

MINUTES

CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING Thursday, June 9, 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, June 9, 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, Directors McNair and Miller Boise attended the meeting remotely by teleconference and each gave the proper password. Prior to the meeting, Directors McNair and Miller Boise were provided with all meeting-related materials. Directors McNair and Miller Boise confirmed that they were more than 1/4 mile from the primary meeting location at 1100 West Ninth Street, Cleveland, OH and that they 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
Darrell McNair (via telephone, left at 10 a.m.)
Andrew Jackson
Jan Roller
Peggy Zone Fisher
Teleangé Thomas
Daniel O'Malley (left at 10 a.m.)
April Miller Boise (via telephone)

ABSENT & EXCUSED

Margot Copeland

ALSO PRESENT

W. Friedman, President & Chief Executive Officer
C. Naso, Chief Financial Officer
M. Freilino, Manager
L. Sternheimer, Director, Urban Planning & Engagement
N. LaPointe, Director, Planning & Capital Development
M. Rivalsky, Controller
R. Snipes, Accountant
J. Davis, Vice President, External Affairs
R. Winslow, Finance Director (via telephone)
G. Woodson, Director, Development Finance & Inclusion
C. Beck, GIS/Environmental Specialist
K. Miley, Wilkerson LPA
E. Wilkerson, Wilkerson LPA
D. Ferguson, Phastar/Davis A & M High School
D. Gray, Cleveland City Council
M. LaWell, TaTa Steel
T. Coyne,
M. Jarboe, Crains Cleveland Business
D. Wilcox, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A
S. Simpkins, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A

APPROVAL OF MINUTES

The minutes of the Board of Directors meetings of May 12, 2022 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Thomas, seconded by Director Zone Fisher, and unanimously carried by role call vote, the Minutes of May 12, 2022 were approved.

PUBLIC COMMENT PERIOD/CHAIR'S COMMENTS/PRESIDENT'S COMMENTS

There being no public comment or comment from the President or Chair, Director Holmes moved to the Budget & Administration Committee.

Director McNair requested to move Executive Session up on the Agenda to immediately follow the Levy Renewal. Chair Holmes agreed to the change in the Agenda order.

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(1)(a) – Levy Renewal

Mr. Friedman addressed the Board and referred to a presentation attached hereto as “**Exhibit A**”. Director Roller asked whether there was a failed attempt in the past to raise the rate. Mr. Friedman replied yes, in 2012 the request to increase was defeated in the polls. Director Thomas asked whether any other levies that might be pulling the public’s attention from the Port’s levy. Mr. Friedman replied possibly, and conversations have been had with that organization and there will be coordination between the entities regarding messaging.

On motion by Director Roller, seconded by Director Zone Fisher, and unanimously carried by roll call vote,

RESOLUTION NO. 2022-13

A RESOLUTION OF NECESSITY TO LEVY A TAX OUTSIDE OF THE TEN-MILL LIMITATION FOR ALL PURPOSES OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY AT A RATE NOT EXCEEDING 0.13 MILL AND REQUESTING THE COUNTY FISCAL OFFICER TO CERTIFY THE DOLLAR AMOUNT OF REVENUE THAT WOULD BE GENERATED BY SUCH TAX

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

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(3)(a) – 2023 Alternative Tax Budget

Mr. Naso addressed the Board and referred to pages 23-26 of the Agenda. On motion by Director Thomas, seconded by Director Roller, and unanimously approved,

RESOLUTION NO. 2022-15

A RESOLUTION ADOPTING THE 2023 ALTERNATIVE TAX BUDGET 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.

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 McNair, seconded by Director Thomas, and unanimously carried by roll call vote, the Board entered into Executive Session at 9:03 a.m. On motion by Chair Holmes, seconded by Director Roller, and unanimously carried by roll call vote, the Board exited Executive Session at 9:42 a.m. and reconvened the meeting.

MARITIME COMMITTEE

Agenda Item 8 – Irishtown Bend Stabilization and Rehabilitation project Resolution Authorizing and Approving the Execution and Delivery of Settlement Agreement

On motion by Director Zone Fisher, seconded by Director McNair, Director Roller abstaining from the vote, and approved 7-0 by roll call vote,

RESOLUTION 2022-17

A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A SETTLEMENT AGREEMENT WITH MORTGAGE INVESTMENT GROUP, LLC AND VARIOUS OTHER PUBLIC AND PRIVATE ENTITIES IN CONNECTION WITH THE IRISHTOWN BEND STABILIZATION & REHABILITATION PROJECT AND AUTHORIZING THE EXPENDITURE OF FUNDS

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) – Euclid Avenue Development Corporation Tax Exempt Bond Issuance

Ms. Rhonda Winslow addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit B**". Chair Holmes asked whether there was any obligation to the Port if the bonds aren't sold. Ms. Winslow replied that there is no obligation to the Port. Director Miller Boise asked whether this project is market rate student housing. Ms. Winslow replied rates are lower than market, roughly \$800 per bedroom.

On motion by Director Roller, seconded by Director Jackson, and unanimously carried by roll call vote,

RESOLUTION NO. 2022-14

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF STUDENT HOUSING FACILITY REVENUE BONDS, SERIES 2022 (EUCLID AVENUE DEVELOPMENT CORPORATION PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$155,000,000 CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY STUDENT HOUSING FACILITY REVENUE BONDS, SERIES 2022 (EUCLID AVENUE DEVELOPMENT CORPORATION PROJECT), CONSISTING OF \$148,400,000 STUDENT HOUSING FACILITY REVENUE BONDS, SERIES 2022A (EUCLID AVENUE DEVELOPMENT CORPORATION PROJECT) (TAX-EXEMPT) AND \$6,600,000 STUDENT HOUSING FACILITY REVENUE BONDS, SERIES 2022B (EUCLID AVENUE DEVELOPMENT CORPORATION PROJECT) (FEDERALLY TAXABLE) AND THE LOAN OF THE PROCEEDS OF THOSE BONDS TO EUCLID AVENUE DEVELOPMENT CORPORATION FOR THE PURPOSE OF FINANCING COSTS OF "PORT AUTHORITY FACILITIES" FOR HOUSING, EDUCATIONAL AND COMMERCIAL PURPOSES WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE; PROVIDING FOR THE ASSIGNMENT OF REVENUES FOR THE PAYMENT OF THOSE BONDS; APPROVING THE USE OF AN OFFERING CIRCULAR; AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST AGREEMENT, LOAN AGREEMENT, BOND PURCHASE AGREEMENT AND TAX AGREEMENT; AND AUTHORIZING THE TAKING OF OTHER ACTIONS, ALL IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THOSE BONDS

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

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(3)(b) – Community Investment Fund: PHASTAR

Mr. Jade Davis addressed the Board of Directors and introduced Mr. Drew Ferguson, Chief Executive Officer of PHASTAR, and Mr. Eric Peace, Board President at PHASTAR. Mr. Ferguson and Mr. Peace gave a brief overview of PHASTAR. Mr. Davis referred to pages 27-30 of the Board Agenda.

On motion by Director Zone Fisher, seconded by Director Jackson, and unanimously carried by roll call vote (6-0),

RESOLUTION 2022-16


A RESOLUTION ACCEPTING RECOMMENDATION FROM THE PORT COMMUNITY INVESTMENT FUND COMMITTEE CHAIR AND AWARDED A GRANT TO PHASTAR IN THE TOTAL AMOUNT OF \$75,000 AND AUTHORIZING EXPENDITURE OF FUNDS PREVIOUSLY APPROPRIATED FOR THE PORT COMMUNITY INVESTMENT FUND

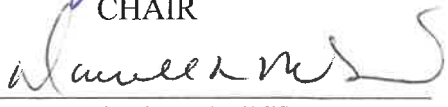
was adopted. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

PUBLIC COMMENT PERIOD – Non-Agenda Items

No public comment regarding non-agenda items.

On motion by Chair Holmes, seconded by director Jackson, and unanimously carried by roll call vote (6-0), the meeting was adjourned at 10:32 a.m.



CHAIR


SECRETARY

Yeas: 7

Nays: 0

Abstentions: 1 Wondolowski



Levy Renewal

Levy Basics

- **ORC 4582 allows “front half” Ports to collect property tax up to 1.0 mill if approved by a Countywide majority vote.**
- **The levy must be renewed at the same rate and valuation, replaced (meaning the base property valuation is updated) or increased every 5 years or it will expire**
- **Port has had a levy in place at a 0.13 mill rate since 1969 when Port was first created**
- **Voters have approved this rate at the ballot every 5 years since then**
- **Rate is applied to 1998 (need to check this) property valuation and yields approximately \$3.1 million annually**

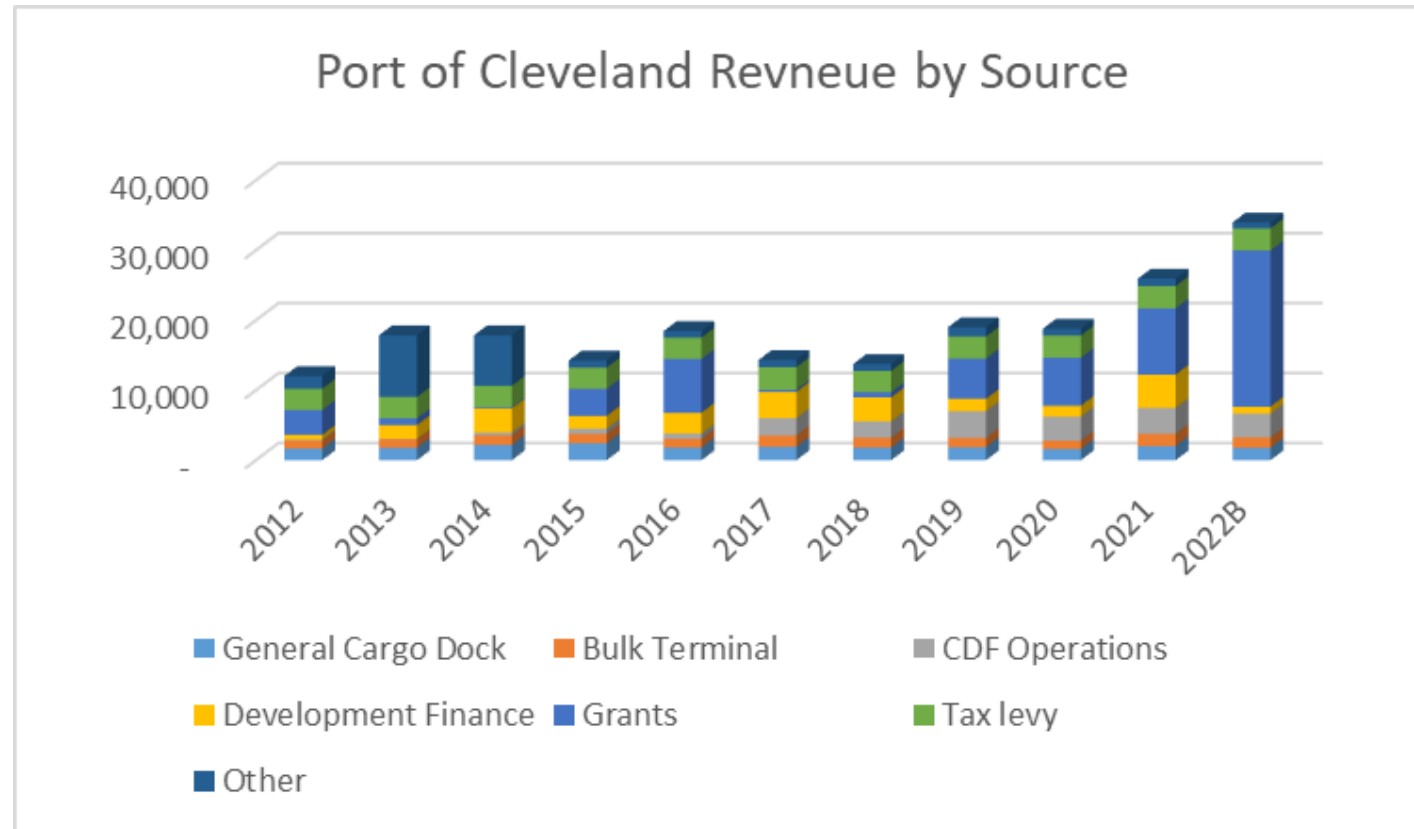
Levy Process

- Port Authority Board must vote twice to place levy measure on the ballot. Board must first pass a Resolution of Necessity and ask the County Fiscal Officer to certify the amount of revenue that would be generated from the levy and, upon receipt from the Fiscal Officer, the Board must pass a Resolution to Proceed, to have the BOE place the levy on the ballot. Both Board votes by 2/3 majority of full board of directors.
- November 8, 2022 general election is preferred because it's the only Countywide election (meaning all precincts open) to be held in 2022 and 2023
- Placing a levy measure on the ballot after 2023 will cause a gap in funding and would not allow for a renewal technically, even if the same.
- Deadline for filing with the BOE to place the levy on the November ballot is August 10. Therefore, resolutions must be considered today and at the July Port Board meeting to make this deadline

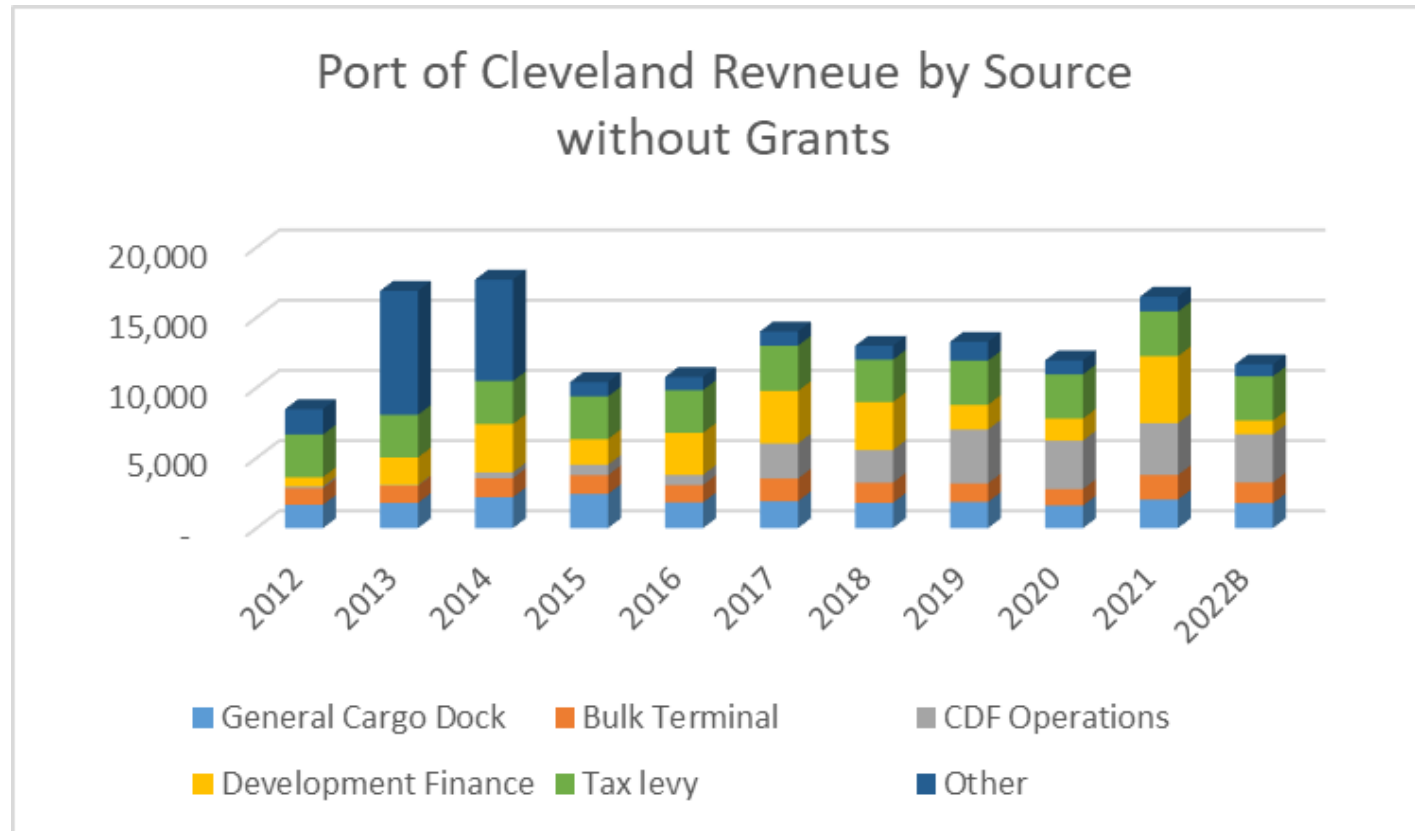
Port Finances

- **Port has 5 sources of revenue:**
 - General cargo dock operations
 - Bulk terminal operations
 - CDF operations
 - Development Finance
 - Grants
 - Tax levy
 - Other – Crane Rental, Parking, FTZ, Lease Revenue

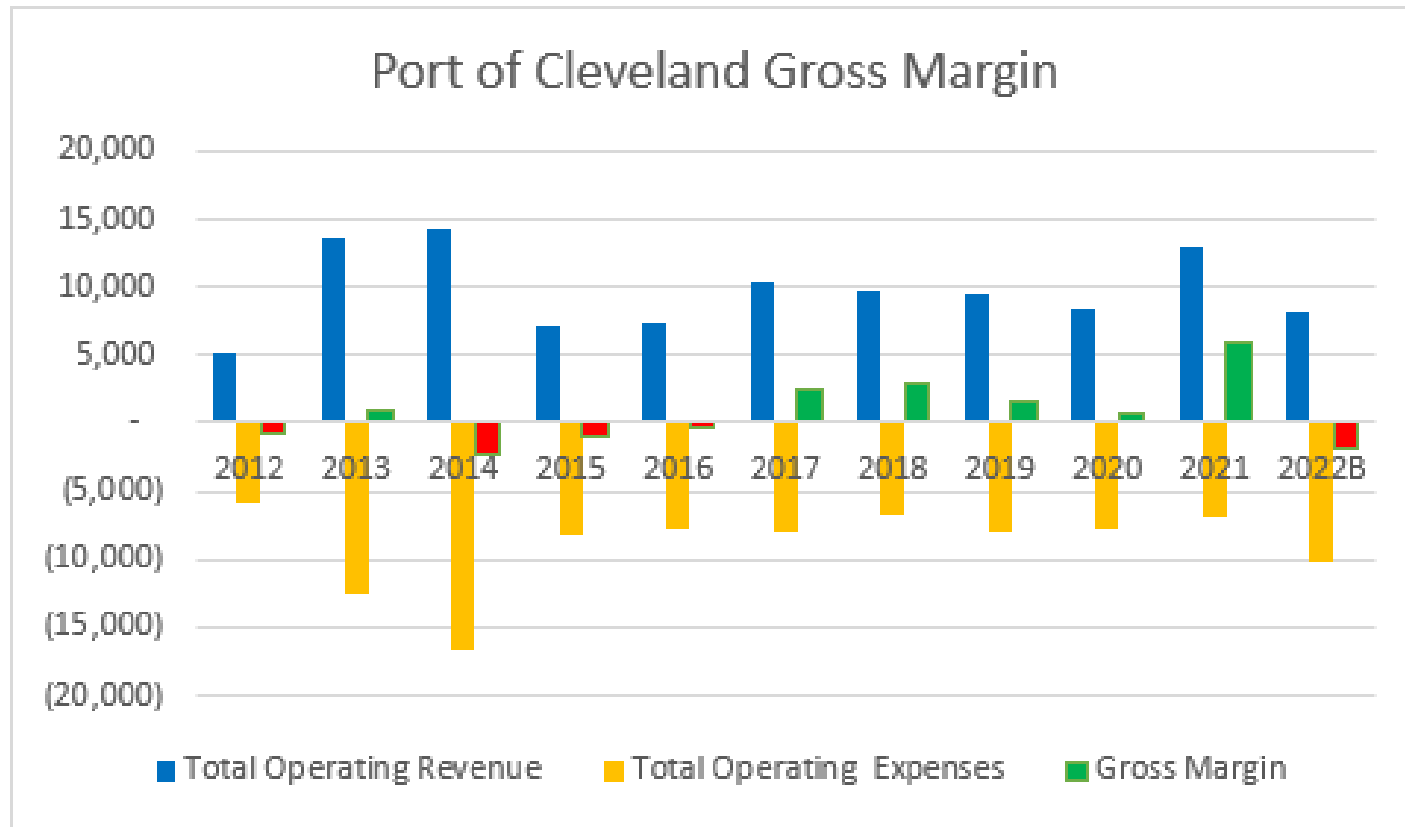
Port Revenue by Source



Port Revenue by Source



Port Revenue Gross Margin



Levy Recommendation

- **Management recommends placing renewal of the 0.13 mill levy on the November 8th countywide ballot to maintain the Port's capital investment program**
- **Voters have been historically very favorable to this renewal**
- **Port Authority has the option to place a separate levy on the ballot using some portion or all remaining 0.77 mill capacity at any time if the need arises**
- **All campaign activities must be independent of the Port Authority**

Levy Recommendation

The Board of Directors is being requested to approve resolution 2022-XX declaring the necessity to levy a tax outside the ten-mill limitation for all purposes of the Cleveland-Cuyahoga County Port Authority at a rate not exceeding 0.13 mill and requesting the County Fiscal Officer to certify the dollar amount of revenue that would be generated by such tax.



Global Reach. Local Benefits.
Board of Directors
Euclid Avenue Development Corporation

JUNE 9, 2022

EADC – Background & Bond Issuances

- Euclid Avenue Housing Corporation
 - Euclid Avenue Development Corporation (“EADC”)
 - Non-profit tax-exempt 501(c)(3)
 - On behalf of Cleveland State University (“CSU”)
 - Develop/own housing and parking facilities



- Since 2005 - Port Authority Board of Directors
 - Authorized issuances over \$150,000,000
 - Further the mission of EADC
 - Allowing access to the tax-exempt marketplace

EADC – Port Authority Request Series 2022A & B

- EADC – Student Housing Facility Revenue (Tax-Exempt) Series 2022A Bonds:

- Acquire the Edge Student Housing Project
 - located at 1750 Euclid Avenue
 - 240 unit/564 bed apartment complex
 - 170-space structured parking
- Acquire the Langston Student Housing Project
 - located at 2211-2303 Chester Avenue
 - 318 unit/603 bed apartment complex
 - 444-space structured and surface parking



- EADC – Student Housing Facility Revenue (Taxable) Series 2022B Bonds:

- Acquire at the Edge Student Housing Project
 - Approximately 1,400 square feet of ground floor retail space
- Acquire at the Langston Student Housing Project
 - Approximately 25,000 square feet of ground floor retail space

EADC – Sources & Uses

Sources:	Development Revenue Bonds, Series 2022A (Tax-Exempt)	Development Revenue Bonds, Series 2022B (Taxable)	Total
Bond Proceeds:			
Par Amount	140,060,000.00	6,520,000.00	146,580,000.00
Premium	8,148,661.90		8,148,661.90
	148,208,661.90	6,520,000.00	154,728,661.90
Uses:	Development Revenue Bonds, Series 2022A (Tax-Exempt)	Development Revenue Bonds, Series 2022B (Taxable)	Total
Project Fund Deposits:			
The Edge Project Fund	64,157,896.83	342,103.17	64,500,000.00
The Langston Project Fund	<u>82,641,014.91</u>	<u>6,108,985.09</u>	<u>88,750,000.00</u>
	146,798,911.74	6,451,088.26	153,250,000.00
Delivery Date Expenses:			
Cost of Issuance/Underwriter's Discount	1,404,033.70	61,766.30	1,465,800.00
Other Uses of Funds:			
Additional Proceeds	5,716.46	7,145.44	12,861.90
	148,208,661.90	6,520,000.00	154,728,661.90

EADC – Bond Term, Security & Fee

- EADC – Obligor
- Bond Security for payments of principal and interest
 - Project related revenues
 - Gross pledge of EADC revenues
 - Trustee receive an assignment of lease revenues between EADC and CSU as security for the bonds
- Bond Maturity
 - August 1, 2052
- Special obligations of the Port Authority – payable solely from the gross pledge of EADC revenues under the Indenture
- Port Issuance Fee – 11 basis points, estimated at \$150,000

EADC – Recommendation

The Board of Directors is being requested to approve Resolution No. 2022-13 authorizing the issuance and sale of Tax-Exempt Development Revenue Bonds, Series 2022A totaling an amount not to exceed \$148.4 million and Taxable Development Revenue Bonds, Series 2022B totaling an amount not to exceed \$6.6 million for the purpose of financing the Student Housing Facility Project for Euclid Avenue Development Corporation and authorize the execution of all other associated financing documents necessary in relation thereto.