



**Meeting Notice:** Ms. Fierle stated the meeting legal notice was advertised in the Record Courier on Tuesday, May 5, 2015.

**Financials:** Ms. Fierle explained the Treasurer's report (income and expenses) and budget report as of April 30, 2015 and the amounts in our bank accounts. Ms. Fierle stated that she deposited \$36,500 in the special activities account which was money from the City of Kent to purchase property at KSU for their road project. It will remain in the account until she gets direction from the directors to send the money to KSU since it was their money that was used to purchase the property. *A motion was made by Mr. Bellino to approve the financial statements, seconded by Mr. Wyatt. All voted in favor and the motion carried.*

*A motion was made by Mr. Chema to approve the budget report as presented, seconded by Mr. Dix. All voted in favor and the motion carried.*

**Finance/Audit Committee Report – Dominic Bellino, Chairman** - Mr. Bellino stated that the Finance/Audit Committee met just before the regular Board of Directors meeting. All financials were reviewed. There was discussion regarding the \$36,500 that we received from the City of Kent for the Summit Road project. Mr. Bellino stated the committee recommends we retain 10% for administrative fees if at all possible. They recommend Mr. Kohl discuss this with Mr. Floyd at Kent State University. *Chairman Kohl made a motion that he contact Mr. Floyd at KSU to see if we can negotiate a 10% fee from the \$36,500, seconded by Mr. Chema. All voted in favor and the motion carried.*

**Brad Ehrhart, President of Portage Development Board Report** – Mr. Ehrhart gave a brief report on projects the Portage Development is working so far during 2015 on and discussed the PDB 2015 Annual Report. He mentioned that 4 project we are working on are Port Authority projects. He also discussed our wins so far for 2015.

**Legal Counsel – Denise Smith** – Not present at this time. Showed up later in the meeting.

## DISCUSSION

### List of Responsible Contractor Criteria

Mr. Wyatt discussed the List of Responsible Contractor Criteria that he requested be put on the agenda. The main thing he spoke of us that contractors are basically hiring workers, giving them their full pay and telling them to go to city hall to pay their taxes. That is not being done. The communities are losing out on these payroll taxes. Many communities in the area and the state are starting to use the responsible contractor language. Mr. Sarkis even stated several port authorities around the state are using it. Mr. Wyatt stated he's even been in contact with Chris Burnham, Development Finance Authority of Summit County and they in the process of adding this language. After several questions the board agreed that Mr. Wyatt should contact someone to come and give the directors a presentation on responsible contracting. Mr. Wyatt would like the Portage County Port Authority to consider adding this language to future projects after we get more information. Mr. Chema stated that he would like to get more input from Summit County. Ms. Fierle will work with Mr. Wyatt and will add this to the September agenda.

### **Kent Summit LLC – 345 Flats Project**

Mr. Sarkis explained the structure of the project as a capital lease structure to provide sales tax exemptions on the construction materials. Mr. Sarkis stated its great economic development incentive to the developer. Mr. Sarkis explained that this incentive was used for the Rubbermaid project. The Port Authority would ground lease the ground from the developer entering into a construction agency agreement and lease the project back to the developer. We've used it before and so have a lot of other counties. Mr. Sarkis introduced Mark Conzelmann with NewBrook Partners to talk more about the project.

Mr. Conzelmann handed out a rendering of the area showing what the project would look like when completed. This project will take place where the current Kent City hall is located. Mr. Conzelmann spoke of the other development taking place in the area. Mr. Conzelmann mentioned that they are bringing a lot into the downtown but haven't brought many residents into the downtown area. NewBrook plans to build a 5 story building with 4 stories of residential. The first floor plans to have a lobby, lounge and some parking. It will have 147 unites with 288 beds. Most are studio and 1 bedroom units so they appeal to not only students but other young professionals also. Mr. Conzelmann stated they play to close on May 29, 2015 and get started on the project immediately. They plan to open summer of 2016. Chairman Kohl asked the price point of each unit. They don't have a price yet, but will be competitive with others. Mr. Chema asked about the length of a lease. Mr. Conzelmann stated it would be 12 month leases. Mr. Sarkis stated the bank of record for the project is FirstMerit.

Mr. Sarkis spoke of the conflict letter provided to the port authority as they also have a relationship with FirstMerit and he wanted the port authority to know this up front.

*Mr. Chema made a motion to approve the waiver from Mr. Sarkis and letter from Mr. Cooper, seconded by Mr. Bellino. All voted in favor and the motion carried.*

Mr. Chema asked Mr. Conzelmann what other projects they've worked on. Mr. Conzelmann described several other projects.

Mr. Bellino asked about the job creation with the project. Mr. Conzelmann stated there could be about 20 jobs associated with the project. Four full-time would be hired and several part-time employees. Mr. Bellino also asked FirstMerit's approval of financing was contingent upon the port authority approving the project. Mr. Conzelmann stated it was not, however it would make things very tight for the company and their constructions numbers were based on the port approving the project. Mr. Chema asked what the benefit was for the project and Mr. Conzelmann stated they'd save about half a million dollars.

Mr. Bellino asked about the fees involved. Mr. Sarkis stated there is a nonrefundable application fee and a portion of a deposit. Ms. Fierle stated she received the \$2,500 application fee and the \$25,000 deposit. Ms. Fierle stated when they close next week the port will receive the remaining \$50,000 fee.

Mr. Bellino stated a few of the concerns that Mr. Bhargava had regarding the project. Mr. Chema stated the economic benefit to approving the project along with other directors adding their comments regarding the benefit.

*After a few other questions and discussion, a motion was made by Mr. Chema to approve the project bond*

*resolution, term sheet and other documents associated with the project, seconded by Mr. Dix. All voted in favor and the motion carried.*

### **Ravenna Learning Center**

**Update** - Chairman. Kohl stated that we are mowing the grass and we have been released from our developer. We are actively searching another project for the property and have just recently met with Stark State. They are looking at a stepped up marketing plan for the school for when they come to Ravenna. We as a port and the city have agreed to support them financially to make the marketing happen. Mr. Bellino and Mr. Chema had some questions regarding the types of classes Stark wants to bring to Ravenna. Mr. Dix stated they are talking about bringing the needed industrial type programs to Ravenna. It makes more sense than the types of classes Stark tried bringing here in January.

**Release** - Ms. Fierle stated in the packets is the letter and release signed by all. A refund check of \$5,000 was also sent to Premier Development with the release. We are free and clear from these developers to move forward with this project.

**Sub-Committee** - Ms. Fierle wanted to clarify the sub-committee members created by the port authority along with information she gathered from the Sunshine Law training she attended. Sub-committee members are Dennis Honkala, David Dix, Jack Kohl, Dominic Bellino, Mayor Joe Bica and Brad Ehrhart. Ms. Fierle stated the information she received from the training was that even a sub-committee of the port had to advertise their meetings to comply with the open meeting laws. Attorney Smith agreed and explained. It was determined that the sub-committee must give Ms. Fierle enough notice to be able to advertise the meeting in the newspaper. Mr. Chema stated that if push comes to shove the sub-committee could always go into executive session. Attorney Smith agreed.

**Stark State** - Chairman Kohl stated that we are actively talking with Stark State to continue to move forward with a learning center. Stark State is working with NEOMED for a couple programs. They are also moving forward with forming a relationship with Maplewood to start some classes there. Mr. Dix agreed with this update and stated we should really be proactive in assisting this relationship between Maplewood and Stark State. Mr. Ehrhart agreed he would help facilitate the meetings between the two schools. Mr. Ehrhart has already contacted Para Jones to get some dates they are available then he'll contact Randy Griffith at Maplewood. He stated Stark State is looking to enhance the programs at Maplewood. You can get a certificate of completion from Maplewood and the next day get college credits for Stark. Chairman Kohl stated it sounds like Stark would like to use the classrooms at off hours when Maplewood isn't using them. If this works well, we still might be able to build a facility for Stark to expand to.

**Property Maintenance** – Mr. Ehrhart received several quotes from lawncare companies and recommends the directors approve the contract for Lallithin's Lawn Care Service.

*A motion was made by Mr. Bellino to approve the contract with Lallithin's, seconded by Mr. Chema. All voted in favor and the motion carried.*

**Letter from Brian Cooper for financial advisor for 345 Flats project** – *a motion was made by Mr. Bellino to approve Mr. Cooper's request, seconded by Mr. Chema. All voted in favor and the motion carried.*

Consideration of New Resolutions and Motions

2016 Tax Budget – Mr. Bellino stated that this was looked at in the Finance/Audit Committee and after holding the public hearing earlier in this meeting, *A motion was made by Mr. Bellino to adopt the Portage County Port Authority's Tax Budget for FY 2016, seconded by Mr. Chema. All voted in favor and the motion carried. 15-003*

Portage County Chamber of Commerce Membership Directory – Ms. Fierle explained the directory and that Chairman Kohl made an executive decision earlier in the year to approve sharing the cost with the Portage Development Board to put a full page ad in this directory. *A motion was made by Mr. Chema to ratify the executive decision of Chairman Kohl to advertise in the Chamber of Commerce directory, seconded by Mr. Bellino. All voted in favor and the motion carried with Mr. Dix abstaining.*

Chairman Kohl stated that the next port authority meeting is scheduled for Tuesday September 1, 2015 at 2:00 with the Finance/Audit Committee meeting at 1:30PM.

Mr. Bellino had concerns about debating projects in front of the presenter and asked if it was something that could be done in another meeting without the presenter or go into executive session. Mr. Chema and Attorney Smith stated that this needs to be done in a public meeting and anyone is allowed to attend, even the presenter. Mr. Dix and Attorney Smith also stated that since the presenter is here as a presenter and not a member of the public, he could be asked to step out. The Port Authority has to debate everything in a public meeting, so there is really no way of doing it in a private meeting. Mr. Sarkis had a few comments regarding this issue and the. Also, he stated that the Port Authority is not taking on any liability with this project. Mr. Chema reiterated that since the Port Authority is a public body, we have to deliberate projects in a public meeting. Mr. Chema also stated that if we were taking on some real liability with the project, we would probably want to deliberate the project in more than one session. With this project we are really just a conduit and not taking on any liability. Mr. Ehrhart had mentioned that this project has already been through a lot of public debate and has been approved by Kent City Council. Mr. Chema also stated that we want to be careful and not just rubber stamp things. We need to make sure we are doing the best thing for the community and the port authority.

There being no further business to come before the Board, the meeting of May 19, 2015 adjourned at 2:50PM. We do hereby certify that the foregoing is a true and correct record of the Portage County Port Authority Board of Directors' regular meeting on May 19, 2015.

Absent

T.N. Bhargava

Dominic Bellino  
Vice-Chairman

Absent

Neil Mann, Jr.

James A. Wyatt, Jr.

Thomas V. Chema

Jack Kohl II  
Chairman

David Dix

Diana Fierle  
Secretary-Treasurer