 (WORTHINGTON YARDS PROJECT) FOR THE PURPOSE OF PAYING OR REIMBURSING THE COSTS OF ACQUIRING, CONSTRUCTING, EQUIPPING, INSTALLING, RENOVATING AND IMPROVING CERTAIN PORT AUTHORITY FACILITIES LOCATED IN THE CITY OF CLEVELAND, OHIO; AUTHORIZING THE ACQUISITION OF VARIOUS REAL ESTATE PARCELS BY GROUND LEASE; AUTHORIZING A LEASE TO PROVIDE FOR THE LEASING OF THOSE FACILITIES BY THE PORT AUTHORITY TO WORTHINGTON YARDS LTD; 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 ASSIGNMENT OF LEASES AND RENTS AND A 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. 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) – MetroHealth Brecksville Project

Mr. Leslie addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit B**" (slides 11-16). Chairman Ronayne asked about the location of the project. Mr. Leslie replied it is located near I-77 and Route 82 in Brecksville.

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

RESOLUTION NO. 2016-29

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A PORT AUTHORITY REVENUE BOND, IN A MAXIMUM PRINCIPAL AMOUNT OF $38,000,000, BY THE CLEVELAND-CUYAHOGA PORT AUTHORITY FOR THE PURPOSE OF FINANCING A PORTION OF THE COSTS OF ACQUIRING, CONSTRUCTING AND OTHERWISE IMPROVING "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.21, OHIO REVISED CODE; AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE TO SECURE SUCH BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH OTHER AGREEMENTS AND. INSTRUMENTS TO PROVIDE FOR THE SECURITY FOR THAT REVENUE BOND; 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 & DEVELOPMENT FINANCE COMMITTEE
Agenda Item 4(C)(1)(c) – The Foundry Project

Mr. Leslie introduced Mr. Aaron Marcovy, Executive Director of The Foundry. Mr. Marcovy addressed the Board of Directors and provided a brief background on The Foundry Project. Director Roller asked where the Western Reserve Rowing Association was located. Mr. Marcovy replied that it is along the Columbus Peninsula. She also asked Mr. Marcovy to elaborate on the rowing community in Cleveland. He replied that the rowing community is growing. Over the last 5 years there has been almost a 100% increase. The Foundry has been working with YMCA, Cleveland Metroparks and Magnificat High School to increase participation. The goal is to have 10,000 students per year utilize the facility. Director Ramsey asked whether there will be any work with children in the Cleveland Metropolitan School District. Mr. Marcovy replied that they are working with children through local recreation centers. The challenge is having children who are able to pass the required swim tests. The YMCA offers free swim tests for children who are interested.

Mr. Leslie addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit B**" (slides 17-22). Director Roller asked about the total cost of the project. Mr. Leslie replied $16 million is the total project investment. Director McNair asked whether the Port's inclusion policy applies to the project. Mr. Leslie replied yes. Director Applegate asked whether the building has a historical marker. Mr. Marcovey replied yes, the site is registered as a historic landmark and conversations are being had with the City to obtain an official marker of some sort. On motion by Chairman Ronayne, seconded by Director Applegate, and unanimously carried,

RESOLUTION NO. 2016-30

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 ("PORT AUTHORITY") UNDER THE PORT OF CLEVELAND BOND FUND (THE "SERIES 2016E BONDS") FOR THE PURPOSE OF (A) FINANCING OR REFINANCING A PORTION OF THE COSTS OF ACQUIRING, CONSTRUCTING, INSTALLING, EQUIPPING AND IMPROVING CERTAIN "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, COMPRISED OF A ROWING FACILITY AND (B) PAYING CERTAIN COSTS OF ISSUANCE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE TO SECURE THE SERIES 2016E BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND OTHER INSTRUMENTS, STATEMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2016E BONDS; AUTHORIZING THE EXECUTION AND DISTRIBUTION OF A DISCLOSURE STATEMENT IN CONNECTION WITH THE REVENUE 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.

Chairman Ronayne called a brief recess at 9:40 a.m. and the meeting resumed at 9:56 a.m.

STRATEGIC PLANNING WORKSHOP #2
Agenda Item 6 – Development Finance

Mr. Leslie addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit C**."

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 11:34 a.m. by motion of Director Hoogenboom, seconded by Director McNair and approved unanimously by the Board.

CHAIR

Anthony R. Moore

SECRETARY