

## MINUTES

### CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING Thursday, September 8, 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, September 8, 2016. The meeting was called to order by Chairman Ronayne at 8:40 a.m. Attendance by roll call showed the following:

#### PRESENT

Chris Ronayne, Chair  
Anthony Moore, Secretary  
Harriett Applegate  
Paul Hoogenboom  
Patricia Ramsey  
Jan Roller (left at 10:29 a.m.)  
Robert Smith

#### ABSENT AND EXCUSED

Diane Downing, Vice Chair  
Darrell McNair

#### ALSO PRESENT

W. Friedman, President & CEO  
D. Gutheil, VP, Maritime & Logistics  
B. Leslie, Chief Financial Officer  
M. Freilino, Office Manager & Exec. Asst. to CEO  
M. Rivalsky, Controller  
E. Place, Staff Accountant  
R. Bever, Project Accountant  
L. Bohinc, Finance Coordinator  
L. Sternheimer, Director, Urban Planning & Engagement  
J. White, Director, Sustainable Infrastructure Program  
N. LaPointe, Director, Planning & Capital Development  
J. Davis, Vice President, External Affairs  
J. Magyar, Director, Operations & Facilities  
S. Rubin, Partner, Midwest Development Partners, LLC  
J. Sweeney, Martin Associates  
J. Martin, Martin Associates  
J. Hunt, JH Consultants LLC  
M. Armagno, Piper Jaffray  
L. DelRegno, World Shipping  
J. McJunkin, FMT  
I. MacDougall, Walter Haverfield  
J. Roth, Tucker Ellis  
R. Stefan, Geis Capital  
G. Killeen, Tucker Ellis  
M. Graham, Strategy Design Partners  
B. Jasinski, Shark & Minnow  
E. Kogelschatz, Shark & Minnow  
R. Young, MCPc  
D. Wilcox, Climaco, Wilcox, Peca, Tarantino & Garofoli Co., L.P.A

### **APPROVAL OF MINUTES**

The minutes of the Board of Directors meeting of July 12, 2016 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Moore, seconded by Director Hoogenboom and unanimously carried, the Board minutes of July 12, 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 addressed the Board and stated that the Port of Cleveland has been getting interest from public officials. Mr. Mario Cordero, Chairman of the Federal Maritime Commission was at the Port on August 16, 2016. The Honorable Jon Husted, Ohio Secretary of State, also visited the Port on August 18, 2016.

Chairman Ronayne then announced that Mr. Leslie's last day with the Port of Cleveland is September 13, 2016. The Chairman, President and Board of Directors expressed their appreciation for Mr. Leslie's service and wished him luck on his new endeavor.

### **PRESIDENT'S COMMENTS**

Mr. Friedman addressed the Board of Directors and stated that there was a status conference with Judge Nugent regarding the ongoing lawsuit with the U.S. Army Corps of Engineers (USACE). The Port was told that an order should be issued on the filed motion by the Port and the State. The USACE has elected not to dredge this year, which is uncommon. Their argument is that because of higher lake water levels and less deposit of material that it's unnecessary. However, vessel operators have been light loading the ships. Director Hoogenboom asked whether there will be a long term solution rather than making the dredging issue an annual process. Mr. Friedman replied he is unsure at this point. The Port will stay in communication with the State throughout the process. The Water Resource Development Act (WRDA) is currently moving through Congress. WRDA is the bill that authorizes all harbor maintenance and improvements made by the USACE.

### **REAL ESTATE & DEVELOPMENT FINANCE COMMITTEE**

#### ***Agenda Item 4(C)(1)(a) – Centric University Circle Project***

Director Roller introduced Mr. Steve Rubin, Partner, Midwest Development Partners, LLC. Chairman Ronayne noted that he would be abstaining from discussion and vote. Mr. Rubin addressed the Board and referred to a presentation attached hereto as "**Exhibit A**."

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 Hoogenboom, and with Chairman Ronayne abstaining from the vote,

RESOLUTION NO. 2016-31

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY TAXABLE CAPITAL LEASE REVENUE BONDS SERIES 2016 (CENTRIC PROJECT) IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000 FOR THE PURPOSE OF PAYING OR REIMBURSING THE COSTS OF ACQUIRING, CONSTRUCTING, INSTALLING, EQUIPPING AND IMPROVING CERTAIN PORT AUTHORITY FACILITIES CONSISTING OF A MIXED-USE DEVELOPMENT MADE UP OF APPROXIMATELY 30,340 SQUARE FEET OF RETAIL/OFFICE SPACE AND APPROXIMATELY 269 MARKET RATE MULTIFAMILY APARTMENTS COMPRISING APPROXIMATELY 256,300 SQUARE FEET, LOCATED IN THE CITY OF CLEVELAND, OHIO; AUTHORIZING THE ACQUISITION OF A LEASEHOLD INTEREST IN CERTAIN REAL ESTATE PARCELS BY SUB-GROUND LEASE EVIDENCING LEASEHOLD OWNERSHIP OF THE PROJECT SITE (HEREINAFTER DEFINED); AUTHORIZING A CAPITAL LEASE TO PROVIDE FOR THE LEASING OF THOSE FACILITIES BY THE PORT AUTHORITY TO INTESA HOLDINGS 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 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; REPEALING RESOLUTION NO. 2015-09; AND AUTHORIZING AND APPROVING RELATED MATTERS

was approved (6-0). 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) – The Foundry Project***

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

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

RESOLUTION NO. 2016-32

A RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$7,000,000 OF TAXABLE LEASE REVENUE BONDS OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY UNDER THE PORT OF CLEVELAND BOND FUND 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 SERIES 2016E BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE TO SECURE THE SERIES 2016E BONDS; AUTHORIZING THE ACCEPTANCE OF THE CONVEYANCE OF THE PROJECT SITE AND EXISTING IMPROVEMENTS, OR OF AN INTEREST OR INTERESTS THEREIN, INCLUDED IN THOSE PORT AUTHORITY FACILITIES AND THE EXECUTION AND DELIVERY OF A FINANCE LEASE OF THOSE PORT AUTHORITY FACILITIES TO COLUMBUS ROAD FOUNDRY, LLC TO PROVIDE REVENUES TO PAY BOND SERVICE CHARGES; AUTHORIZING THE EXECUTION AND DELIVERY OF 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 SERIES 2016E BONDS; REPEALING RESOLUTION NO. 2016-30; 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)(2)(a) – Tax Advances*

Mr. Leslie addressed the Board of Directors and referred to page 35 of the Agenda.

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

RESOLUTION NO. 2016-33

A RESOLUTION REQUESTING ADVANCES FROM THE CUYAHOGA COUNTY FISCAL OFFICER FROM THE COLLECTION OF THE FIRST AND SECOND HALF 2016 REAL PROPERTY TAXES AND ALL 2017 PERSONAL PROPERTY TAXES

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) – Tax Amounts and Rates*

Mr. Leslie addressed the Board of Directors and referred to page 37 of the Agenda. Director Smith asked whether Mr. Leslie has any insight on the trends of the assessed valuations. Mr. Leslie replied it's been stable, not necessarily growing.

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

RESOLUTION NO. 2016-34

A RESOLUTION ACCEPTING THE AMOUNTS AND RATES AS DETERMINED BY THE BUDGET COMMISSION AND AUTHORIZING THE NECESSARY TAX LEVIES AND CERTIFYING THEM TO THE COUNTY FISCAL OFFICER

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

**MARITIME COMMITTEE**

*Agenda Item 4(3)(a) – Update only*

Mr. Gutheil addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit D.**" Director Ramsey asked whether there have been any layoffs due to the reduced tonnage. Mr. Gutheil replied that the hours are likely down, but there have not been any layoffs.

Chairman Ronayne asked what can be done to extend Seaway operations. Mr. Gutheil replied, there are various issue that would need to be addressed. One is lock maintenance since the contracts are such that work is scheduled during winter. It is also a bi-national issue. Keeping the Seaway open would require approval of Congress and Parliament. Mr. Friedman added that a major policy shift is needed to change the mindset. It needs to be proven that the economic benefits to the United States and to Canada can be increased by keeping the Seaway open.

Chairman Ronayne invited Mr. John Martin and Mr. Jeff Sweeney to begin the cargo market analysis presentation.

**STRATEGIC PLANNING WORKSHOP #3**

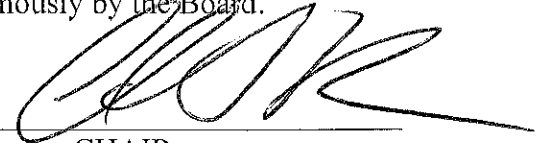
***Agenda Item 6 – Cargo Market Analysis***

Mr. John Martin addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit E.**"

**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 11:04 a.m. by motion of Director Hoogenboom, seconded by Director Ramsey and approved unanimously by the Board.



CHAIR



SECRETARY