

MINUTES

CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING Thursday, December 14, 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, December 14, 2017. The meeting was called to order by Chairman McNair at 8:39 a.m. Attendance by roll call showed the following:

PRESENT

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

ABSENT AND EXCUSED

ALSO PRESENT

W. Friedman, President & CEO
D. Gutheil, VP, Maritime & Logistics
C. Naso, Chief Financial Officer
L. Bohinc, Finance Coordinator
L. Sternheimer, Director, Urban Planning & Engagement
M. Freilino, Manager, Executive & Administrative Operations
R. Bever, Director of Finance
M. Rivalsky, Controller
N. LaPointe, Director, Planning & Capital Development
J. Davis, VP, External Affairs
D. Wilcox, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A
J. Bomberger, Squires
J. DiGeronimo, DiGeronimo Companies
M. Jarboe, The Plain Dealer
J. Baker, Jr., ILA
J. McJunkin, FMT
R. Kozak, Huntington
P. Angelo, Huntington
N. Felker, Walter Haverfield

APPROVAL OF MINUTES

The minutes of the Board of Directors meetings of November 21, 2017 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Roller, seconded by Director Hoogenboom and unanimously carried, the Board minutes of November 21, 2017 were approved.

PUBLIC COMMENT PERIOD

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

CHAIR'S COMMENTS

Chairman McNair addressed the Directors and thanked them for their efforts and energy throughout the year and wished everyone a happy holiday season.

PRESIDENT'S COMMENTS

Mr. Friedman stated that the Port recently learned that the USACE and Department of Justice is not appealing the 2015 judge's ruling regarding dredging. The Port will file for a dismissal of the 2016 lawsuit. The Federal government paid for the dredging in that year, so it will need to be verified whether the Port would have to reimburse any of those dollars. The litigation should be completed.

Mr. Friedman stated that 2017 was a good year for cargo and the Port could be up between fifteen to twenty percent above last year on international cargo. Approximately 450 tons of general cargo has come through the Port. The docks have been extremely busy with truck traffic loading steel. Mr. Friedman highlighted that the International Longshoreman's Association has gone injury free for over one year. He thanked John Baker, Jr., John Baker, Sr. and the longshoreman for their work.

REAL ESTATE AND DEVELOPMENT FINANCE COMMITTEE

Agenda Item 4(C)(1)(a) – Cleveland Athletic Club Redevelopment Project Taxable Development Lease Revenue Bonds

Director Roller introduced Mr. Joe DiGeronimo and invited him to present the Cleveland Athletic Club Redevelopment Project. Mr. DiGeronimo referred to a presentation attached hereto as **Exhibit A**. Director Roller asked when the facility was built. Mr. DiGeronimo replied it was constructed in the early 1900's. Director Roller asked whether the public would have access to the building amenities. Mr. DiGeronimo replied no since the building will be primarily residential. However, there is interest to develop neighborhood relationships to share use of the fitness center and pool. Director Ramsey asked whether the cost overruns have been completed. Mr. DiGeronimo stated that a State of Ohio Brownfield Loan was granted which allowed the building to be completely taken down to the studs so that the structure could be evaluated. Since the building is at bare bones, the developer is confident that there should be no major cost overruns due to structural or unseen conditions. Director Ramsey asked about the target population and how the parking will be reconciled. Mr. DiGeronimo replied that parking has been predicated in the financing. It is anticipated that not all residents will own cars since the location is near public transportation. Chairman McNair asked whether unit pricing has been completed. Mr. DiGeronimo stated that the market feedback is stating approximately \$2/sq.ft. Director Ramsey asked whether the community benefit agreements have been met. Mr. DiGeronimo stated that they will be met throughout the construction and updates will be provided. Director Ramsey also inquired about whether converting the units into condominiums has been considered. Mr.

DiGeronimo replied yes, it has been considered for the future though it could be complicated due to how the historical tax credits would impact converting into condominiums.

Ms. Rhonda Bever, Director of Finance, addressed the Board of Directors and referred to a presentation attached hereto as "Exhibit B."

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

RESOLUTION NO. 2017-38

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 UNDER THE PORT OF CLEVELAND BOND FUND PROGRAM FOR THE PURPOSE OF FINANCING COSTS OF "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, AND SPECIFICALLY A PORTION OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, INSTALLATION, EQUIPPING, FURNISHING AND OTHER IMPROVEMENT OF THE PROPERTY GENERALLY KNOWN AS THE CLEVELAND ATHLETIC CLUB IN CONNECTION WITH THE REDEVELOPMENT THEREOF; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE TO PROVIDE FOR THE TERMS OF AND SECURITY FOR THE BONDS; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A TAX INCREMENT FINANCING COOPERATIVE AGREEMENT AND OTHER AGREEMENTS, INSTRUMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS AND THE ACQUISITION, FINANCING AND REDEVELOPMENT OF THE PROPERTY; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AN AGREEMENT TO PROVIDE FOR THE SALE OF THE BONDS AND THE PREPARATION, USE AND DISTRIBUTION OF A DISCLOSURE STATEMENT IN CONNECTION WITH THE SALE OF THE BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS

was approved unanimously. 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 Athletic Club Redevelopment Project Taxable Bond Fund Tax Increment Financing Revenue Bonds

Ms. Bever addressed the Board of Directors and referred to a presentation attached hereto as "Exhibit C." Referring to slide 4, Director Ronayne inquired about the end use of the pilot dollars. Ms. Bever replied that when the TIF's passed the values were set at what the property values were, which was \$3.7 million. As the project gets completed it hits a final value. The increment (difference between when the TIF was passed and the final value) will flow through the County to the trustee. Director Moore as what the bond term is for the loan. Ms. Bever replied that the ten percent debt service reserve will be used to pay the debt payments.

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

RESOLUTION NO. 2017-39

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 UNDER THE PORT OF CLEVELAND BOND FUND PROGRAM FOR THE PURPOSE OF FINANCING COSTS OF "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, AND SPECIFICALLY A PORTION OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, INSTALLATION, EQUIPPING, FURNISHING AND OTHER IMPROVEMENT OF THE PROPERTY GENERALLY KNOWN AS THE CLEVELAND ATHLETIC CLUB IN CONNECTION WITH THE REDEVELOPMENT THEREOF; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE TO PROVIDE FOR THE TERMS OF AND SECURITY FOR THE BONDS; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A TAX INCREMENT FINANCING COOPERATIVE AGREEMENT AND OTHER AGREEMENTS, INSTRUMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS AND THE ACQUISITION, FINANCING AND REDEVELOPMENT OF THE PROPERTY; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AN AGREEMENT TO PROVIDE FOR THE SALE OF THE BONDS AND THE PREPARATION, USE AND DISTRIBUTION OF A DISCLOSURE STATEMENT IN CONNECTION WITH THE SALE OF THE BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS.

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

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(2)(b) – 2018 Port Authority Operating Budget

Mr. Carl Naso, Chief Financial Officer, addressed the Board of Directors and referred to pages 39-53 of the Board Agenda. Director Roller asked how the revenue numbers compare to last year. Mr. Naso replied it is very similar to last year. Referencing the Contractual Services line on page 40, Director Hoogenboom asked what workforce is being referenced. Mr. Friedman replied that the intent is to develop a workforce development assistance program within the community that could lead to Port related areas of employment. Director Hoogenboom asked whether the depreciation is truly a non-cash expense. Mr. Naso replied yes. Director Ronayne asked where the Port can improve in terms of general revenue outlook. Mr. Friedman replied he'd like to see improvement growing revenue on the maritime side, and staff is constantly working to see what can be done. The international cargo side is more discretionary, and the Cleveland-Europe Express will diversify the cargo base. Mr. Gutheil stated that the change in the Cleveland Bulk Terminal contract allows the Port to receive more per ton from iron ore.

Director Ramsey asked how the workforce development idea will be defined. Mr. Friedman replied the focus will be on training, apprenticeships, internships, and scholarships for youth in the community. The Port will also partner with non-profit organizations to secure funding and grants to assist with the program(s). The plan is to have the program fully defined by next year. Director Roller asked whether the program will require additional staff. Mr. Friedman replied no, existing staff can manage.

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

RESOLUTION NO. 2017-40

A RESOLUTION ADOPTING THE 2018 OPERATING BUDGET OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2018

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

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(2)(c) – 2018 Port Authority Capital Budget

Mr. Naso addressed the Board of Directors and referred to pages 55 – 63 of the Board Agenda.

On motion by Director Moore, seconded by Chairman McNair, and unanimously carried,

RESOLUTION NO. 2017-41

A RESOLUTION ADOPTING THE 2018 CAPITAL BUDGET OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2018

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

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(2)(d) – 2018 Appropriations

Mr. Naso addressed the Board of Directors and referred to pages 64-66.

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

RESOLUTION NO. 2017-42

A RESOLUTION TO MAKE APPROPRIATIONS FOR THE CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY DURING THE PERIOD FROM JANUARY 1, 2018 THROUGH DECEMBER 31, 2018

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

PUBLIC COMMENT PERIOD

There being no public comment, Chairman McNair requested a motion to enter into executive session to discuss compensation of a public employee and possible litigation.

EXECUTIVE SESSION

Agenda Item 4(C)(5) – For the purposes of discussing matters as permitted under Ohio Revised Code 121.22(G)(1)

On motion by Chairman McNair, seconded by Director Ramsey and unanimously carried by roll call vote, the Board of Directors entered into Executive Session at 10:15 a.m. The Board of Directors ended Executive Session at 12:10 p.m.

AD HOC PERSONNEL COMMITTEE

Agenda Item 4(C)(6)(a) – CEO Review and Compensation

On motion by Director Roller, seconded by Director Ronayne (Director Smith no longer present),

RESOLUTION NO. 2017-43

A RESOLUTION AUTHORIZING AND APPROVING A COMPENSATION ADJUSTMENT FOR WILLIAM D. FRIEDMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY AND PROVIDING FOR ESTABLISHMENT OF PERFORMANCE BENCHMARKS FOR 2018

was approved 7-0 (Director Smith no longer present). The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

The Board of Directors meeting was adjourned at 12:15 p.m.



VICE CHAIR


SECRETARY