

## MINUTES

### CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING Thursday, October 12, 2017

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, September 14, 2017. The meeting was called to order by Vice-Chair 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

#### ABSENT AND EXCUSED

Darrell McNair, Chair

#### ALSO PRESENT

W. Friedman, President & CEO  
D. Gutheil, VP, Maritime & Logistics  
C. Naso, Chief Financial Officer  
G. Woodson, Director, Development Finance & Inclusion  
L. Bohinc, Finance Coordinator  
L. Sternheimer, Director, Urban Planning & Engagement  
M. Freilino, Manager, Executive & Administrative Operations  
R. Bever, Director of Finance  
J. Davis, VP, External Affairs  
D. Wilcox, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A  
R. Kozak, Huntington  
P. Angelo, Huntington  
I. MacDougall, Walter Haverfield  
J. Broadwater, Michael Baker Intl.  
D. Blank, Michael Baker Intl.  
C. Bell, Bricker  
C. Kalvas, Bricker  
A. Lukacsy, City of Euclid  
J. Holody City of Euclid  
J. Miller, Crain's  
J. Baker, Sr., ILA  
J. Baker, Jr., ILA  
D. Pace, Cumberland Development  
H. Yee, Washington Enterprises, Inc.  
R. Zadkovich, Great Lakes Towing

### **APPROVAL OF MINUTES**

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

### **CHAIR'S COMMENTS**

Vice-Chair Roller advised she is serving as acting Chair for the meeting in Chairman McNair's absence.

### **PRESIDENT'S COMMENTS**

Mr. Friedman addressed the Board and stated that the USACE will cover the cost for placement of dredge material into the CDF. Mr. Friedman visited Washington D.C. and met with representatives of the House. Director Ronayne asked what accounts for the USACE's decision to agree to pay for dredge material. Mr. Friedman replied that Brigadier General Mark Toy has been the change agent within the Corps. He's been very responsive, cooperative and collaborative during his tenure. Director Ronayne asked whether the Port would be applying for funds for Irish Town Bend. Mr. Friedman replied that the application hasn't been finalized. The total project cost is \$20 million, with Federal ask of \$12 million. The local match would be \$8 million and the Port is hoping to find additional local dollars.

### **REAL ESTATE AND DEVELOPMENT FINANCE COMMITTEE**

#### ***Agenda Item 4(C)(1)(a) – Cleveland Lakefront Phase 1B Project Taxable Conduit Lease Revenue Bonds***

Vice-Chair Roller welcomed Mr. Dick Pace of Cumberland Development. He addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit A.**" Director Ronayne asked about the rental rates for the units. Mr. Pace replied the cost of the luxury units are \$2.25/sq.ft. Ms. Rhonda Bever addressed the Board and referred to a presentation attached hereto as "**Exhibit B.**" Director Moore asked how to distinguish between minority contractors and sub-contractors and the people who are actually working at the job site. Mr. Pace replied that the project is in compliance with the Community Benefits Agreement (CBA) with the City of Cleveland. In addition, the project is working with Cleveland STEM High School students to provide on-site monthly seminars explaining the construction and design-build process. Director Moore asked whether tracking reports would be delivered to the City throughout the process and requested that any such reports also be shared with the Port. Mr. Pace replied yes, both the City and the Port will receive reports. Director Ramsey asked how safety and security is being approached for the newly developed area. Mr. Pace replied that there is a common area maintenance agreement in which Downtown Cleveland Alliance has been hired to program and clean the area. Additionally, the Cleveland Police Department have increased patrols to the area, and will continue to add patrols as necessary for residents. Director Applegate asked whether the project was prevailing wage and if the trades were being included in the

apprenticeship programs. Mr. Pace replied that the City did not require prevailing wage, and union contractors have been hired. He also stated that the Architecture, Construction and Engineering (ACE) Program will be implemented to include trades.

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

RESOLUTION NO. 2017-34

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY TAXABLE LEASE REVENUE BONDS SERIES 2017 (LAKEFRONT 1B PROJECT) IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$9,000,000 FOR THE PURPOSE OF PAYING OR REIMBURSING THE COSTS OF ACQUIRING, CONSTRUCTING, INSTALLING, EQUIPPING, AND IMPROVING CERTAIN PORT AUTHORITY FACILITIES CONSISTING OF AN APPROXIMATELY 55,000 SQUARE FOOT COMMERCIAL MIXED-USE BUILDING LOCATED IN THE CITY OF CLEVELAND, OHIO; AUTHORIZING THE ACQUISITION OF A LEASEHOLD INTEREST IN CERTAIN REAL ESTATE PARCELS BY GROUND LEASE; AUTHORIZING A LEASE TO PROVIDE FOR THE LEASING OF THOSE FACILITIES BY THE PORT AUTHORITY TO CUMBERLAND DEVELOPMENT, LLC OR ITS AFFILIATES; 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 OPEN-END LEASEHOLD MORTGAGE, ASSIGNMENT OF RENTS, AND SECURITY AGREEMENT, A BOND PURCHASE AND CONTINUING COVENANTS AGREEMENT, A DISBURSING AGREEMENT, AN ASSIGNMENT OF LEASE, A CONSTRUCTION MANAGER AGREEMENT AND OTHER AGREEMENTS, 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 AND DEVELOPMENT FINANCE COMMITTEE**

***Agenda Item 4(C)(1)(b) – Cleveland Lakefront Phase 1B Project Taxable Bond Fund PACE Revenue Bonds***

Ms. Rhonda Bever addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit C.**” Director Ronayne asked for clarification that the bonds were on the building, not the land. Ms. Bever replied yes. He also asked whether PACE is happening in any other Port financings. Mr. Friedman replied this is the first PACE bond issuance for the Port. Referring to slide 4, Director Moore asked about the length of the developer guarantee and whether it includes both. Ms. Bever replied that the guarantee is to complete the project. He also asked the loan amount that the Port applied for, and what would happen to the funds if they were received but not used. Ms. Bever replied the Port may use the funds for future PACE projects that are energy related. Director Moore asked whether the Port is still comfortable with the security in the event the Energy Loan Loss Reserve was not received. Ms. Bever replied yes.

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

RESOLUTION NO. 2017-35

A RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$4,000,000 OF DEVELOPMENT REVENUE BONDS OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY (“PORT AUTHORITY”) UNDER THE PORT OF CLEVELAND BOND FUND PROGRAM (THE “SERIES 2017B BONDS”) FOR THE PURPOSE OF FINANCING COSTS OF “PORT AUTHORITY FACILITIES” WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, SPECIFICALLY FINANCING A PORTION OF THE COSTS OF ACQUIRING, CONSTRUCTING, EQUIPPING, INSTALLING, AND OTHERWISE IMPROVING, CERTAIN SPECIAL ENERGY IMPROVEMENT PROJECTS CONSTITUTING PORT AUTHORITY FACILITIES IN CONNECTION WITH A COMMERCIAL MIXED-USE PROJECT; AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE TO CREATE AN ENERGY LOAN LOSS RESERVE FUND; AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE TO SECURE THE 2017B BONDS; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A COOPERATIVE AGREEMENT, A DISBURSING AGREEMENT, A SPECIAL ASSESSMENT AGREEMENT, AND CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE SERIES 2017B BONDS AND ACQUISITION AND CONSTRUCTION OF THE PROJECT; AUTHORIZING THE EXECUTION OF A PURCHASE AGREEMENT AND THE EXECUTION AND DISTRIBUTION OF A DISCLOSURE STATEMENT IN CONNECTION WITH THE SERIES 2017B BONDS; ESTABLISHING AND DESCRIBING THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY GREEN COMMUNITY PROGRAM; 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)(3)(b) – Submerged Lands Lease City of Euclid***

Ms. Linda Sternheimer addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit D.**” Director Ronayne asked how access will be provided. Mr. Jonathan Holody, City of Euclid, replied that access will be provided by intermittent staircases along the length of the project. It will terminate at E. 248<sup>th</sup> Street where there will again be public access. Director Moore asked whether access would be ADA compliant and if a maintenance fund had been established for the project. Ms. Lukacsy, Project Manager, City of Euclid, replied yes. The area is ADA accessible including ramps and has an all-purpose trail throughout. Ms. Lukacsy replied that there is a requirement for continuous maintenance and monitoring and fundraising is currently underway. Vice-Chair Roller asked whether the Port’s approval of the project is required. Mr. Wilcox replied that it is required by State statute. Mr. Friedman added that the approval is necessary to ensure the project doesn’t impede navigation.

On motion by Director Ramsey, seconded by Vice-Chair Roller, and unanimously carried,

RESOLUTION NO. 2017-36

A RESOLUTION DECLARING THE POSITION OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY WITH RESPECT TO A PROPOSED LEASE OF SUBMERGED LANDS FOR THE CITY OF EUCLID

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

**MARITIME COMMITTEE**

***Agenda Item 4(C)(3)(a) – Update on Irish Town Bend***

Ms. Linda Sternheimer addressed the Board of Directors and welcomed Mr. Doug Blank and Mr. Jeff Broadwater of Michael Baker International to provide an update on Irish Town Bend. They addressed the Board and referred to a presentation attached hereto as “**Exhibit E.**” Director Ramsey asked whether the CMHA residents have been incorporated into the planning. Mr. Broadwater replied yes, Ohio City, Refugee Response and CMHA have all been in coordination. A resident meeting was also held for the residents to share their thoughts and concerns. Referring to the Ohio City Farm area, Vice-Chair Roller asked whether there will be any financial support for the Refugee Response program. Mr. Friedman replied that the scope of this particular report did not include any financing. Michael Baker International was asked to present a vision plan only. However, there will be a financial planning portion of the plan moving forward. Vice-Chair Roller asked about the existing buildings along Irish Town Bend. Mr. Friedman replied that all buildings would eventually be demolished to create unobstructed access. Ms. Sternheimer added that there are weight restrictions, grading issues and stability issues that prevent the area from being redeveloped once the buildings are taken down. Taking the buildings down will further stabilize the area by decreasing the weight on the hillside. Vice-Chair Roller asked what the implementation timeline looks like. Mr. Friedman replied that development cannot occur until bulkheading and the retaining wall are in place at the foundation.

**PUBLIC COMMENT PERIOD**

Vice-Chair Roller then opened the floor for public comment related to non-agenda items. Director Moore stated that he would like to review and discuss Director travel protocol. With that in mind, recent Director Moore made a motion to delay reimbursements or payments related to Director travel until a full evaluation of recent travel can be completed. Vice-Chair Roller agreed with Director Moore and requested that Mr. Friedman present and review protocol with the Board at the next meeting. Mr. Friedman agreed to provide the information at the next meeting. Director Moore made a motion to delay reimbursements or payments related to Director travel until 1) a full evaluation of recent travel can be completed; 2) ensure that protocol has been followed. Vice-Chair Roller seconded the motion, but requested to table any vote until Mr. Friedman presents his findings to the Board. Director Smith asked Mr. Friedman if he approved the trip and the likelihood of the travel reimbursement. Mr. Friedman replied yes. Director Smith stated that he supports having the dialogue but doesn't see reason to hold up reimbursement. Director Moore disagreed stating that the travel is focused on something that never came to the Board at all for

consideration. Mr. Friedman stated he would present a full report to the Board regarding trip and doesn't see any problem withholding reimbursements for travel. There may be contractual obligations. He will look into it. Director Hoogenboom stated that historically travel decisions were been made by the CEO & management team. He agrees that a discussion would be beneficial. Director Moore stated while that may be true with respect to staff, in a former administration there was Director travel. Since Mr. Friedman has been CEO, there has not been any Director travel. Director Moore requested that the Budget and Administration Committee and the Audit Committee to ask the auditors to examine issues of all Director accountability and expenditures. Vice Chair Roller stated that the Cuba trip is a unique situation because it was Director travel for an event that signatures were made on the Board's behalf with a foreign country. This is different from travel to just attending a conference. There was actual action taking place without the entire Board being notified. Director Moore stated that the situation is unusual because the Board was not aware of a trip that was in pipeline over a year. No discussion of any sort took place with the Board, and there are now expenditures of an extraordinary type. Mr. Friedman stated he will prepare a full report and fully unpack all issues raised by each Director. Mr. Dennis Wilcox stated that there is a motion, it was seconded, and then Director Roller made a motion to table it. Director Hoogenboom requested that Director Moore repeat the original motion. Director Moore stated that the motion was to delay reimbursements or payments related to Director travel until a full evaluation of travel protocol can be completed. Vice Chair Roller withdrew her second to the original motion. Director Moore stated that he withdraws the motion. Director Hoogenboom stated for clarification that Mr. Friedman will provide thorough review of travel protocol for Directors. Vice-Chair Roller stated for further clarification that Mr. Friedman will not make any reimbursements to expenditures to Directors until you report back to the Board.

There being no public comment, Vice-Chair Roller requested a motion to adjourn. On motion by Director Ramsey, seconded by Director Hoogenboom and approved unanimously by the Board, the meeting was adjourned at 10:16 a.m.

  
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CHAIR

  
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SECRETARY