

The Board of Directors of the Portage County Port Authority met in a regular meeting in the Portage Development Board/Portage County Port Authority office located at 217 S. Chestnut Street in Ravenna, Ohio on Tuesday, September 2, 2014 at 2:00PM with the following members present:

T.N. Bhargava
David Dix

Dominic Bellino
Jack Kohl II

Thomas V. Chema
Neil Mann Jr.

James Wyatt, Jr.

Also present: George Sarkis and Justin Markey; Brian Cooper, Bradford Ehrhart, Portage Development Board; Diana Fierle, Secretary/Treasurer

Chairman Jack Kohl called the September 2, 2014 meeting to order approximately 2:05PM and welcomed everyone to the meeting.

Meeting Minutes - *A motion was made by Mr. Bhargava to approve the meeting minutes for the special meeting of July 8, 2014, seconded by Mr. Dix. All voted in favor and the motion carried.*

Meeting Notice: Ms. Fierle stated the meeting legal notice was advertised in the Record Courier on August 24, 2014.

Financials: Ms. Fierle explained the Treasurer's report and budget report as of July 31, 2014. Ms. Fierle stated there is approximately \$6,000 less than reported as she sent out checks worth that amount that haven't cleared the bank yet. *A motion was made by Mr. Bellino to approve the financial statements and budget report, seconded by Mr. Mann. All voted in favor and the motion carried.*

Finance-Audit Report – Chairman of Finance-Audit Committee Mr. Bellino stated that we should look into get a balance sheet prepared. Ms. Fierle stated that she would contact the CPA's that do our audit to see what the cost would be. Mr. Bellino stated he could contact Escott or Schlabig.

DISCUSSION

Kent State University Project – Mr. Sarkis explained the KSU project is at over \$19 million and will combine the 1st project of the land with the 2nd project, the building. Chase bank will purchase the bonds. The Portage County Port Authority will own the building and lease to KSU who will sub-let to the KSU Foundation. KSU might eventually want to own the building. Mr. Sarkis went on to address the Bond Resolution for the project and the term sheet. The Portage County Port Authority is making \$75,000 on this project with \$27,500 already being paid to the port authority including the application fee. The rest, \$50,000 will be paid to the port authority at the closing.

A motion was made by Mr. Bhargava to approve the Bond Resolution for the project, seconded by Mr. Mann. All voted in favor and the motion carried.

Ravenna Learning Center Project – Mr. Shafran of Paran Management proceeded to give an update on the project. He stated he intends to create a campus with several school participating and initially it will include Stark State. The focus at the time is a welding program for Stark State. Mr. Shafran is also in talks with NEOMED and Lorain Community College. Mr. Shafran stated they are in a position to deliver documents for the September Design Review Committee. He now has an architect that is putting the drawings together. Mr. Shafran's plan is to open the facility in September 2015.

There was discussion with Mr. Sarkis regarding the set up and make up of the RLC Governance Committee. The port needs to decide how to structure it and the Governance Committee/Foundation need to determine what goes into the documents for this entity. The port authority will provide names to Mr. Shafran so he can contact people for this board.

Mr. Shafran requested \$14,000 from The Portage Foundation to do a feasibility study for fundraising. He committed the port authority to the other \$14,000 as match. The port authority didn't authorize Mr. Shafran to commit the port authority for funding for the feasibility study. Mr. Bhargava stated that no financing should come from the port authority and the other directors agreed.

The directors decided to form a sub-committee for this project. The committee would consist of Mr. Chema, Mr. Dix and Mr. Bhargava. Mr. Kohl would attend as Ex-Officio and would not have a vote. *A motion was made by Mr. Bellino to form the Ravenna Learning Center Sub-Committee, seconded by Mr. Wyatt. All voted in favor and the motion carried.*

Lease between Ravenna City Schools and Stark State

In the packet was a copy of the draft lease agreement. Mr. Kohl asked if we could commit to providing assistance to Stark State by providing funds for the Lease. Mr. Chema asked if Stark State requested assistance and Mr. Kohl answered with no. Mr. Chema and the other directors agreed, that we would not provide assistance unless requested by Stark State and then it would be considered.

Freedom Secondary Railroad

Earlier in the year the Portage County Board of Commissioners requested that the Portage County Port Authority take over the ownership of the Freedom Secondary Railroad. There has been much discussion over the past several month regarding the port authority ownership. Many questions have been asked and no answers have been given. At this time it appears if we do take the ownership there might be many liabilities going with it and very little revenues. There have been questions regarding taxes, the abatement of the taxes, amount of revenues, insurance coverage. Mr. Ehrhart and Ms. Fierle have attempted to get answers to these questions with not much luck. Mr. Ehrhart met with Mr. Bragg, director of Budget and Finance for Portage County and didn't get anything out of that meeting.

Mr. Chema stated that the county wants us to take this over. We should give them conditions, 1) before we acquire the railroad, you extend the abatement for 10 years; 2) you deal with the two immediate crossings that need repair. He stated that we can figure out what to do with the other two that we have a little more time for. He stated that he didn't know if the county would do that or not. Attorney Smith stated that this is where she getting to the conflict line because she represents the county also. She stated that we might want to get someone else to deliver the message to them. Mr. Chema wants to know why the county wants rid of the railroad and Mr. Kohl stated that it's costing them money. Mr. Kohl stated that he can draft a letter and deliver the message to the commissioners. Mr. Kohl stated that it is a good economic tool and it should be kept going. The City of Ravenna has a strong interest in it and we have a new factory that could be interested in it. Mr. Ehrhart stated that when they met with the Ohio Rail Commission regarding the railroad with a potential project, two other potential users came up. Mr. Chema stated that a revenue of \$4,000 per year is not worth our time and effort but if we can multiply that, then it becomes worth it. Mr. Mann was concerned that there is an accident at one of the crossings and wants to know who is going to get sued? Attorney Smith stated that everyone could get sued. She also stated that right now being under the county, the county is insured under CORSA. Since the

county owns the rail it is automatically insured under CORSA insurance. Attorney Smith stated that we would have a cost of additional insurance which is probably a pretty high cost. She stated that since we are a separate political subdivision we would not be part of their plan. The directors agreed that we should find out the cost of the insurance especially since there are four crossings that need repaired. Mr. Ehrhart asked if we could go to CORSA ourselves to see if we could be covered. Mr. Chema asked who we are covered with now and Ms. Fierle stated that we are covered under CORSA, she worked with Michelle Ripley at the county to get the port authority properties covered through them. Mr. Mann asked if someone can access the crossings to see how bad they are. Mr. Ehrhart stated that the PUC just did that and there were two that needed immediate work and two more in the near future. Mr. Kohl stated that we will send a letter to see if we have coverage or if we would need to get additional insurance. Mr. Kohl stated that the railroad has potential especially if we can get a couple nice end users on it. It could become a source of revenue for the port. Mr. Bellino thought it would be good for a joint venture with the port and the City of Ravenna or others and share the liabilities and revenues. Mr. Kohl said the city has a big interest in the railroad and are even thinking of having their salt delivered by rail. Mr. Bhargava asked about the users and Mr. Kohl stated right now it has one user which is Rock Tenn. Mr. Kohl thought it would be a great idea to ask the city to be a partner. They might be able to make some repairs using their road department. Mr. Kohl stated that lets check with the insurance, check with the City of Ravenna. Mr. Kohl stated that Mr. Ashley from the railroad knows all the road department on the rail line. He stated when he needs something fixed, he calls them and they usually bring out materials to fix it. Mr. Kohl stated we should send a letter to the City of Ravenna to see if they have an interest in partnering with us for ownership of the rail line. Mr. Chema also stated we should call PUC to see if there are funds available for assistance with fixing the crossings.

Mr. Ehrhart went on to give a report to the directors regarding work that the Portage Development Board is doing at this time.

Mr. Kohl thanked everyone for attending the meeting and thought it was a very productive meeting.

There being no further business to come before the Board, the meeting of September 2, 2014 adjourned at 3:50PM. 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 September 2, 2014.

T.N. Bhargava

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Absent

Thomas V. Chema

Dominic Bellino

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Jack Kohl II

Jack Kohl II
Chairman

Neil Mann, Jr.

Neil Mann, Jr.

David Dix

David Dix

Absent

James A. Wyatt, Jr.

Diana Fierle

Diana Fierle
Secretary-Treasurer