

The Board of Directors of the Portage County Port Authority met in the Portage Development Board/Portage County Port Authority office located at 217 S. Chestnut Street in Ravenna, Ohio on Friday, March 16, 2012 at 9:00AM with the following members present:

David Dix	James Wyatt	Neil Mann, Jr.
Jack Kohl	Steven P. McDonald	

Absent: T.N. Bhargava and Thomas V. Chema

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Also present: Brian Cooper of R.W. Baird, Justin Mackey of Roetzel & Andress, Stephen Colecchi Chairman of Portage Development Board and CEO Robinson Memorial Hospital; Attorney Denise Smith; Bradford Ehrhart, President, Portage Development Board and Secretary-Treasurer Diana Fierle

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Meeting was called to order by Chairman Jack Kohl.

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#### APPROVAL OF OFFICIAL MINUTES

Motion by Steven P. McDonald to approve the December 6, 2011 Board of Directors' meeting minutes as presented. Seconded by Neil Mann, Jr. All in favor, motion carries.

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#### REPORTS AND COMMUNICATIONS

A. Chairman Jack Kohl advised that meeting was advertised in the Record Courier as included in the agenda packet.

B. **Report from Secretary/Treasurer Diana Fierle** - Ms. Fierle explained the finance reports along with the budget expenses as of February 29, 2012. Motion by Steven P. McDonald to approve the Finance Reports as of February 29, 2012. Seconded by Neil Mann, Jr. All in favor, motion carries.

C. **2010/2011 Audit** - Ms. Fierle asked if Mr. McDonald or Mr. Kohl had any comments regarding the recent Port Authority audit. Mr. McDonald said the only thing he noticed was the same as last year that we have a separate Finance Committee. Mr. McDonald didn't feel there was anything else. Ms. Fierle mentioned that it was the same as last year too. Mr. Kohl said he didn't feel it was a big issue as we don't have a million dollar budget at this time. Mr. Kohl asked Ms. Fierle if she felt there were any other issues and she said no.

Ms. Fierle mentioned the letter the Port Authority has to send back to the auditor's. It was mainly mentioning that we represented out books fairly, we provided whatever information the auditor's asked for. Mr. Kohl mentioned that it releases them of any liabilities. Ms. Fierle stated we need a

motion to approve the signatures of Mr. Kohl and Ms. Fierle to send the letter back. Mr. Wyatt asked was meant by we don't follow the GAPP. Ms. Smith explained a little about the General Accounting standards and it mainly referred to entities with larger budgets. Mr. Cooper explained it a little further as it refers to the GAPP standards. Mr. Kohl mentioned that he assumes the GAPP audit would cost a lot more money and Mr. McDonald stated yes. Mr. Dix made a motion to approve Mr. Kohl and Ms. Fierle signing the letter and returning it to Charles Harris, seconded by Mr. Wyatt. All voted in favor and motion carried.

**C. Report from Bradford Ehrhart, President Portage Development Board** – Mr. Ehrhart stated the PDB is working on about 25 different projects including one just announced in the paper today for Parker Hannifin working closely with the City of Ravenna, Team NEO and the Greater Cleveland Partnership. He stated it's amazing the number of people working on this and it's great for the City of Ravenna and Portage County.

Mr. Ehrhart mentioned that we are now engaged in a very active Retention and Expansion program. Working closely with the cities of Ravenna, Streetsboro, Kent, Tallmadge and Aurora. We are trying to make sure we are not duplicating services to the manufacturers. Working very closely with our resource partners making referrals, NDS, NEOTEC, SBDC and Portage Workforce Connection, PTAC and ITAC. We have about 35 calls under our belt so far. Our goal is to reach 150 calls to help the Greater Akron Chamber who provided us with the software to be able to do the calls. We are working on getting more resource partners such as NorTech. Mr. Kohl asked how the reception is from the companies and Mr. Ehrhart said it's pretty typical and we are hoping to visit at least 80% of the manufacturing facilities in Portage County. Mr. Ehrhart explained why we might not be able to visit the 20%. We have a target group of actually about 300 companies. So that is some of the things we are working on right now. Mr. Dix thanks Mr. Ehrhart for doing that and said it's something we need to do more of. Mr. Kohl mentioned that companies complain that they are here for a long time and don't get help. It's usually the newer ones receiving the assistance. Mr. Ehrhart responded that we are focusing on companies already here. Mr. Ehrhart said statistics show that most of the economic activity will come from within Portage County. Parker Hannifin is a lovely example of this.

Mr. Ehrhart explained that what we do at the Portage Development Board and the Portage Port Authority is that we are basically the concierge for Economic Development here. Mr. Kohl thanked Mr. Ehrhart and said he feels this is a great program and he's happy we continue to do it.

**D. Report from Denise Smith, Legal Counsel** - Attorney Smith said she didn't have anything at this time except for the Real Estate Purchase Agreement and she can talk about that when we get to it later. Mr. Kohl said he appreciates her help with that.

**E. Ohio Port Authority Council**

Mr. Kohl said he hadn't received anything about any meetings lately. Ms. Fierle mentioned she had e-mailed something out to him for a January 26<sup>th</sup> meeting. Ms. Fierle said Mr. Ehrhart couldn't go because she and Mr. Ehrhart were meeting in Columbus with ODOD at that same time so they

couldn't get down for that meeting. Mr. Cooper explained what this group was all about and when they meet.

Mr. Stephen Colecchi, Chairman of PDB entered the meeting room.

## DISCUSSION

1. Mr. Kohl stated he received a call from Mr. Vigluicci, Portage County Prosecutor regarding the agreement/annual fee between the Portage County Prosecutor and the Portage County Port Authority. Vic's position on the \$5,000 amount was he wasn't going to push the issue. He didn't feel that amount of money would make any difference in his budget. He didn't want to cause any waves on the Port Authority. Mr. Kohl said he was check with the Port Authority directors to see if they had any strong feelings either way. Mr. Kohl said Denise has done a great job for us and what we do has no reflection on her services. Mr. Kohl said Mr. Colecchi has done some research and the statute states the Portage County Prosecutor's office must provide legal services to the port authority. Mr. Kohl asked Attorney Smith if the township pay any type of fee and she responded no. She also said she doesn't quite concur that the prosecutor's office is statutorily required to provide legal services to the port. Attorney Smith agreed that it would not make a difference on their budget. However, the county commissioners are after them to find more ways to get more resources. Mr. Kohl stated Mr. Vigluicci was not going to push for the funds. Mr. Colecchi stated that he did pull the statute and made a copy for Mr. Kohl and it clearly states that the prosecutor is council for the Port Authority, however the port has the option to hire outside counsel. Attorney said that is fine. Mr. Dix stated that if it's stated in the statutes, we are not that big of an operation. Mr. Dix asked Attorney Smith if it was requiring a lot of her time. Attorney Smith stated that it really doesn't require a lot of her time. Mr. Dix stated we can visit it again later if Attorney Smith is spending more of her time on port issues. Mr. Kohl stated at this point we'll say "no" and keep it open for later.

2. **Project – Old Ravenna High School** – Mr. Kohl provided everyone with the new agreement that he and Attorney have been working on. It's been moving along rather smoothly until a "Give Back" clause was put in the agreement. Their counsel suggested that if it hadn't sold in it 2 years, we would give it back to the school. Mr. Kohl stated that we wouldn't do that and it didn't make sense to do the transaction if they wanted it in. They came back with if it wasn't sold in 3 or 4 years, if we have population growth and need a new school, why should we go out and purchase property if that is still available. Mr. Kohl saw some sense in and said if you can somehow define the academic need to everyone's satisfaction and you could pay us back for any expenses we had, we would try to work something like that out. Attorney Smith said she spoke with Mr. Reitz and said to come up with some language regarding academic needs, not football field or soccer field for truly academic reasons we'd take a look at that. Mr. Reitz came up with language that Attorney Smith deleted, that at any time they can ask for it back. Attorney Smith came back with language that if it is truly an academic need they can give us 60 day notice prior to the port entering into any purchase agreement we have pending that they were considering asking for the property back for

academic purposes. They would also have to reimburse us for any expense the port had for the property toward any marketing etc. Attorney Smith believes she put together a good faith counter proposal and it eliminate any risk to the port. The other option would be just to tell the schools we are not doing it and end it.

Mr. Colecchi was on the committee and believed that in order to get the state money was that the building could no longer be used for any academic purposes again but during a transition period. Attorney Smith commented that they are definitely demolishing the building. One it becomes a table top if they needed the land they could construct a new facility of some sort. Mr. Colecchi stated that makes sense. Mr. McDonald asked if they were close to knocking it down. Mr. Kohl mentioned that they had bids out to get that job done. They had been told they had more conditions of testing to do so they went back to the state to ask for more money. It wasn't really anything new, but was changes that were done to regulations since this was put together. Something different in the disposal or treatment of the site. Mr. McDonald asked how much more money and Mr. Kohl said it would probably be about another couple hundred thousand dollars. The money is there. Attorney Smith stated she believes they had to tweak the bid specks. Mr. Kohl said it's still on track to go. Mr. Dix asked if this would weaken our ability to market the property. Mr. Kohl said he believes with Attorney's Smith language it shouldn't cause too much trouble, but it could. Attorney Smith stated during a 90 period we could be holding our breath a little with a little bit of risk. Mr. McDonald states they we will have someone from the school board on the committee so they will have knowledge of what is happening. The directors agreed that we should add some language that if during a project the school makes a request to get the property back, we should be able to say "no". Mr. Colecchi stated that it wouldn't make sense for the schools to want to use the land for academic purposes anyway. You'd do it at the new high school. The schools have 88 acres by the new school for additional growth. Attorney Smith stated we should just tell them that we are not doing a give back and we will give them their share of the proceeds. Either we do it or don't do it, otherwise there is no sense in even bothering to do this. Mr. Kohl said he's very comfortable with that position. Attorney said the more words you put into this the more vague it becomes. It was decided to just remove the clause and they can take it or leave it. Attorney Smith said she would relay that message.

3. **Project Renewal** – Mr. Ehrhart went on to explain this project after introductions of Justin Markey of Roetzel & Andress (our bond counsel), and Brian Cooper, R.W. Baird (financial advisor). Project is not written in stone yet. Major warehouse distribution project in support of a major manufacturing facility in Mogadore Village. It involves a 629 grant, taxable bonds, Enterprise Zone agreement, etc. All these things we are working on to make this project come to fruition and can be announced. Mr. Markey explained the taxable bonds to explain the agreements with the port authority. Port Authority is the lessee of the ground the building is being built on. The Port will lease the ground from the developer and issue bonds that will be purchased by the bank. When the bank buys the bonds, then the financing takes place and the building will be built. The port will lease the building to the developer who will in turn lease the building to Rubbermaid. It's a layered transaction to give the developer sales tax savings to make it more cost beneficial to the developer.

Mr. Ehrhart stated the project is about \$25 million, of which about 40% of the cost will be building materials which would be subject to sales tax and would be considerable savings and incentive to the developer. They are also looking at an existing site in Kansas. It's a major part of our package to attract this company to Brimfield Township, JEDD and Portage County. This is very commonly used by other port authorities throughout the state to attract companies.

Mr. Cooper was introduced to talk about the Term Sheet. Mr. Markey layed out the legal structure with the ground lease. It comes out to almost \$800,000 to \$1 million in cost savings to the customer. The developer would be the project manager for the port authority and would be building the building on behalf of the port authority. The port authority would be issuing an exemption certificate to the developer. A Cooperative Agreement will be drafted where this agreement would indemnify the port authority for any claims that might arise from the project. All leases would be triple net leases. The port would have a legal interest in the land. The company would be responsible for all insurance payments and all things as if they owned the building. Term sheet is simple document that lays out how the deal will work and the responsibilities and fees, and closing dates etc. Important term in the agreement is the acceptance language. We're asking the developer to provide a \$25,000 deposit when they sign the term sheet. Then when the port signs the term sheet they will have their expenses covered if the project doesn't move forward. Mr. Ehrhart and Mr. Kohl have been in on all the conference calls and now the bank is about to be introduces. The structure and process will have to be explained to the bank. Bank is US Bank and have been involved in projects like this before. Hopefully they'll for the most part understand some of the project. Mr. Ehrhart told Mr. Cooper that we do have a written resolution for the Term Sheet approval later in the meeting. Mr. Burnham from Summit County Port Authority has already signed the term sheet. Ms. Fierle stated that in anticipation of the Term Sheet being approved, she has already received the \$25,000 deposit from the developer.

Mr. Mann asked questions about the developer owning that property at this time. Mr. Ehrhart stated they do not own the property but have an option. Mr. Markey explained to Mr. Mann that the port will not own the property but will lease the ground to from the developer. The building will be owned by the port authority and will lease it to the developer who will lease it to the company. Mr. Mann asked what would happen if half way through the construction the developers pulls out of the project. Mr. Markey explained the bank would actually be on the hook. How much is our liability? The liability flows with the developer not the port authority. If they default, the bank will come in and take the property and then the liability is with the bank. Mr. McDonald explained that the cooperative, even by state law we will technically own it and the bank will take the mortgage on the property. They get a normal construction loan. If the developer backs out or gets foreclosed on, the bank would take over the property. The agreement will prevent the port from expending any of its own funds if anything happens with the developer. There is very little risk to the port authority. Mr. Mann asked if there was any timeline in these documents that the company has to stay. Mr. Markey said there is nothing in our agreements, but he's sure the developer has something in their lease documents to protect them. Attorney Smith said the port is way down on

the list as far as ownership and liability. There isn't even anything in the tax abatement agreements that give the companies timelines to stay.

**A motion was made by Mr. McDonald to authorize and sign the Term Sheet, seconded by Mr. Dix. All voted in favor and the motion carried.**

Mr. Ehrhart was asked who the developer InSite is? He explained they are the real estate company that is building the building for Rubbermaid. Mr. McDonald stated they all the Rubbermaid buildings.

Mr. Ehrhart now started discussing the Enterprise Zone agreement and explained the waiver process. We are still working on the waive process and Mr. Ehrhart and Ms. Fierle attended the waiver hearing in Wooster. They have a graduated tax abatement that has been offered to them by Brimfield Township. It's another incentive to get the company to come to Portage County. Mr. Ehrhart explained the income tax in the JEDD. Mr. Dix asked if they would get an income tax credit. Brimfield and Tallmadge did not allow the income tax credit. Ms. Fierle explained the approval process and the Port Authority will have to have a special meeting in April to approve the agreement after Brimfield Township approves in on April 4<sup>th</sup>.

Mr. Markey discussed the resolution for the Term Sheet and then you will have to approve the bond resolution so we can move forward will all the steps to issue the bonds. If possible the port could approve this at the same time with approving the Enterprise Zone agreement. We have a time schedule we are hoping to stick with. The only date not listed is the date for the Portage County Port Authority which will be set shortly.

Mr. Cooper said they will work as quickly as possible on the financial documents and when we receive request for a meeting it means they are ready to go with their part of the project.

Mr. Ehrhart went on to explain the 629 Grant Program for public infrastructure improvements. Within the project the developer is also planning to open up other parcels for further development in the future on 152 acres. This property is surrounded by Tallmadge on three sides and Brimfield on one side. There is also acres set aside for wetlands and 67 acres for the Rubbermaid building. The state has provided \$250,000 for infrastructure development. The funds can be used for up to half of the cost of the improvement ie, public roadway to be owned by City of Tallmadge, public sewer line to be owned by Portage County. You have a county, city and township involved in this so to make things simple it was recommended that the port authority be the recipient of these funds. The developer will work with the engineer to design the road according to Tallmadge and county specs along with the sewer line. If Tallmadge accepts the road, this is a matching grant program and they have to come up with their match for it. This road will also be dedicated back to Tallmadge after completed. Mr. Kohl mentioned that we really are going to be just a pass-through as far as the grant funds. We will accept the grant money and reimburse the developers up to 50% for the cost of the road with the grant funds. We will need to enter into a inter-government agreement with Tallmadge to make sure that once the road is built, they take ownership of the road. Attorney Smith asked if there was a TIF involved. Mr. Ehrhart answered that there would be no TIF. With property

tax abatement there will be not TIF. It's one or the other. Mr. Colecchi asked if there was county water there. Mr. Ehrhart answered that water is with Tallmadge. Mr. Kohl and Mr. Ehrhart explained that there has been a great deal of cooperation with this project with all the government entities. Mr. Ehrhart explained that it's the cooperation of everyone that sealed the deal on this project for Brimfield. We literally had everyone at the table from city, township, county, both port authorities, Team NEO and Greater Akron Chamber, utilities and state to make this project happen. At this site will be 79 jobs. This site is making the Mogadore facility stronger and Mogadore employees over 800 employees. Mr. Dix asked if Field schools had to sign off on this. Mr. Ehrhart said no, Ms. Fierle commented that they have to be notified but not approve anything. Mr. Kohl said if you go over 75% the schools have to approve it.

Mr. Ehrhart mentioned that we already received the \$2,500 application fee and the \$25,000 deposit from InSites. Ms. Fierle asked if Mr. Ehrhart wanted to discuss the term sheet especially the fee the Portage Port will be receive. The building will be 811,200 square feet and most likely the largest building in Portage County. The investment in the building will be about \$25 million. Page 4 the breakdown of fees, Portage Port will collect \$50,000 on top of the application fee of \$2,500. The Summit Port \$10,000, Bond Counsel \$30,000, Financial Advisor \$15,000 and Trustee will receive \$5,000. Mr. Cooper said we might not need a trustee. Mr. Cooper explained what a trustee and is usually a bank. If the bank is doing it themselves then they will track the money and you don't really need a trustee. More discussion will be had about a trustee. Mr. Cooper said the fees are usually paid when the project closes and will be funded by the developer not by the port authority. The \$25,000 deposit is in case the project doesn't take place, expenses incurred can be paid. Mr. Ehrhart asked for any questions and told everyone to feel free to always give him a call if they have questions. The fees can go up if the project drags out. Mr. McDonald mentioned the bonds being agreed upon by InSites and the purchaser and the rate. Mr. Cooper said this will be structured the same as a construction loan. Rate on the bonds will be a low rate. We don't know at this time what the rates will be on the bonds.

4. **NEOMED Project** – Mr. Ehrhart mentioned that this will be a tax exempt bond project. As of today, Mr. Markey states that NEOMED is looking to be more like a traditional university for student housing, recreation center etc. This is going to be the housing portion. NEOMED can issue their own bonds but have decided to instead create a development board corporation for the tax exempt status. Problem arose that to form this 501 (C)3 will take more time that they have to get the project going as they have a very aggressive schedule. NEOMED has asked that the Port Authority form the corporation that would act as instrumentality of the port authority and being a government entity would get the tax exempt status from day one. Don't have to go to IRS and ask for it. NEOMED asked that the port issue bonds, form the corporation. They'll have their developer build the building and go through the similar lease structure that was just talked about for Rubbermaid. The port would actually be the owner of the building until NEOMED's 501 (c) 3 is formed and approved. Then that corporation would assume as the responsibility that the port's corporation assumed. It a more complicated structure then proposed for Rubbermaid. Mr. Kohl asked if Baird would represent us as the financial advisor for this project. Mr. Cooper said Baird would love to

represent the port. NEOMED will have their own underwriter and financial advisory. Mr. Markey said they've done structures like this with other universities. The easier way is for the Port Authority to issue the bonds and lease the building to NEOMED. Down the road the NEOMED's corporation would assume all responsibility. The way they are proposing is not the easiest way, but they will be able to start the project sooner, break ground sooner. The Rubbermaid/InSite project is the easier structure and only the more difficult one has been proposed for this project. Mr. McDonald asked if it was benefit to them for us issuing the bonds vs NEOMED issuing the bonds? Mr. Markey said there are different types of bonds these would be 501 (C)3 bonds. NEOMED can't issue private bonds on their own. They need the port and the 501 (C) 3 to issue the tax exempt bonds to them. Attorney Smith mentioned that if the port would receive the 501 (C)3 status almost automatically as opposed to NEOMED applying for it and having to wait for the status. Mr. Colecchi also mentioned that NEOMED would probably have to get approval from the Chancellor too and Mr. Markey agreed. They'd need approval to pledge their own money. Mr. Colecchi mentioned that NEOMED has selected Signet as their developer.

Mr. Ehrhart mentioned that this is a massive project that involves housing, wellness center and other components. This part will only include the student housing at this time. Mr. Ehrhart spoke with Mr. Wray at NEOMED and they are still trying to decide if they want 300 beds or 400 beds. They are also working on the cost for beds. Signet said it is about \$100,000 per bed and Mr. Wray is trying to get it down to \$80,000 per bed. So the project going through the Port Authority will be between \$24 - \$30 million. Mr. Ehrhart said the Port Authority will be looking at a fee of about \$75,000 plus a \$2,500 application fee. Mr. Cooper said NEOMED has acquired the services of Squires Sanders and Dempsey. They would like an indication from this board as to whether they want to move forward with forming this development corporation structure. Before they documenting the deal they want to make sure the port is ok with forming this corporation. It was asked if the port authority is authorized under state law to form a non-profit corporation. Mr. Markey said they would have the corporation formed on behalf of the Port Authority that for economic development purposes we could meet the constitutional requirements.

Attorney Smith asked if this would be formed solely for the NEOMED project or would it be appropriate enough to use for other projects? Mr. Markey said you could probably keep it to do other projects too. She said if you are going to do it, you might want to keep it around for others too. Mr. Ehrhart stated that this could be kept around to do a sort of land banking too. NEOMED probably wants this corporation to be a single purpose. However because they collapse the corporation for their project, it doesn't mean that the corporation can't remain in tacked for other projects, per Mr. Markey. Keeping this corporation around could complement the services we already have along with complimenting the Portage Development Board and the Portage County Port Authority. Mr. Kohl mentioned it would be good to keep this corporation around long term. He feels there is no reason this corporation has to collapse completely and just pull NEOMED out of it. NEOMED will be buying us out for about a dollar when their corporation is formed. Until then there will be a lease in place which will assist NEOMED in getting funds from the bank. These will be tax free bonds long term bonds. Mr. Cooper said NEOMED will pay a low interest rate for the first 12

months then a higher interest rate after that. Somewhere between 4 – 5% on the long term stuff. Mr. Kohl asked if we needed a resolution at this point. Mr. Cooper said no, that there isn't a term sheet or anything the Port Authority has in front of them to approve. NEOMED just wants assurance that before they start going down this path, it's something the Portage Port is comfortable with, or entertain the suggestion without knowing all the risks involved. Mr. McDonald thinks this would be a great thing, a 501 (C) 3 and a development corporation. Mr. Kohl asked if we want to draft a letter. Mr. Markey said you can just give your verbal approval to entertain the suggestion. NEOMED/Signet hasn't given us anything else to really consider today for that formal an action. Mr. Ehrhart said he'd be more comfortable with Mr. Markey or Mr. Sarkis talking to Barbara about this. Mr. Colecchi asked if this was Squires. Mr. Ehrhart answered yes. Ms. Fierle asked if you'd like to make a motion to consider moving forward with the suggestions from NEOMED.

**A motion was made by Mr. McDonald to consider the NEOMED project as suggested, seconded by Mr. Mann. All voted in favor and the motion carried.**

Mr. Colecchi stated that Barbara from Squires does the hospital stuff and the Kent State stuff. The county uses someone else. Attorney Smith asked if the NEOMED plans to have this built by August. Mr. Ehrhart stated it must be by August 2013. Mr. Ehrhart mentioned that Rubbermaid has to break ground by May 1<sup>st</sup> to be in by end of December. Mr. McDonald thought if it was August 13<sup>th</sup>, they would be in such a hurry to break ground. It's really believed it is 2013. Mr. Cooper said if there is any financial review or analysis needed he'd be happy to help the port in any fashion needed. Attorney Smith mentioned the stem school project that NEOMED plans to build on the campus. That should be another project down the road. Mr. Colecchi stated that class is starting this fall. Attorney Smith asked if they had a building ready for it. Mr. Colecchi's nephew was accepted for the class and it's going to be housed in the current four walls of the building. They will eventually need space for 240 students. That's why the new building will be built for it. Mr. Ehrhart asked if the stem school would be open to all school districts in Portage County. Mr. Colecchi answered yes. This year just opened to freshman and it will house four year high school.

Mr. Colecchi stated that he will be attending a couple meetings in the next few weeks regarding the medical component of this project. They will be building a health and wellness center here along with some retail there too.

Mr. Kohl said we needed to move on and schedule a meeting in April to follow up with these projects. Mr. Kohl asked Mr. Ehrhart what he's thinking and Mr. Ehrhart said it has to be after April 4<sup>th</sup> with the Brimfield Township Trustees meet to approve the Enterprise Zone Agreement for Rubbermaid/InSite and the Port. Ms. Fierle mentioned that she's out most of the week of the 9<sup>th</sup> so should probably be the 3<sup>rd</sup> week of April. The meeting was scheduled for April 17<sup>th</sup> @ 2:00 at the PDB office. Ms. Fierle will send an e-mail out to everyone and get it advertised in the newspaper.

4. **Fee Sharing with Portage Development Board** – Mr. Colecchi mentioned that he and Mr. Kohl had a conversation about the fee sharing. He also mentioned we do have the agreement with the Port Authority already for \$10,000 per year. Mr. Colecchi stated that the good news in there is a

lot of activity going on that is taking a lot of Mr. Ehrhart and Ms. Fierle's time. Mr. Colecchi asked what would be appropriate for project fee sharing. He felt since we don't have a certain proposal ready for consideration maybe should take a look at other models out there since he has no idea what would be appropriate. Then bring back a proposal for consideration by the board. Mr. Kohl said he thought some kind of percentage of the fees we bring in for projects would be appropriate. He knows with all the e-mails he received and conference calls he's been on in the last three weeks that Mr. Ehrhart and Ms. Fierle probably spend at least half their weeks on Port Authority projects. Mr. Kohl said it might not always be this way, and that's why a percentage of fees on projects would make sense. Mr. Kohl said the port has definitely commanded the majority of their time in the last few weeks. Mr. Colecchi said we need to talk some more and bring back a couple examples to draft a specific proposal. Mr. Ehrhart said he has a couple examples from Pennsylvania and will look for a couple Ohio examples. Mr. Colecchi stated that at the end of the day the ultimate goal is to get finances in order and building on that. Mr. Ehrhart told Mr. Colecchi a million times that we need more staff to do what we need to do in the development world. Mr. Colecchi stated as we do that the port will benefit for the additional activity. Mr. Colecchi stated we are trying to identify all the resources possible to get the staffing we need to create jobs in Portage County. Mr. Kohl stated he doesn't know that we'll ever get to the point where the Summit County Port Authority is and be able to hire staff, but Mr. Ehrhart said we are starting to see a lot more activity. Mr. Ehrhart said that his experience in PA, a 501 (c)3 can use this as a great tool along with larger manufacturing projects over a couple million dollars. This is a great tool.

Mr. McDonald asked Mr. Ehrhart if we are still working on Lionheart. Mr. Ehrhart stated we are still working with Lionheart but it was determined their bank couldn't do it because it wouldn't be a qualified issue. Mr. Markey said the tax exemption would not make it worth their while, the project wasn't large enough to justify the fees. It was a company acquiring an existing building and renovating the building. Mr. McDonald asked if the company was still considering the building. Mr. Ehrhart said we are still working with the company, the project is marching on. It's not quite where we want it to be yet, but it is moving forward.

#### **CONSIDERATION OF CORRESPONDENCE, NEW RESOLUTIONS AND MOTIONS**

- A. Resolution for contract between the Port Authority and the Portage County Prosecutor's office for services. Attorney Smith stated if the Prosecutor's office is statutory council than we don't need that. Mr. Colecchi told Attorney Smith to go back and review it. She said she would and if it's needed she come back with it.
- B. Resolution for Board of Directors' authorization to allow the Chairman, Vice-Chairman and/or Secretary/Treasurer to sign documents for Project Renewal. A motion was made by Mr. McDonald to approve this resolution, seconded by Mr. Dix. All voted in favor and motion carried. 12/003
- C. Resolution authorizing Financial Advisory Services Agreement with R.W. Baird and Co. for Project Renewal. A motion was made by Mr. McDonald to approve this resolution, seconded by Mr. Dix. All voted in favor and motion carried. 12/004

- D. Resolution for Board of Directors' authorization to allow the Chairman, Vice-Chairman and/or Secretary to sign documents for the NEOMED project. We will remove this until the April 17<sup>th</sup> meeting after we have a term sheet and other documents to consider. Mr. Kohl stated that if something critical comes up we can contact the board to move on this. Mr. Markey stated it's also contingent upon how quickly needs to move forward with the project.
- E. Resolution authorizing the creation of a Project Activity Fund – separate checking account/pass through at our bank of record.

Mr. Ehrhart mentioned that we would need this for the funds from the 629 program grant to use as a pass through. It should not appear in our operating budget. It is not part of our operations. Mr. Ehrhart stated when we move forward with NEOMED and others, we'll need a separate account from our general book so as not to be mixed with operating funds. Mr. Cooper said it's all within the four corners of the port. The Summit Port sets up the Project Activity Fund. Mr. Kohl stated we stole the resolution for this from the Summit Port. Mr. Cooper stated the \$25,000 deposit would go into this account, but the \$2,500 application fee can go into our regular operating budget. The \$25,000 has to go there until the project closes. At that time the money either stays with us and goes into our operating funds, or it is used to pay some expenses for the project and might go back to the company if the project doesn't close. Mr. Cooper said it doesn't necessarily need to be a whole new account, it could be a sub-account. Mr. Cooper asked where our funds are deposited. Ms. Fierle stated all our funds are deposited at Huntington Bank in either a checking account or money market account. It is separate from the county as we were not allowed per the county auditor to use the county even though Summit County was able to go through their county auditor. Mr. McDonald feels it should be a separate account. Mr. Cooper advised to talk with the bank to see if they can do a sub-account for us. Mr. Markey stated Huntington Bank is very good with working with government accounts and should be able to give great guidance. Mr. Ehrhart stated that it will probably be subject to separate auditing too. Ms. Fierle was authorized to go to Huntington Bank to open an account for these project activity funds. A motion was made by Mr. McDonald to open up a Project Activity Fund account at Huntington Bank after first getting the guidance from the bank on what type of account to open, seconded by Mr. Dix. All voted in favor, motion carried. 12/002

- F. Resolution authorizing Chairman Kohl to execute and deliver a Financing Term Sheet for Project Renewal. See under the section for Project Renewal. 12/001
- G. Resolution to amend the Agreement with the Portage Development Board to begin fee sharing from projects, should the Board wish to do so. Tabled until more information is received.
- H. No other resolutions are needed at this time.
- I. Ms. Fierle stated that we received the Certificate of County Auditor that the Total Appropriations from Each Fund Do Not Exceed the Official Estimate of Resources. Mr. Kohl stated that he feels good about that.

Ms. Fierle stated we have a June meeting scheduled and she will not be able to be here. That is the Tax Budget meeting/hearing and she needs to check to see what the requirements are for notice and turning in the tax budget to the county auditor. Attorney Smith said she couldn't remember what the timing was on that and would check. The directors agreed that we will set up a new date when we know the time frame and requirements for the Tax Budget must be done.

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**SCHEDULED MEETING DATES**

The next regular meeting is scheduled for Tuesday, June 5, 2012 at 2:00 PM at the Portage Development Board/Portage County Port Authority office. This meeting is to be rescheduled when we determine the requirements for the Tax Budget hearing.

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**RESOLUTION NO.: 12-001**

**RE: A RESOLUTION AUTHORIZING THE CHAIRMAN OF THIS BOARD TO EXECUTE AND DELIVER A FINANCING TERM SHEET TO BE ENTERED INTO AMONG INSITE REAL ESTATE INVESTMENT PROPERTIES, L.L.C., THIS PORT AUTHORITY, THE SUMMIT COUNTY PORT AUTHORITY AND ROBERT W. BAIRD & CO. RELATING TO A PROPOSED FINANCING TRANSACTION FOR A NEW WAREHOUSE DISTRIBUTION CENTER FOR RUBBERMAID, INCORPORATED, CONSTITUTING "PORT AUTHORITY FACILITIES".**

It was moved by Steven P. McDonald, seconded by David Dix, that the following resolution be adopted.

**WHEREAS,** InSite Real Estate Investment Properties, L.L.C. ("InSite") has requested the assistance of the Portage County Port Authority (this "Port Authority") with financing the acquisition, construction, improvement and equipping of a new 811,200 square foot warehouse distribution center (the "Project") for Rubbermaid, Incorporated through the proposed issuance by this Port Authority of its taxable development revenue bonds (the "Bonds"), the proceeds of which will be used by this Port Authority to finance the costs of the Project; and

**WHEREAS,** the terms and conditions of the proposed Project financing and the undertakings required of the parties are set forth in the Financing Term Sheet (the "Term Sheet") to be entered into among Insite, this Port Authority, the Summit County Port Authority and Robert W. Baird & Co., a copy of which is on file with the Secretary/Treasurer of this Board; now therefore be it

**RESOLVED,** by the board of directors (the "Board") of the Portage County Port Authority:

Section 1. Findings and Determinations. This Board does hereby find and determine that:

(a) The Project described in the Term Sheet constitutes a “port authority facility” within the meaning of Section 4582.21, Ohio Revised Code.

(b) The Project is consistent with the purposes of Section 13 of Article VIII, Ohio Constitution, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State and Portage County.

(c) All formal actions of this Board relating to the enactment of this Resolution were taken in an open meeting of this Board. All deliberations of this Board and of any of its committees that resulted in formal actions were in meetings open to the public in compliance with all legal requirements, including Section 121.22, Ohio Revised Code.

Section 2. Term Sheet. This Board hereby authorizes the Chairman to enter into, execute and deliver, in the name and on behalf of this Port Authority, the Term Sheet, in form on file with the Secretary/Treasurer of this Board, with such revisions and modifications as shall be in furtherance of provision of the Project, not substantially adverse to this Port Authority, and approved by the Chairman on behalf of this Port Authority, all of which shall be conclusively evidenced by the execution thereof by the Chairman. Upon execution of the Term Sheet by the Chairman and the other parties thereto, such Term Sheet shall be a binding commitment of this Port Authority to undertake the obligations of this Port Authority consistent with the terms, and subject to the conditions, thereof.

Section 3. Effective Date. This resolution shall take effect immediately upon its enactment.

and be it further

**RESOLVED,**

that the Board of Directors finds and determines that all formal actions of this board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in meeting open to the public in compliance with the law including Section 121.22 of the Ohio Revised Code.

Voice vote was as follows:

T.N. Bhargava, absent;

David Dix, yea;

Neil Mann, Jr., yea;

James A. Wyatt, Jr., yea;

Thomas V. Chema, absent;

Jack Kohl, yea;

Steven P. McDonald, yea;

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**RESOLUTION NO. 12-002**

**RE: A RESOLUTION AUTHORIZING THE PORTAGE COUNTY PORT AUTHORITY TO ESTABLISH A FUND / ACCOUNT TO BE USED AS A PASS-THROUGH ACCOUNT FOR THE RECEIPT AND DISBURSEMENTS OF FUNDS RELATED TO PROJECTS**

It was moved by Steven P. McDonald, seconded by David Dix, that the following resolution be adopted:

**WHEREAS,** the Portage County port Authority (“Port Authority”) is authorized by its enabling legislation to maintain such funds and accounts as it considers necessary; and

**WHEREAS,** it is deemed to be in the best interest of the Port Authority to establish a fund / account to be used as a pass-through account for the receipt and disbursement of funds related to projects; now therefore be it

**RESOLVED,** Section 1: The Board of Directors authorizes and directs the Chairman and/or the Secretary/Treasurer of the Port Authority, at the earliest practicable date, for and on behalf of the Port Authority, to establish, or cause to be established, a fund / account designated as the Project Activity Fund at our bank of record, to be used as a pass-through account for the receipt and disbursement of funds related to projects.

Section 2: The Chairman and/or Secretary/Treasurer of the Port Authority hereby are authorized, for and on behalf of the Port Authority, to do, or cause to be done, all things necessary or appropriate to carry out the actions contemplated by Section 1 above.

Section 3: As per our current checking account, signatories on this account shall be Director Jack Kohl, Director Steven P. McDonald and Secretary/Treasurer Diana Fierle.

Section 4: Any and all actions heretofore taken by the Chairman and the other officers of the Port Authority, or at anytime, with respect to, and in contemplations of, the actions authorized by this Resolution, hereby are authorized, approved, ratified and confirmed; and be it further

**RESOLVED,** that the Board of Directors finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in meeting open to the public in compliance with the law including Section 121.22 of the Ohio Revised Code.

Voice vote was as follows:

T.N. Bhargava , absent;  
David Dix, yea;  
Neil Mann, Jr., yea;  
James A. Wyatt, Jr., yea;

Thomas V. Chema, absent;  
Jack Kohl, yea;  
Steven P. McDonald, yea;

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**RESOLUTION NO. 12-003**

**RE: AUTHORIZE CHAIRMAN JACK KOHL, VICE-CHAIRMAN DAVID DIX OR SECRETARY/TREASURER DIANA FIERLE TO SIGN DOCUMENTS FOR THE PROJECT RENEWAL - INSITE/RUBBERMAID PROJECT ON BEHALF OF THE PORTAGE COUNTY PORT AUTHORITY**

It was moved by Steven P. McDonald, seconded by David Dix that the following resolution b adopted:

**WHEREAS,** the Board of Directors of the Portage County Port Authority agrees to move forward to assist with Project Renewal the InSite/Rubbermaid Project and hereby authorize the officers of the Portage County Port Authority to assist in any way possible, and therefore be it

**RESOLVED,** the Board of Directors of the Portage County Port Authority hereby authorizes Chairman Jack Kohl, Vice-Chairman David Dix or Secretary/Treasurer Diana Fierle to sign documents and applications for this project as not to hinder the project from moving forward with their development process; now therefore be further

**RESOLVED,** that the Board of Directors finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in meeting open to the public in compliance with the law including Section 121.22 of the Ohio Revised Code.

Voice vote was as follows:

T.N. Bhargava, absent	Thomas V. Chema, absent;
David Dix, yea;	Jack Kohl, yea;
Neil Mann, Jr., yea;	Steven P. McDonald, yea;
James A. Wyatt, Jr., yea;	

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**RESOLUTION NO.: 12-004**

**RE: A RESOLUTION AUTHORIZING THE PORTAGE COUNTY PORT AUTHORITY TO ENTER INTO THAT CERTAIN LETTER OF AGREEMENT DATED MARCH 12, 2012, PURSUANT TO WHICH ROBERT W. BAIRD & CO. WILL SERVE AS FINANCIAL ADVISORS AND PROVIDE FINANCIAL ADVISORY SERVICES THROUGH THE AGREEMENT BETWEEN THE PORTAGE COUNTY PORT AUTHORITY AND ROBERT W. BAIRD & CO. FOR THE INSITES/RUBBERMAID PROJECT**

It was moved by Steven P. McDonald, seconded by David Dix, that the following resolution be adopted.

**WHEREAS,** effective March 16, 2012, the Portage County Port Authority (the "Port Authority") entered into that certain letter of agreement dated March 12, 2012 with Robert W. Baird & Co., pursuant to which the latter serves as Financial Advisor with respect to the Financings, and in such capacity Baird agrees to provide advice as to the structure, timing, terms and other matters regarding the Financings, including the services defined in the Financial Advisory Services Agreement if requested by the Port Authority; and

**WHEREAS,** the Port Authority desires to continue its relationship with Robert W. Baird & Co.; and

**WHEREAS,** it is deemed to be in the best interest of the Port Authority to continue its relationship with Robert W. Baird & Co. through project completion; now therefore be it

**RESOLVED,** that certain letter of agreement dated as of March 12, 2012 (the 2012 Agreement) between Robert W. Baird & Co. and the Portage County Port Authority, in the form presented to the Board of Directors (the "Board") and hereby ordered retained with the records of the Port Authority hereby is approved, and be it further

**RESOLVED,** the officers of the Port Authority hereby are, and each of them hereby is, authorized, for and on behalf of the Port Authority, to take each and every action necessary or appropriate to carry out the terms of the 2012 Agreement, and be it further

**RESOLVED,** that the Board of Directors finds and determines that all formal actions of this board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in meeting open to the public in compliance with the law including Section 121.22 of the Ohio Revised Code.

Voice vote was as follows:

T.N. Bhargava, absent;  
David Dix, yea;  
Neil Mann, Jr., yea;  
James A. Wyatt, Jr., yea;

Thomas V. Chema, absent;  
Jack Kohl, yea;  
Steven P. McDonald, yea;

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We do hereby certify that the foregoing is a true and correct record of the Portage County Port Authority Board of Directors' meeting on March 16, 2012. There being no further business to come before the Board, the official meeting of March 16, 2012 adjourned at 10:30 PM.

Absent  
T.N. Bhargava

Absent  
Thomas V. Chema

David Dix

Jack Kohl

Neil Mann, Jr.

Steven P. McDonald

James A. Wyatt, Jr.

Diana Fierle  
Secretary-Treasurer