

MINUTES

CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING Thursday, May 12 2022

Prior to roll call, Director Holmes addressed the Board and noted that today's meeting is a transitional one. The Port Board will be welcoming new members and saying goodbye to some longtime friends and Board Members. Mr. Dennis Wilcox addressed the Board and stated that the Port has received notice from the City of Cleveland that City Council has confirmed and reappointed members as of May 9, 2022. Directors Holmes and McNair have been reappointed, and the new appointments are April Miller Boise, Daniel O'Malley, and Teleangé Thomas.

The Meeting of the Cleveland-Cuyahoga County Port Authority Board of Directors was held at the Port Offices (1100 W. 9th Street) on Thursday, May 12, 2022 with notice of the meeting information provided to the public in advance. The meeting was called to order by Director Holmes 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, Director Roller attended the meeting remotely by teleconference and gave the proper password. Prior to the meeting Director Roller was provided with all meeting-related materials. Director Roller confirmed that she was more than 1/4 mile from the primary meeting location at 1100 West Ninth Street, Cleveland, OH and that she 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
Margot Copeland
Andrew Jackson
Jan Roller (via telephone)
Peggy Zone Fisher
Teleangé Thomas
Daniel O'Malley

ABSENT & EXCUSED

April Miller Boise
Darrell McNair

ALSO PRESENT

W. Friedman, President & Chief Executive Officer
D. Gutheil, Chief Commercial Officer
C. Naso, Chief Financial Officer
L. Sternheimer, Director, Urban Planning & Engagement
N. LaPointe, Director, Planning & Capital Development
J. Davis, Vice President, External Affairs
R. Winslow, Finance Director
G. Woodson, Director, Development Finance & Inclusion
C. Beck, GIS/Environmental Specialist
J. Baker, Jr., ILA
J. Ice, Squire, Patton & Boggs
D. Wilcox, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A
S. Simpkins, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A

Director Roller made a motion to designate Director Holmes as Presiding Officer for today's meeting which was approved by unanimous roll call vote. Director Holmes welcomed each of the new Board Members and asked them to provide a brief introduction. He then asked Ms. Patricia Ramsey, former Chair of the Board of Directors, to address the Board. Ms. Ramsey stated that it's been an absolute honor to serve on the Port Board and work with the Port Staff. Maritime and economic development are so critical to our community and noted she is extremely proud to have contributed during her time as a Board Member. Ms. Ramsey added that she is pleased with the talented new appointees made by Mayor Bibb and they will be an asset to the Board.

APPROVAL OF MINUTES

The minutes of the Board of Directors meetings of March 10, 2022 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Copeland, seconded by Director Zone Fisher, and unanimously carried by roll call vote, the Minutes of March 10, 2022 were approved.

PUBLIC COMMENT PERIOD

There being no public comment, Director Holmes moved to the Chair's Comments.

SECRETARY COMMENTS

Director Holmes addressed the Board and expressed his gratitude and appreciation to the Port Staff. He shared that Staff is always thoughtful and professional in executing their work. Together the Staff and Board continue to make a difference in the Greater Cleveland area.

PRESIDENT'S COMMENTS

Mr. Friedman addressed the Board and thanked Director Holmes for his comments. He also thanked Ms. Ramsey for her contributions to the Board and it was a privilege to work with her. Mr. Hoogenboom has also been rolled off the roster, he was the longest serving member of the recent Port Board. He's been an extremely valuable member of the Board and rarely missed a meeting. Mr. Hoogenboom was very diligent, thoughtful and insightful and Mr. Friedman noted that he was very much a mentor during his time with the Port.

Mr. Friedman noted that this is the busiest start to the shipping season in the 12 years he's been President. Recently there were five ships were in port at once, along with a cruise ship. He also acknowledged Mr. John Baker, Jr. and the International Longshoreman Association for their continued support. There are two construction projects underway at the port – rehabilitation of Docks 24 and 26, and installation of the liquid bulk transfer facility. In addition to Maritime, the Development Finance pipeline of projects is robust. There will be a levy on the ballot in November. The property tax levy funds a portion of the Port's capital program and is very necessary to the Port's operation. He also noted staff is planning a tour of the Port's facilities for the Board as well as a recognition celebration for past members.

REAL ESTATE & DEVELOPMENT FINANCE COMMITTEE

Agenda Item 5(C)(1)(a) – Renaissance Hotel Renovation Project Taxable Lease Revenue Bonds

Ms. Rhonda Winslow addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit A**”. Director Copeland addressed the Board and stated that the African American community has supported this property historically in huge ways. She reiterated the importance of going from obligation to intent in regard to inclusion. Director Copeland asked the staff, developer(s), builders and suppliers to be reflective of that intent during and throughout this project. On motion by Director O’Malley, seconded by Director Jackson, and unanimously carried by roll call vote,

RESOLUTION NO. 2022-09

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$16,620,000 OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY TAXABLE DEVELOPMENT LEASE REVENUE BONDS, SERIES 2022 (RENAISSANCE HOTEL RENOVATION PROJECT) FOR THE PURPOSE OF FINANCING COSTS OF “PORT AUTHORITY FACILITIES” WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, BY PAYING OR REIMBURSING THE COSTS OF ACQUIRING, CONSTRUCTING, EQUIPPING, RENOVATING, REMODELING, INSTALLING AND IMPROVING SAID PORT AUTHORITY FACILITIES LOCATED IN THE CITY OF CLEVELAND, OHIO; AUTHORIZING THE ACQUISITION OF LEASEHOLD INTERESTS IN ONE OR MORE REAL ESTATE PARCELS BY GROUND LEASE; AUTHORIZING A LEASE TO PROVIDE FOR THE LEASING OF THOSE FACILITIES BY THE PORT AUTHORITY; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSIGNMENT OF A CONSTRUCTION MANAGER AGREEMENT, A BOND PURCHASE AGREEMENT, A MORTGAGE AND OTHER INSTRUMENTS, STATEMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND SECURING OF THE BONDS; 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 5(C)(2)(a) – Cargill Easement & License Agreements at Cleveland Bulk Terminal

Mr. Gutheil addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit B**”. On motion by Director Copeland, seconded by Director Zone Fisher, and unanimously carried by roll call vote,

RESOLUTION NO. 2022-10

A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AN EASEMENT AGREEMENT AND RELATED LICENSE AGREEMENT WITH CARGILL, INCORPORATED FOR THE PURPOSES OF CONSTRUCTING, INSTALLING, AND MAINTAINING A WATER LINE AND UNDERGROUND VAULT, BACKFLOW PREVENTERS, METERS AND OTHER RELATED IMPROVEMENTS ALONG THE SOUTHERN BORDER OF THE CLEVELAND BULK TERMINAL PROPERTY

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

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 5(C)(3)(a) – Election of Officers

Director Roller recommended the following slate for officers:

J. Stefan Holmes, Chair
Darrell McNair, Secretary/Fiscal Officer
Peggy Zone Fisher, Vice Chair

On motion by Director Roller, seconded by Director Copeland, and unanimously approved,

RESOLUTION NO. 2022-11

A RESOLUTION REGARDING THE ELECTION OF OFFICERS

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

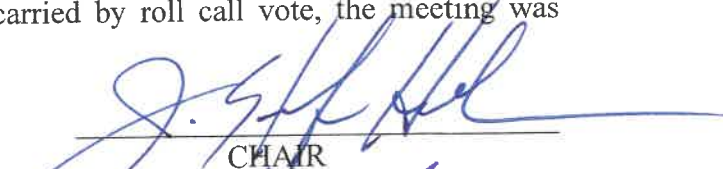

PUBLIC COMMENT PERIOD – Non-Agenda Items

No public comment regarding non-agenda items.

EXECUTIVE SESSION

Chair Holmes 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 Copeland, seconded by Director Zone Fisher, and unanimously carried by roll call vote, the Board entered into Executive Session at 10:00 a.m. At 10:51 a.m., the Board exited Executive Session and reconvened the meeting.

On motion by Director Jackson, and unanimously carried by roll call vote, the meeting was adjourned at 10:54 a.m.


CHAIR

SECRETARY

THE
CLEVELAND

EST. 1918

AUTOGRAPH COLLECTION
HOTELS

5 5 21



FUELHOSPITALITY

HISTORY



Euclid Avenue, Cleveland, Ohio

HISTORY



THE AREA

Cleveland, Ohio is the big small city.

It has nationally renowned breweries and an iconic sports presence, an arts and culture scene that includes one of the country's top-ranked orchestras, world renowned Playhouse Square theatre district, and a robust economy spearheaded by an impressive manufacturing industry.

But in the same breath, you could say it has all the small-town charm in the world. The city that gave us "A Christmas Story" is steeped in Midwestern hospitality. It has a certain grit you can't find anywhere else, the byproduct of good people who work hard and love their city.

And when you bring it all together — the big, the small, and everything in between — Cleveland emanates the kind of character that just pulls you in and makes you want to explore its every detail. Its tradition is grand, storied, and long established. The same can be said about a certain landmark in the heart of the city — Hotel Cleveland.

THE ALLURE

Even before Hotel Cleveland was built in the early 1900s, the plot of land it stands on today was no stranger to hospitality. Various hotels had found a home on the grounds since the early 1800s, including Forest City House, Mowrey's Tavern, Dunham House and the Cleveland House. With a prime spot in Public Square, which marks the Cleveland city center, the hotel is truly where the action is, having drawing guests from close and afar. Charles Lindbergh, Presidents Harry S. Truman and JFK, The Beatles, Duke Ellington and Martin Luther King Jr. are just a few of the many celebrities to have paid a visit to Hotel Cleveland.

Throughout the years, scores of such well-known figures have enjoyed this space for both business and leisure. It was not uncommon to see special agent Eliot Ness conducting interviews in the Empire Room, or dancing with his wife in the famous Bronze Room. The hotel also hosted historic meetings, including a monumental one between Cleveland's white and black communities in the height of the Civil Rights era. Duke Ellington even performed a concert here in 1972. Suffice to say, this storied hotel has seen its fair share of glamour and fame, and the stage is set for more to come.



THE TRANSFORMATIONS

Hotel Cleveland was erected in 1918, part of a broader effort to modernize the Cleveland hospitality industry and revitalize downtown altogether. It was considered common at the time for hotels to start featuring a bath in each room and a sizable suite of commercial spaces to be leased out to shops and concessions in order to maximize profits. Enter the 14-story, 1,000-room and \$4.5 million Hotel Cleveland, ready to host and showcase its architectural beauty. It was an immediate success and became a spark plug for the Cleveland social scene.

VAN SWERINGEN OWNERSHIP

In the late 1920s, under ownership of the Van Sweringen brothers, the hotel benefited from a major infrastructural improvement in the area. The impressive Cleveland Union Terminal complex was added to the neighborhood, driving even more traffic to downtown. Hotel Cleveland was now primed to thrive more than ever before.

Unfortunately, the Sweringen brothers were among the many who lost fortunes during the Great Depression. They eventually relinquished ownership, but the property survived the times.

SHERATON OWNERSHIP

Four years after acquiring the property in 1958, Sheraton executed an enormous renovation: a convention wing including a three-story, 500-space parking garage, a 12,000-sq.-ft. exhibition hall, and a 4,000-person grand ballroom. In spite of this investment, the hotel hit a rough patch once again, as downtown Cleveland transitioned from a retail center to a more office-focused environment. The Sheraton era came to a close in 1977 when a group of investors under the moniker “Save-the-Square” rescued the property with the intent to restore its original glory.

CHANGING HANDS

The hotel was refurbished in 1978 and renamed Stouffer-Tower City Plaza to reflect the proximity to the newly renovated Tower City Center. In 1993, the name and ownership changed once again when Renaissance International purchased the hotel and renamed it the Stouffer Renaissance Cleveland. Then in 1996, Marriott Worldwide purchase Renaissance International and the affiliation to Stouffer was dropped and it has lived on as the Renaissance Cleveland Hotel.

In its next chapter, Hotel Cleveland will discover a rekindling of its grandeur and an evolution of its identity. That new chapter starts today.



A photograph of the Bix Creek Cantilever Bridge at dusk. The bridge's steel structure is silhouetted against a sky transitioning from deep blue to a warm orange glow near the horizon. The water in the foreground is dark with gentle ripples. In the lower right, a walkway with a railing leads towards the bridge. The word "INSIGHTS" is centered in a white, serif font.

INSIGHTS

INSIGHT ONE

The perception of locals, brides and meeting planners is that The Renaissance is old and tired. By refreshing the entire property and rebranding as an Autograph Hotel, we can significantly increase group room nights, weddings, and events.

INSIGHT TWO

More than 1500 new hotel rooms have come to the market since 2014, none of which embody the history, arts and progressive culture that is Cleveland.


INSIGHT THREE

Meetings should ultimately comprise 60% of our business, and meeting planners are looking for unique spaces with impeccable service and experiences. With a large inventory of meeting rooms, we have the opportunity to offer spaces that set us apart – and “something for everyone.”

INSIGHT FOUR



The Huntington Convention Center of Cleveland generates demand for the Hilton, Marriott and Westin, creating an opportunity for The Cleveland to attract medium to large groups that want a single hotel experience in the heart of downtown's business and entertainment district.



INSIGHT FIVE

A great hotel lobby bar with a live piano entertainment scene paired with great service, food and cocktails is missing in the market. Locals remember Sans Souci being a great restaurant, followed by “I haven’t been there in 20 years.” New F&B destinations will increase capture from hotel guests, downtown workers and residents -- and have a residual impact on group and catering business.

THE
CLEVELAND

EST. 1918



Global Reach. Local Benefits.
Renaissance Hotel Renovation Project
Taxable Lease Revenue Bonds

MAY 12, 2022

Renaissance Hotel – Developer

- Skyline International Development, Inc.
 - Headquarters – Toronto, Ontario, Canada
 - Founded in 1998
 - Publicly traded – Tel Aviv Stock Exchange
 - Owner, operator, developers:
 - Hotels and resorts
 - Destination communities
 - High-end residential properties
 - Mixed-use developments
 - Holdings:
 - 2 million sq. ft. on 2,600 acres
 - 7,000 residential units
 - 3,300 hotel rooms
 - Over 2,000 on staff

SKYLINE
I N V E S T M E N T S



Renaissance Hotel – Developer Properties



DEERHURST
A SKYLINE RESORT
MUSKOKA



RENAISSANCE®
CLEVELAND HOTEL



HYATT
REGENCY®
CLEVELAND



HORSESHOE
A SKYLINE RESORT
BARRIE



BLUE MOUNTAIN
VILLAGE
DEVELOPMENTS
BLUE MOUNTAIN



BEAR VALLEY
RESORT
ALPINE COUNTY

Renaissance Hotel – Renovation Project

- Located in Cleveland, OH
 - On Superior Avenue at Public Square
 - Approximately 873,000 sq. ft. hotel
 - 491 rooms, 34 conference spaces
 - Grand ballroom, food, beverage areas
 - 300 space attached parking garage
 - Project Site - Approximately 2.32-acres
 - Total Project Cost – \$68.8M



Renaissance Hotel – Port Authority Request

- Port to issue up to \$20M – Taxable Lease Revenue Bonds
- Fifth Third as Bondholder – A commercial lender arranged by the Developer who will purchase the Port bonds
 - Bonds will be draw-down bonds

Sources

CCCPA Lease Bonds	\$16,620,000
TIF Bond Net Proceeds	9,750,000
Federal Historic Tax Credits	10,930,000
Completed Construction	14,112,450
Key Money	1,500,000
Sales Tax Rebate	2,100,000
Sponsor New Equity	<u>16,015,059</u>
Total Sources of Funds	<u>\$68,882,509</u>

Uses

Building Exterior	\$ 8,000,000
Public Spaces / Bar / Restaurant	4,062,630
Recreation Facilities	561,611
Retail Spaces	67,200
Function Spaces Floors 1-4	13,302,638
Guest Rooms & Corridors	19,348,000
Administration & Employee Facilities	449,000
Engineering & Maintenance	13,000
Food Production	275,000
Laundry & Housekeeping	11,000
Elevators & Escalators	249,000
Hotel Support Systems	188,000
Fire Life Safety	1,403,000
Mechanical / Plumbing / Electrical	14,026,382
Materials - Operating Supplies	381,000
Materials - Signage & Graphics	539,000
Hard Cost Contingency (5%)	3,143,823
Sales Tax Savings (estimated)	-2,145,000
Capital Lease Closing Fee	425,000
Project Management/Design	4,364,024
Soft Cost Contingency (5%)	<u>218,201</u>
Total Uses of Funds	<u>\$68,882,509</u>

Renaissance Hotel – Lease Terms and Security

- Port to acquire Project Site via Ground Lease
 - Lease project to developer for anticipated 40-year Ground Lease
 - Bondable Capital Lease with developer/lessee responsible for maintaining, insurance and operating project
 - Lease can be terminated after 5-years at the direction of the lessee
 - Project constructed via Construction Manager Agreement



**FIFTH THIRD
BANK**

- Private Placement bonds – source of repayment
 - Lease rental payments which will mirror the debt service on the bonds
 - Bondholder to have first leasehold mortgage & security interest
- Bonds are non-recourse to Port

Renaissance Hotel – Before & After



Renaissance Hotel – Before & After



Renaissance Hotel – Inclusion & Fees

- Company agrees to:
 - Port Inclusion Policy
 - Prevailing Wage Policy
 - Port Financing Sign
- Port closing fee - \$315,000

PROJECT FINANCING BY



CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY



Renaissance Hotel – Recommendation

The Board of Directors is being requested to approve Resolution No. 2022-09 authorizing the issuance and sale of Taxable Lease Revenue Bonds, Series 2022, totaling an amount up to \$20 million for the purpose of funding a portion of the costs associated with the renovation of the Renaissance Hotel Renovation Project and authorizing the execution of all other associated financing documents necessary in relation thereto.



Global Reach. Local Benefit.

**Board of Directors
Maritime**

MAY 12, 2022

Cargill Easement & License Agreements

- Cleveland Water Department existing water line moves through Cleveland Bulk Terminal (CBT)
- Cargill Inc. has two taps that originate from the water line
 - Used for potable water, industrial, and fire protection purposes
- Cargill is not in compliance with city ordinance regarding use of backflow preventors
- Cargill must install backflow preventors to comply with city ordinance
- Cargill will store equipment and perform work on CBT property during project
- Project will take approximately 5 days to complete

Cargill Easement & License Agreements



Cargill Easement & License Agreements

The Board of Directors is being requested to approve Resolution No. 2022-10 authorizing and approving the execution of a Construction Site License Agreement between the Cleveland-Cuyahoga County Port Authority and Cargill, Incorporated for the storage of equipment related to the Backflow Preventor Project, and an Easement Agreement for the construction and installation of the materials for the Backflow Preventor Project.