

Meeting Minutes of the Board of Directors February 22, 2018

The Pledge of Allegiance was recited.

ROLL CALL

The first meeting in 2018 of the Toledo-Lucas County Port Authority Board of Directors was called to order at 8:00 a.m. on Thursday, February 22, 2018, at One Maritime Plaza, 2nd Floor, Classrooms A and B, Toledo, Ohio.

The following members were present: Chairman James M. Tuschman, Vice Chairman William J. Carroll, Directors Bernard H. Culp, Shaun Enright, David Fleetwood, Kim Cutcher, Andrea Price, William Rudolph, Nadeem Salem, Sharon Speyer, John Szuch, and Baldemar Velasquez.

The following member was absent: Director Dr. Sharon Gaber.

APPROVE MINUTES OF MEETING DECEMBER 21, 2017

The minutes of the meeting of December 21, 2017, were presented for approval, copies having been distributed in advance to all directors. On motion by Director Fleetwood, seconded by Director Culp, and unanimously carried, the minutes were approved as submitted.

REPORT AND COMMUNICATIONS FROM THE CHAIR: JAMES M. TUSCHMAN

- A. Chairman Tuschman reported that Wade Kapszukiewicz, Mayor of the City of Toledo was unable to attend the meeting and has rescheduled for the meeting in March.
- B. Chairman Tuschman introduced Heidi M. Appel, PH.D., Dean of Jesup Scott Honors College, University of Toledo, who made a presentation regarding Community Engagement Initiatives.
- C. Chairman Tuschman announced the rearrangement of the Agenda, advancing Agenda Item IX. Report of Board Officer Nominating Committee: Nadeem S. Salem, chair, to be considered before Item V. Public Comment Period.

REPORT OF BOARD OFFICER NOMINATING COMMITTEE

Director Salem, chair of the Board Officer Nominating Committee, consisting of Directors Speyer and Fleetwood, thanked them for their efforts on the Committee, noting that Director Speyer had withdrawn her participation from the Committee previously. Director Salem reported that the Nominating Committee places in nomination the following slate of officers for consideration by the Toledo-Lucas County Port Authority Board of Directors to serve as officers of this Board for a term expiring December 31, 2018, the offices of Secretary and Assistant Secretaries & Fiscal Officers having been previously elected:

Chair: John S. Szuch

Vice Chair: Sharon Speyer

After discussion, on motion by Chairman Tuschman, seconded by Director Rudolph, and unanimously carried;

RESOLUTION NO. 1-18

APPOINTMENT OF CHAIR AND VICE CHAIR

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

PUBLIC COMMENT PERIOD

Chairman Tuschman invited comments from the public, limiting each speaker to five (5) minutes. Chairman Tuschman recognized William Yockey, Trustee for ILA Local #1982, who spoke regarding the status of discrimination cases against Midwest Terminals of Toledo. At the request of Chairman Tuschman, James B. Yates, Esq., Eastman & Smith, addressed the Port Authority's position in the cases. Chairman Tuschman also recognized Chris Amato, President and CEO of Historic South, who expressed his thanks to the Board for its role in securing LED lighting along Broadway Street, as well as the FLOC Homies Union. Finally, Derrick Pollick, an equipment operator at Facility No. 1 and from International Longshoreman Association, stated that the majority (about 16) of Local 1982 believe that its trusteeship is dysfunctional.

REPORT BY THE PRESIDENT & CEO: PAUL L. TOTH, JR.

Mr. Toth reported that the Port Authority has received \$100,000 committed by ProMedica to support the Diversified Contractors Accelerator Program (DCAP). Mr. Toth further reported that the State of Ohio Auditor had completed its audit of the Northwest Ohio Advanced Energy Improvement District (the ESID) with no material findings.

Mr. Toth informed the Board that Spencer Township, Ohio, transferred \$1 million to the Port Authority to fund a loan program for Spencer Township businesses to be launched in April 2018.

In addition, Mr. Toth stated that several projects are out for bid, including the South Airfield Roadway Project, the Toledo Air Associates hangar improvements and the design/build contract for the foreign trade zone warehouse at Facility No. 1. In addition, Mr. Toth reported that the clearing of trees was underway to establish drainage at the South Airfield Industrial Park

Mr. Toth further reported that ParkSmart has been transferred to the Port Authority and that Cleveland Cliffs' permit to install had been approved and it is moving quickly toward construction.

Finally, Mr. Toth presented his report regarding the acquisition of goods, equipment, materiel and services for the quarter ending December 31, 2017.

RECOMMENDATIONS AND REPORTS FROM STANDING COMMITTEES AND DIVISIONS

FINANCE & DEVELOPMENT COMMITTEE

CONSIDER EXPENDITURES THROUGH JANUARY 31, 2018

Director Szuch, Chair of the Finance & Development Committee, reported that the Operating Financials through January 2018 show \$95,600 excess operating revenue over operating expense. This is ahead of budget by over \$9,400 with revenues ahead of budget and expenses falling under budget.

The Finance & Development Committee recommended approval of the Expenditures through January 2018.

Following discussion, on motion by Director Szuch, seconded by Director Speyer, and unanimously carried, the Expenditures through January 31, 2018, were approved as submitted.

CONSIDER LEASE WITH MAUMEE AIR ASSOCIATES AT TOLEDO EXPRESS AIRPORT

Director Szuch reported that Maumee Air Associates, which currently leases a 26,517 sq.ft. hangar at Toledo Express Airport, desires to lease a second 12,731 sq.ft. hangar at the Airport when it becomes available on April 1, 2019. A new agreement has been negotiated with the following terms, subject to the approval of the Board:

- Maumee Air Associates will continue paying the rate of \$3.88 per sq.ft. with CPI increases not to exceed 3% until April 1, 2019 for its currently leased hangar.
- Beginning April 1, 2019, the 12,731 sq.ft. hangar would be combined with the 26,517 sq. ft. hangar for a total of 39,248 sq.ft. and offered at \$3.25 per sq.ft.

Rent would increase through the initial term and option terms by \$0.20 every three years.

- The initial term of the new agreement would go through March 31, 2023, with two five-year options.
- Port Authority would provide Maumee Air with a credit equal to 50% of the actual cost incurred by it to install improvements up to a maximum credit of \$75,000.

The Finance & Development Committee recommended adoption of a resolution authorizing amendment to the lease with Maumee Air Associates including the aforementioned terms and conditions.

After discussion, on motion by Director Szuch, seconded by Director Fleetwood, and unanimously carried,

RESOLUTION NO. 2-18

AUTHORIZING AMENDMENT TO LEASE WITH MAUMEE AIR ASSOCIATES AT TOLEDO EXPRESS AIRPORT

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

CONSIDER LEASE AMENDMENT WITH GRAND AIRE, INC.

Director Szuch recalled that, in April 1998, the Port Authority entered into a lease with Grand Aire, Inc. for land at Toledo Express Airport for the purpose of Grand Aire conducting its fixed base operation. He stated that an amendment to the lease is recommended to redefine the leased premises, supplement the lease term, and update the rent obligations, subject to the approval of the Board.

The Finance & Development Committee recommended authorizing the President to amend the lease with Grand Aire under the terms noted above.

After discussion, on motion by Director Szuch, seconded by Director Fleetwood, and unanimously carried,

RESOLUTION NO. 3-18

AUTHORIZING LEASE AMENDMENT WITH GRAND AIRE, INC.

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

CONSIDER AGREEMENT WITH NORTHWEST OHIO IMPROVEMENT FUND FOR TRANSFER OF LOCAL SHARE FUNDS RELATED TO SMALL COMMUNITY AIR SERVICE DEVELOPMENT GRANT

Director Szuch recalled that on October 2011, the Board of Directors authorized acceptance of a Small Community Air Service Development Grant from the U.S. Department of Transportation in the amount of \$750,000, which was later amended to extend the term until January 11, 2019. The Grant provides a revenue guarantee to American Airlines for the new route from Toledo to Charlotte, North Carolina. The Grant Agreement requires a local share of \$500,000, half of which will be satisfied through \$250,000 of Port Authority in-kind marketing and promotional services. Director Szuch stated that it is now necessary to transfer the appropriated funds to Northwest Ohio Improvement Fund in order to fulfill the Grant requirements.

The Finance & Development Committee recommended authorizing the President to transfer the previously-appropriated \$250,000 to the Northwest Ohio Improvement Fund for the purpose of supporting the Small Community Air Service Development Grant.

After discussion, on motion by Director Carroll, seconded by Director Rudolph, and unanimously carried,

RESOLUTION NO. 4-18

AUTHORIZING AGREEMENT WITH NORTHWEST OHIO IMPROVEMENT FUND FOR GRANTING OF LOCAL SHARE FUNDS RELATED TO SMALL COMMUNITY AIR SERVICE DEVELOPMENT

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

CONSIDER LEASE WITH ANN ARBOR RAIL ROAD INC. AT TOLEDO EXPRESS AIRPORT

Director Szuch reported that terms for a lease of 20 acres of land located on and adjacent to the concrete cargo apron at Toledo Express Airport have been negotiated with Ann Arbor Rail Road Inc. for its storage and shipment of vehicles. The term of the lease would be one year and the rent would be \$14,000 per month during months when vehicles are stored on the premises.

The Finance & Development Committee recommended authorizing the President to enter into a lease agreement with Ann Arbor Rail Road Inc. and authorizing the President to amend the lease as necessary during the term to adjust the amount of land needed for the operation.

After discussion, on motion by Director Rudolph, seconded by Director Price, and unanimously carried,

RESOLUTION NO. 5-18

AUTHORIZING LEASE WITH ANN ARBOR RAIL ROAD INC. AT TOLEDO EXPRESS AIRPORT

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

CONSIDER AGREEMENTS RELATED TO IRONUNITS LLC

Director Szuch recalled that, in summer 2017, Cliffs Natural Resources Inc., now known as Cleveland-Cliffs Inc., announced that it had selected Toledo, Ohio, for the development of its first hot briquetted iron production plant. Following lengthy negotiations with Midwest Terminals of Toledo, Inc. and the Port Authority, Cleveland-Cliffs has reached an agreement to lease the south parcel of the Ironville site (the “dry side”) through its subsidiary, IronUnits LLC.

The Finance & Development Committee recommended adoption of a resolution authorizing the President to execute (1) an Amendment to Amended and Restated Ground Lease Agreement and Assignment of Leasehold Interest, (2) a Ground Sublease, (3) a Master Lessor Recognition, Non-Disturbance and Attornment Agreement, and (4) a Conveyance Agreement, all in substantially the form now on file with Counsel.

After discussion, on motion by Director Price, seconded by Director Speyer, and unanimously carried,

RESOLUTION NO. 6-18

AUTHORIZING AGREEMENTS RELATED TO IRONUNITS LLC

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

CONSIDER ENERGY PROGRAM IMPROVEMENTS TO TAA HANGAR AT TOLEDO EXPRESS AIRPORT

Director Szuch reported that the former Owens Corning Hangar space, commonly referred to as the Toledo Air Associates (“TAA”) hangar, is in need of energy efficiency and cosmetic upgrades in order to prepare the hangar for lease.

The Finance & Development Committee recommended adoption of a resolution authorizing the President to enter into a contract with the Northwest Ohio Advanced Energy Improvement District to provide \$400,000 to complete the energy improvements to the TAA Hangar at Toledo Express Airport the cost of which improvements will be paid from the proceeds of an energy bond already issued, and repayment be made

through collection of an energy assessment levied against the property or via a direct loan with the Energy Improvement District for a period of approximately 15 years.

After discussion, on motion by Director Szuch, seconded by Director Fleetwood, and unanimously carried,

RESOLUTION NO. 7-18

AUTHORIZING ENERGY PROGRAM IMPROVEMENTS TO TOLEDO AIR ASSOCIATES HANGAR AT TOLEDO EXPRESS AIRPORT

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

CONSIDER MANAGEMENT AGREEMENT WITH GLASS CITY AVIATION AND LEASE AGREEMENT WITH CROW EXECUTIVE AIR AT TOLEDO EXECUTIVE AIRPORT

Director Szuch recalled that, In December 2017, the board of directors authorized the acquisition of various hangars from Crow Executive Air at Toledo Executive Airport the purchase of which was effective as of December 31, 2017. With the assets now under the Port Authority's control, the parties have been negotiating the continued operation of the Airport. Crow's subsidiary, Glass City Aviation Services, LLC ("Glass City"), has agreed to manage the Airport for a fee.

The Finance & Development Committee recommended adoption of a resolution authorizing the President to execute the General Aviation Facilities Management Agreement with Glass City Aviation Services, LLC and a Lease Agreement with Crow Executive Air, Inc. for the continued management and lease of Toledo Executive Airport.

After discussion, on motion by Director Szuch, seconded by Director Fleetwood, and unanimously carried,

RESOLUTION NO. 8-18

AUTHORIZING GENERAL AVIATION FACILITIES MANAGEMENT AGREEMENT WITH GLASS CITY AVIATION SERVICES, LLC AND LEASE AGREEMENT WITH CROW EXECUTIVE AIR, INC. AT TOLEDO EXECUTIVE AIRPORT

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

FINANCING PROGRAMS DASHBOARD

Director Szuch presented the Financing Programs Dashboard.

BETTERBUILDINGS NORTHWEST OHIO PROGRESS REPORT

Director Szuch reported on the BetterBuildings Northwest Ohio program.

NORTHWEST OHIO BOND FUND TRUSTEE REPORT

Director Szuch presented the Northwest Ohio Bond Fund Trustee report.

PLANNING & OPERATIONS COMMITTEE

CONSIDER REJECTION OF BIDS FOR PLATFORM RENOVATIONS AT DR. MARTIN LUTHER KING, JR. PLAZA

Director Speyer, Chair of the Planning & Operations Committee, reported that the Platform Renovations project at the Dr. Martin Luther King, Jr. Plaza consisting of the demolition of concrete and asphalt pavement, repair/replacement of various pavement areas, re-painting of structural steel platform canopies, and LED lighting upgrades for Platforms 1 and 2, was bid following standard Port Authority bidding procedures. Only one bid was received for the project which was in excess of 10 percent over the engineer's estimate.

The Planning & Operations Committee recommended a resolution rejecting the bid received from Mosser Construction Inc., and authorizing the staff to re-scope and rebid the project to meet the project funding parameters.

After discussion, on motion by Director Carroll, seconded by Director Salem, and unanimously carried,

RESOLUTION NO. 9-18

AUTHORIZING REJECTION OF BIDS FOR PLATFORM RENOVATIONS AT DR. MARTIN LUTHER KING, JR. PLAZA

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

CONSIDER ADVANCE OF FUNDS FOR ROUNDABOUTS AT FRONT STREET AND MILLARD AVENUE

Director Speyer reported that the traffic associated with the future addition of Cleveland-Cliffs Inc.'s operation at Ironville and the existing traffic associated with the general cargo dock and surrounding industries have accelerated the need to modify traffic patterns on Front Street and Millard Avenue. Director Speyer stated that the Port

Authority, with support of the City of Toledo, is in the process of designing two roundabouts that will improve access and safety in the area. The total estimated eligible roadwork costs related to the project are \$4,368,000, the funding of which will come in part from the Roadwork Development (629) Grant issued by the Ohio Development Services Agency (ODSA) for \$1,750,000 and up to \$500,000 from the Ohio Department of Transportation Jobs and Commerce Program. The balance of the funding will come from the City of Toledo and State of Ohio. The design portion of the project is anticipated not to exceed \$380,000, half of which will come from the 629 Grant; the other half will come from the City of Toledo.

The Planning & Operations Committee recommended adoption of a resolution authorizing the use of the Port Authority's Float Funds to advance the cost for design services and directing the President to immediately seek reimbursement from the City of Toledo and ODSA.

After discussion, on motion by Director Szuch, seconded by Director Fleetwood, and unanimously carried,

RESOLUTION NO. 10-18

AUTHORIZING ADVANCE OF FUNDS FOR ROUNDABOUTS AT FRONT STREET AND MILLARD AVENUE

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

CONSIDER WHITEHOUSE-SPENCER ROAD AND SOUTH AIRFIELD ROAD ROADWAY AND DRAINAGE IMPROVEMENTS – PHASE 3 (SALENBIEN TRUCKING & EXCAVATING, INC.)

Director Speyer reported that the Whitehouse-Spencer Road and South Airfield Road Improvement Project consists of installing ditches, culverts, manholes/vaults, and temporary soil erosion and sediment control items for the Whitehouse-Spencer Road; outfall ditch and detention pond; and grade roadway to bottom of aggregate base. The Port Authority received seven bids for the Phase 3 of the Project, the lowest responsive and responsible of which was recommended to be Salenbien Trucking & Excavating, Inc. with a total bid \$1,170,989.81.

The Planning & Operations Committee recommended adoption of a resolution authorizing the President to enter into a contract with Salenbien Trucking & Excavating, Inc. in an amount not to exceed \$1,170,989.81 and appropriating \$1,250,000 from Airport Reserves as such funds become available.

After discussion, on motion by Director Speyer, seconded by Director Enright, and unanimously carried,

RESOLUTION NO. 11-18**AUTHORIZING WHITEHOUSE-SPENCER ROAD AND SOUTH
AIRFIELD ROAD ROADWAY AND DRAINAGE
IMPROVEMENTS – PHASE 3 (SALENBIEN TRUCKING &
EXCAVATING, INC.)**

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

CONSIDER CAPACITY IMPROVEMENTS AT FACILITY NO. 3

Director Speyer recalled that, in October 2014, the board of directors authorized the President to accept \$7,350,000 in grant funding from the Ohio Department of Natural Resources (ODNR) through the Healthy Lake Erie Grant. With these funds, the Port Authority administered the construction of the Great Lakes Dredged Material Center for Innovation, tested dredged material at Facility No. 3, and conducted infrastructure inspections at the facility. She further reported that the Port Authority has also issued sub-grants to the City of Findlay, the City of Toledo, and the City of Oregon for projects involving the beneficial use of dredged material and that the next phase of the project would be to expand the capacity of the Confined Disposal Facility (CDF) at Facility No. 3. Director Speyer stated that the CDF Capacity Improvement Project consists of construction of hydraulic dredge disposal holding cells, dike wall construction, and borrow pit operation.

Due to the time constraints on closeout of the Healthy Lake Erie Grant, the Planning & Operations Committee recommended adoption of a resolution authorizing the President to enter into a contract with the company submitting lowest responsive and responsible bid in an amount within the engineer's estimate and appropriating monies to pay the costs of the contract, including up to an additional 10 percent contingency, from the proceeds of the Ohio Lake Erie Grant.

After discussion, on motion by Director Speyer, seconded by Director Enright, and unanimously carried,

RESOLUTION NO. 12-18**AUTHORIZING CAPACITY IMPROVEMENTS AT FACILITY NO. 3**

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

**TOLEDO EXPRESS AIRPORT STATISTICS
SEAPORT STATISTICS
AMTRAK RIDERSHIP**

Director Speyer presented the Airport, Seaport, and Amtrak statistics.

GOVERNMENT, COMMUNITY & HUMAN RELATIONS COMMITTEE

DIVERSIFIED CONTRACTORS ACCELERATOR PROGRAM (DCAP) REPORT

Director Price reported that \$4,548,558 have been approved since inception of DCAP, and includes 102 total projects. The DCAP report spotlighted TJRS, LLC, a returning DCAP participant, which requested \$53,000 to assist with two projects awarded by the City of Toledo.

ADJOURNMENT

There being no further business, the meeting adjourned at 9:40 a.m.