

MINUTES

CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING Thursday, July 26, 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, July 26, 2018. The meeting was called to order by Chairman Darrell McNair at 8:37 a.m. Attendance by roll call showed the following:

PRESENT

Darrell McNair, Chair
Jan Roller, Vice-Chair
Pat Ramsey, Secretary
Harriett Applegate
J. Stefan Holmes
Chris Ronayne
Robert Smith
David Wondolowski

VIA TELEPHONE

Paul Hoogenboom

ABSENT & EXCUSED

ALSO PRESENT

W. Friedman, President & CEO
D. Gutheil, Chief Commercial Officer
C. Naso, Chief Financial Officer
M. Rivalsky, Controller
N. LaPointe, Director, Planning & Capital Development
L. Bohinc, Finance Coordinator
M. Freilino, Manager, Executive & Administrative Operations
R. Bever, Director of Finance
G. Woodson, Director, Development Finance & Inclusion
L. Sternheimer, Director, Urban Planning & Engagement
J. Davis, VP, External Affairs
D. Wilcox, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A.
P. Ritzert, Climaco, Wilcox, Peca & Garofoli Co., L.P.A.
M. Tosini, FMT
J. McJunkin, FMT
K. Baker, Cleveland Metroparks
M. Abraca, Alto Partners
A. Wollschleger, Alto Partners
J. Baker, Jr., ILA
M. Armagno, PNC
R. Kozak, Huntington
A. Amato, Shark & Minnow
E. Kogelshatz, Shark & Minnow

APPROVAL OF MINUTES

The minutes of the Board of Directors meetings of July 26, 2018 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Ronayne, seconded by Director Ramsey and unanimously carried, the Board minutes of July 26, 2018 were approved.

PUBLIC COMMENT PERIOD

Chairman McNair then opened the floor for public comment related to agenda items. There being no public comment, he proceeded with the agenda.

PRESIDENT'S COMMENTS

During the President's Report, at approximately 8:45 a.m., Director Paul Hoogenboom joined the meeting from a remote location by teleconference pursuant to Article III, Section 11 of the Port Authority's Rules and Regulations, Director Hoogenboom having given notice of his remote attendance and having been provided relevant Board materials prior to the meeting. Director Hoogenboom 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 other Board members.

Mr. Friedman addressed the Board and advised that August 18, 2018 will be the public appreciation event to celebrate the Port of Cleveland's 50th Anniversary. He welcomed Mr. Michel Tosini with Federal Marine Terminals (FMT) and Mr. Rodney Corrigan with Logistec.

REAL ESTATE & DEVELOPMENT FINANCE COMMITTEE

Agenda Item 4(C)(1)(a) – Euclid Grand Project – Taxable Lease Revenue Bonds

Director Roller introduced and welcomed Mr. Michael Sabracos and Mr. Andy Wollschleger with Alto Partners. Mr. Sabracos addressed the Board and referred to a presentation attached hereto as "**Exhibit A**." Director Ramsey asked what kind of retail the project will include. Mr. Sabracos stated two storefronts are dedicated for restaurants and national and service retailers will occupy the remainder. Mr. Rhonda Bever addressed the Board and referred to a presentation attached hereto as "**Exhibit B**." Chairman McNair asked Ms. Bever to clarify regarding the Port issuing \$38 million in bonds but authorizing up to \$65 million. Ms. Bever replied that it's a unique situation in that at closing only \$38 million is necessary, and there would not be \$65 million outstanding.

Director Wondolowski abstained from discussion and vote. On motion by Director Ronayne, seconded by Director Smith, and unanimously carried by roll call vote (8-0),

RESOLUTION NO. 2018-16

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$38,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY TAXABLE LEASE REVENUE BONDS, SERIES 2018 (EUCLID GRAND PROJECT), AND ADDITIONAL BONDS UPON CERTAIN CONDITIONS, IN ONE OR MORE SERIES, BUT IN NO EVENT SHALL OUTSTANDING

BONDS EXCEED \$65,000,000, FOR THE PURPOSE OF PAYING OR REIMBURSING THE COSTS OF ACQUIRING, DEVELOPING, CONSTRUCTING, RECONSTRUCTING, REHABILITATING, INSTALLING, EQUIPPING AND, OTHERWISE IMPROVING CERTAIN PORT AUTHORITY FACILITIES CONSISTING OF: (1) APPROXIMATELY 239 RESIDENTIAL APARTMENTS (THE "RESIDENTIAL APARTMENTS"); (2) AN APPROXIMATELY 196 SPACE PARKING GARAGE (THE "PARKING GARAGE"); AND (3) APPROXIMATELY 21,206 SQUARE FEET OF RETAIL SPACE (THE "RETAIL SPACE" AND TOGETHER WITH THE RESIDENTIAL APARTMENTS, PARKING GARAGE AND RELATED IMPROVEMENTS, THE "PROJECT FACILITIES"), ALL LOCATED IN THE CITY OF CLEVELAND, OHIO AS PART OF A MIXED USE COMMERCIAL/RESIDENTIAL DEVELOPMENT PROJECT; AUTHORIZING THE ACQUISITION OF AN INTEREST IN VARIOUS REAL ESTATE PARCELS AND EXISTING IMPROVEMENTS THEREON THROUGH A GROUND LEASE OF THE PROJECT SITE LOCATED AT 1001-1101 EUCLID AVENUE, CLEVELAND, OHIO (THE "PROJECT SITE"); AUTHORIZING A LEASE OF THE PROJECT SITE AND PROJECT FACILITIES FROM THE AUTHORITY TO ALTO JHB ACQUISITION, LLC, AS THE LESSEE; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE FOR THE BONDS TO PROVIDE FOR THE PAYMENT OF BOND SERVICE CHARGES ON THE BONDS, MORTGAGE, ASSIGNMENT OF LEASES, 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.

MARITIME COMMITTEE

Agenda Item 4(C)(2)(a) – Whiskey Island Connector Trail Easement

Ms. Linda Sternheimer welcomed Mr. Sean McDermott and Mr. Kyle Baker with Cleveland Metroparks. She then addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit C**" (slides 1-4). Referring to slide 2, Mr. Friedman noted that the orange trails will be developed using grant funds. He stated that the green trail goes through Irishtown Bend and is a critical link to the Lake Link trail. Director Ronayne asked whether the project is dependent upon bulkhead stabilization. Mr. Friedman replied that the Port is working to close the funding gap necessary to proceed with the project. Director Ronayne asked whether a 20-year term was sufficient. Ms. Sternheimer replied that the initial term is 20 years, which was needed for the federal grant. There are then ten-year renewals and there are no limit on the ten-year renewals.

On motion by Director Ramsey, seconded by Director Ronayne, and unanimously carried by roll call vote,

RESOLUTION NO. 2018-17

A RESOLUTION AUTHORIZING AND APPROVING: THE EXECUTION AND DELIVERY OF AN EASEMENT AGREEMENT WITH THE BOARD OF PARK COMMISSIONERS OF THE CLEVELAND METROPOLITAN PARK DISTRICT (“CLEVELAND METROPARKS”) FOR THE PURPOSE OF CONSTRUCTING, INSTALLING, MAINTAINING, OPERATING AND REPLACING OR REMOVING A PAVED BIKEWAY OR MULTIPURPOSE TRAIL ALONG THE SOUTHERN BORDER OF THE CLEVELAND BULK TERMINAL PROPERTY

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

MARITIME COMMITTEE

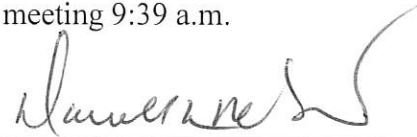
Agenda Item 4(C)(2)(b) – Maritime Update

Mr. David Gutheil acknowledged and thanked Logistec, FMT and the International Longshoreman Association for sponsoring the Port’s 50-year anniversary stakeholder event. He then addressed the Board and referred to a presentation attached hereto as “**Exhibit C**” (slides 5-8). Director Holmes asked whether anything was being done to improve the aesthetics of the cruise terminal. Mr. Gutheil replied that it has been mentioned to Mr. Dick Pace who is planning the waterfront for the City of Cleveland. Mr. Friedman noted that there has definitely been a renaissance of lake cruising.

Referring to slide 6, Mr. Gutheil stated there’s been a slow start to the shipping season. Mr. Tosini commented that FMT is forecasted for 400,000 tons of general cargo. Mr. Friedman noted that domestic steel prices have significantly increased to around \$200 per ton, compared to past costs of \$50 per ton. Mr. Gutheil noted it appears as though there will be no new tariffs being imposed by the EU from a penalty standpoint. The Port of Cleveland deactivated its Foreign Trade Zone (FTZ) status in 2008 when there was a change in inventory tax. The FTZ will now be reactivated in order for companies to take advantage of deferral, which means the tariff cannot be changed, but the company doesn’t have to pay duties until the cargo leaves the port.

Mr. Michel Tosini addressed the Board of Directors and presented the Port of Cleveland with a inuksuik as a congratulations for the ports 50th Anniversary.

There being no public comment, Chairman McNair adjourned the meeting 9:39 a.m.



CHAIR



SECRETARY