

MINUTES

**CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY
BOARD OF DIRECTORS MEETING
Thursday, July 14, 2022**

The Meeting of the Cleveland-Cuyahoga County Port Authority Board of Directors was held at the Port Offices (1100 W. 9th Street) on Thursday, July 14, 2022 with notice of the meeting information provided to the public in advance. The meeting was called to order by Director Zone Fisher at 8:36 a.m.

Having given notice at least two days prior to the meeting and not having previously attended remotely more than 3 times during the past 12 months, Chairman Holmes attended the meeting remotely by teleconference and each gave the proper password. Prior to the meeting, Chairman Holmes was provided with all meeting-related materials. Chairman Holmes confirmed that he was more than 1/4 mile from the primary meeting location at 1100 West Ninth Street, Cleveland, OH and that he had internet access to receive any material distributed at the meeting, then verified that all Board members could hear and be heard by all other members in attendance. Attendance by roll call showed the following:

PRESENT

J. Stefan Holmes (via telephone)
Darrell McNair
Andrew Jackson
Margot Copeland
Peggy Zone Fisher
Teleangé Thomas
Daniel O'Malley
David Wondolowski

ABSENT & EXCUSED

ALSO PRESENT

W. Friedman, President & Chief Executive Officer
D. Gutheil, Chief Commercial Officer
C. Naso, Chief Financial Officer
M. Freilino, Manager
L. Sternheimer, Director, Urban Planning & Engagement
J. Davis, Vice President, External Affairs
R. Winslow, Finance Director (via telephone)
G. Woodson, Director, Development Finance & Inclusion
C. Beck, GIS/Environmental Specialist
J. Baker, ILA
R. Terrano, Terra Real Estate Capital, LLC
L. Osborne, Terra Real Estate Capital, LLC
T. Coyne, MansourGavin LPA
R. Kaplan, DiPerna Advisors
M. Novakov, DiPerna Advisors
J. Maus, DiPerna Advisors
M. King, Cuyahoga County Council
D. Wilcox, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A (via telephone)
S. Simpkins, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A

APPROVAL OF MINUTES

The minutes of the Board of Directors meetings of June 9, 2022 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director McNair, seconded by Director Thomas, with Director Wondolowski abstaining from the vote, and unanimously carried by roll call vote, the Minutes of June 9, 2022 were approved.

PUBLIC COMMENT PERIOD/CHAIR & PRESIDENT COMMENTS

There being no public comment, and no comment from Chairman Holmes, Director Zone Fisher requested that Mr. Will Friedman present his comments. Mr. Friedman addressed the Board and thanked Mr. Carl Naso, Ms. Margaret Rivalsky, Ms. Renee Snipes, Ms. Justina Dugan and the entire Finance Team for their work on the audit. It was clean and without comment for the third year in a row.

Mr. Friedman noted that strategic planning will begin later this year. It's the most important thing we do, and allows an opportunity for the Board and Staff to take a deep dive into every aspect of the Port. It will allow us to question what we've been doing, to seek out new opportunities, set the direction for the next five years. The process will take approximately 8-10 months and the community, stakeholders and partners will be called upon for their feedback. Mr. Jerry Bridges, a very experienced port professional, has been hired to lead the technical work. During his career he ran the Port of Oakland, the Virginia Port Authority and has experience with logistics in the private sector. Martin & Associates will also be working with the Port. Mr. John Martin is a leading port and maritime transportation economist – he's the best and the best value. Mr. Friedman stated he's confident that both consultants will provide excellent deliverables. Director Zone Fisher stated this is great timing especially with so many new Board Members.

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(1)(a) – Levy Renewal

Mr. Naso addressed the Board and referred to pages 6-11 of the Agenda. Mr. Friedman noted that the campaign exists outside the Port and is being managed and led by R Strategy Group. The Board's only formal role is to place the levy on the ballot.

On motion by Director Wondolowski, seconded by Director McNair, and unanimously carried by roll call vote,

RESOLUTION NO. 2022-18

A RESOLUTION AUTHORIZING REQUEST FOR RENEWAL OF A 0.13 MILL EXISTING TAX LEVY TO CONSTITUTE A TAX FOR ALL PURPOSES OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY

was adopted. 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)(2)(a) – Hilliard Apartments Project Taxable Conduit Lease Revenue Bonds

Ms. Winslow addressed the Board and introduced members of Terra Real Estate Capital – Mr. Lance Osborne, President & CEO and Mr. Ryan Terrano, Principal. Mr. Terrano addressed the Board and referred to a presentation attached hereto as “**Exhibit A**”. Director Wondolowski asked who the construction manager or general contractor will be for the project. Mr. Terrano stated there will be a competitive bid process. Director Zone Fisher asked whether opportunities will be ensured for MBE’s and FBE’s. Mr. Terrano replied yes it will be part of the package. Many projects we’ve done have had MBE/FBE requirements whether they’ve been financed by the Port or not.

Director Copeland asked about the affordability of the apartments. Ms. Winslow stated that the market rate tends to be higher in the suburbs and the project is market rate given the location and demand. These are the first high end apartments being constructed in Rocky River since the 1980’s. Director Wondolowski stated that low-income housing does exist in Rocky River and the Building Trades own a low-income senior housing complex in the suburb. Director O’Malley stated there seems to be a specific demand for new construction since many apartment complexes in the surrounding areas are significantly old. Is there any public funding available? Mr. Terrano replied no. Director O’Malley stated the project is heavy with one- and two-bedroom units and asked if there’s a reason it was constructed that way. Mr. Terrano replied yes partly due to the City of Rocky River, and the secondary reason is there seems to be more demand for one-bedrooms.

Director O’Malley agreed there is a need and then stated he’s uneasy that a contractor hasn’t been selected and it could be a significant factor in the objectives the Port is trying to meet. Mr. Terrano stated all three contractors have worked with the Port and will not move forward unless they are compliant. Mr. Friedman stated that the Port is a pass-through entity and does not include any role for the Port in selection of a General Contractor. Ms. Winslow added there is strict legal language in the construction management agreement that general contractors will adhere to the Port’s policies. Director Wondolowski stated it would be helpful to know the names of the three contractors being considered before a vote is considered. Mr. Terrano replied that they are Pride One Construction, Osbourne and Geis. Director Wondolowski mentioned that two of the three have a poor history of using prevailing wage or MBE/FBE firms. Director Copeland asked for a point of order in defining the Board’s role and responsibility as it stands today as the obligation stands regarding the three contractors. Mr. Scott Simpkins stated that the Port has policies in place regarding diversity, inclusion and prevailing wage which are included in the scope of the contract and would therefore be required as part of the construction management agreement.

Director McNair stated that the policies are in place. The project needs to be monitored closely by the Port to hold the contractor(s) accountable and ensure the obligations are being met. Director Jackson asked who from the Port will be assigned to ensuring the obligations are being met. Mr. Friedman replied to look to him first. Mr. Garth Woodson is responsible for requesting, monitoring, and tracking payroll on Port projects. The Port is not able to investigate fraud. If there’s a suspicion of fraud, it would be turned over to the appropriate agency.

Ms. Winslow addressed the Board and referred to a presentation attached hereto as “**Exhibit B**”.

On motion by Director McNair, seconded by Director Thomas, and unanimously approved by roll call vote,

RESOLUTION NO. 2022-19

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$22,000,000 OF LEASE REVENUE BONDS OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY FOR THE PURPOSE OF FINANCING COSTS OF “PORT AUTHORITY FACILITIES” WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, FOR THE BENEFIT OF RR HILLIARD PARTNERS II, LLC; AUTHORIZING A BOND PURCHASE AGREEMENT; AUTHORIZING A GROUND LEASE; AUTHORIZING A LEASE; AUTHORIZING AN INDENTURE; AUTHORIZING AN OPEN-END MORTGAGE (FEE AND LEASEHOLD INTERESTS), ASSIGNMENT OF LEASES AND RENTS, AND SECURITY AGREEMENT; AUTHORIZING A CONSTRUCTION MANAGER AT-RISK AGREEMENT; AUTHORIZING OTHER COLLATERAL DOCUMENTS; APPROVING A TERM SHEET; AND AUTHORIZING AND APPROVING RELATED MATTERS

was adopted. 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)(2)(b) – Hilliard Apartments Project Taxable Bond Fund PACE Revenue Bonds

Ms. Winslow addressed the Board and referred to a presentation attached hereto as “**Exhibit C**”.

On motion by Director O’Malley, seconded by Director McNair, and unanimously approved by roll call vote,

RESOLUTION NO. 2022-20

A RESOLUTION AUTHORIZING THE ISSUANCE OF PORT AUTHORITY REVENUE OBLIGATIONS IN THE MAXIMUM AGGREGATE OF PRINCIPAL AMOUNT OF \$7,500,000, TO FINANCE COSTS OF “PORT AUTHORITY FACILITIES” WITHIN THE MEANING OF OHIO REVISED CODE SECTION 4582.01, CONSISTING OF SPECIAL ENERGY IMPROVEMENT PROJECTS; AUTHORIZING THE EXECUTION OF A COOPERATIVE AGREEMENT, A SUPPLEMENTAL TRUST INDENTURE, A BOND PURCHASE AGREEMENT, A CONSTRUCTION MANAGER AT-RISK AGREEMENT, A SPECIAL ASSESSMENT AGREEMENT, AND CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE FOREGOING; AUTHORIZING THE USE AND DISTRIBUTION OF A DISCLOSURE STATEMENT IN CONNECTION WITH THE SALE OF THOSE REVENUE OBLIGATIONS; AND AUTHORIZING AND APPROVING RELATED MATTERS

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

MARITIME COMMITTEE

Agenda Item 4(C)(3)(a) – Maritime Update

Mr. Gutheil addressed the Board and referred to a presentation attached hereto as “**Exhibit D**”.

PUBLIC COMMENT PERIOD – Non-Agenda Items

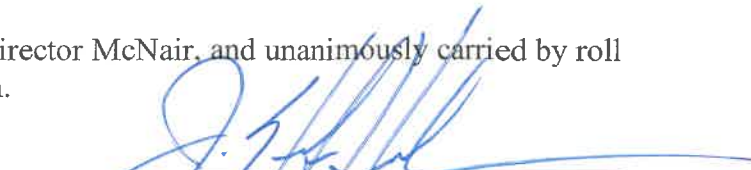
No public comment regarding non-agenda items.

EXECUTIVE SESSION

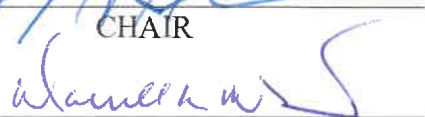
Director Zone Fisher stated the Board would be entering Executive Session for the purposes of: (1) to consider the purchase of property for a public purpose pursuant to R.C. 121.22(G)(2); and (2) to confer with the Port Authority’s attorneys to discuss pending court action pursuant to R.C. 121.22(G)(3). On motion by Director McNair, seconded by Director Jackson, and unanimously carried by roll call vote, the Board entered into Executive Session at 10:03 a.m.

The Board exited Executive Session at 11:05 a.m. and reconvened the meeting.

On motion by Director Copeland, seconded by Director McNair, and unanimously carried by roll call vote, the meeting was adjourned at 11:08 a.m.



CHAIR



SECRETARY