

The Board of Directors of the Portage County Port Authority met in the Portage County Regional Planning Commission Conference Room located at 124 North Prospect Street in Ravenna, Ohio on Tuesday, September 7, 2010 at 2:05 PM with the following members present:

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

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Also Present: Portage County Department of Economic Development Director Bill Ulik; Attorney Denise Smith; Beth Leonard and Chris Burnham, Summit County Port Authority; Attorney George Sarkis; Kent City Manager Dave Ruller; Secretary-Treasurer Deborah Mazanec; Assistant Secretary Diana Fierle

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APPROVAL OF OFFICIAL MINUTES

Motion by Thomas V. Chema approve the June 1, 2010 regular meeting minutes and public hearing minutes, as presented. Seconded by James A. Wyatt, Jr., all in favor, motion carries.

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REPORTS AND COMMUNICATIONS

A. Chairman T.N. Bhargava

B. Secretary-Treasurer Deborah Mazanec

The Secretary-Treasurer presented the Bank Reconciliations for the Checking Account showing a balance of \$ \$22,427.58 and the Money Market Account showing a balance of \$129,690.46 as of July 31, 2010; total \$152,118.04.

Motion by David Dix to accept the Treasurer's Report as presented. Seconded by Jack Kohl, all in favor, motion carries.

C. PCDED Director Bill Ulik reported that Attorney George Sarkis of Roetzel & Andress is attending the meeting today to update the Board of Directors on the Recovery Zone Bonds.

The Director attended the NEOTEC Annual Meeting and Logistics Conference where the theme was Ports and Logistics. The Columbiana County Port Authority reported on the utilization of the Ohio River and shipping and the advantages they are seeing in the increased traffic on the Mississippi River and the anticipation of the re-opening of the Panama Canal. The Cleveland/Cuyahoga County Port Authority also presented on his continued efforts on orienting the Port Authority towards shipping from the financing of industrial Projects . Railroad improvements may benefit the Portage County Port Authority.

Chairman Bhargava presented the 2007 Fact Sheet of the Economic Impact, as prepared by the Ohio Council of Port Authorities.

Director McDonald asked if Cherokee Glass on Freedom Street had closed; the Director responded that he did not know.

D. Legal Counsel Denise Smith noted that she received copies of the amended agreement with the Summit County Port Authority for review.

E. Representative to the Ohio Port Authority Council

Director Thomas V. Chema noted that he was copied on an email requesting information from the Ohio Port Authorities after the John Kasich campaign contacted the Council asking for a white paper about Port Authorities. The 2007 Fact Sheet of the Economic Impact would be the foundation of that white paper. The campaign wanted suggestions from Port Authority members about laws, conditions etc. that may impede Ohio Port Authorities. Director Chema noted that the Directors may comment to Tracy Drake at the Columbiana County Port Authority on this issue.

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DISCUSSION

Attorney George Sarkis noted that the Port Authority has part of its assigned \$12,847,000.00 in Portage County Recovery Zone Economic Development Bonds to NEOUCOM. The state held a hearing on August 31, 2010 on the NEOUCOM project and determined that the project should go forward. NEOUCOM intends to issue \$15 million in bonds this year using the Recovery Zone Economic Development allocation. The project is somewhere around \$42 million but the bonds that will be issued are the \$15 million in Recovery Zone Economic Development bonds before December 31, 2010. Bonds would be issued again in 2011 as tax exempt bonds without the Recovery Zone benefit that are available.

At the hearing, the state offered to increase the bond amount to \$15 million (a \$2,157,000 increase) noting that the allocation must be used by December 31, 2010. NEOUCOM has applied to the state of Ohio for that increase but has not heard yet if the application is approved. The benefits of the Recovery Zone bonds give a better rate to NEOUCOM. The bonds close toward the end of November. The state may issue bonds again in 2011.

Director Ulik noted that the original Portage County allocation for NEOUCOM was \$6.3 million; the second allocation was a doubling of the original allocation to \$12.8. The Director noted that there is an admin fee of \$2,500 per \$1 million in bonds will come to the Port Authority.

Director Chema asked if the NEOUCOM project is for the Research Center. Mr. Sarkis confirmed.

Director Bhargava asked what the project completion date is; Attorney Sarkis responded that the date has not been finalized yet but the project is set to begin in the spring at a cost of \$42 million. Director Bhargava asked if the bonds are 20 year bonds. Attorney Sarkis responded that the maturity is not set yet but will most likely be between 20-30 years.

Director Chema asked if the bonds will be issued before December 31, 2010; Attorney Sarkis responded yes, closing is planned for the week after Thanksgiving. The interest rate is unknown at this time.

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Summit County Port Authority (SCPA) President and Executive Director Chris Burnham and Beth Leonard Development Coordinator & Assistant Secretary to the Board are attending to discuss a proposed amendment to the Cooperative Agreement between the Portage County and Summit County Port Authority.

Mr. Burnham stated that there are two transactions in place with the Portage County Port Authority in the Summit County Port Authority Bond Fund, which is a pool of cash reserves with a rating attached. First the Cascades of Brimfield was completed and the second deal was Plaza Schroeder on SR 43.

In May 2008, after the last two deals were made in the Bond Fund, it became evident that strange things were happening in the bond market but until September when Lehman Brothers collapsed, it was not evident to staff. In December 2008, the rating agency downgraded the Bond Fund and put on watch, which took the Port Authority out of the market. The downgrade caused the bank to double its fees on Letters of Credit upon renewal even though everyone was current. The Summit County Port Authority dropped their rating agency and moved to S&P, who upgraded to BBB last week and given a stable outlook.

There is an agreement in place for revenue sharing for deals done in the bond fund. The Summit County Port Authority must find a way to absorb a \$50,000 increase to \$100,000 in the Letter of Credit. The hope is that the bank will adjust the fee upon renewal next year. Mr. Burnham presented the schedule of fees showing a proposed fee adjustment suggested a reduction of fees beginning in 2011 in the revenue sharing agreement between the Portage County Port Authority. Mr. Burnham noted that Medina County has agreed to partially go along with the proposed reduction for one year with Summit County coming back next year to revisit the proposal. Mr. Burnham presented the draft language for that Medina agreement noting that he hopes to go back to the old fee schedule in 2012.

He had discussed this proposal with Bill Ulik, Commissioner Chuck Keiper and Chairman Bhargava. In the event that the Portage County Port Authority agrees to move forward, Mr. Burnham would let the Board of Directors know what Medina County decides to do in the future. The Cooperative Agreement would have to be amended to enable the reduction in fees. Mr. Burnham added that First Energy, in accordance with a PUCO stipulation, had to invest in an economic development endeavor and chose to work with the SCPA, which increased their cash reserves. Mr. Burnham agreed to come back to the Portage County Port Authority Board of Directors next year.

Director Chema stated that the Board of Directors wants to be helpful to the SCPA since they have helped the Portage County Port Authority. He spoke in favor of a one year reduction and an amendment to the agreement changing nothing but the fee split.

Denise Smith asked Mr. Burnham if the verbiage in the proposed agreement "Notwithstanding the foregoing, nothing shall prohibit the Summit Port, in its sole and absolute discretion, from splitting the Closing Fee, and one hundred percent (100%) of the Administration Fee. Portage Port shall receive twenty-five percent (25%) of the Closing Fee" means if a project comes up, the SCPA can decide not to split the fees? Mr. Burnham responded that this document was meant to reflect the prior conversations he had with Bill Ulik and T.N. Bhargava. He is trying to capture all of the ongoing Administrative Fees but still provide an upfront fee which the Portage County Port did not receive before. What staff has learned is that the TIFs have ongoing costs and administrative expenses. Nothing would prevent the SCPA from working with the PCPA on an agreement that would let the split occur however both Boards are comfortable going forward. Denise Smith noted that she will review the proposed language. The Chairman agreed with Director Chema that the PCPA wants to assist the SCPA with this agreement for one year and asked Denise Smith to work out the details with Mr. Burnham. Jack Kohl asked if this agreement will change only the fee schedule and nothing else. Mr. Burnham agreed.

Motion by Thomas V. Chema to authorize a reduction in Portage County Port Authority Administrative Fees for one year, seconded by David Dix, all in favor, motion carries/10-05

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Dave Ruller, Kent City Manager gave an update on the downtown Kent projects. Director Dix asked if there is still a plan to create an entertainment district. Mr. Ruller replied that the liquor permits have become an issue since the city only has so many permits. The entertainment district may open up five new permits for the city, which would be available for anyone to obtain.

There was discussion regarding the Allentown, PA arena project that used Port Authority legislation to give it a new form of a TIF with all taxes (real estate, employment, sales, state excise, income/sales) that created a tax free zone. Mr. Ruller noted that the city paid Squire Sanders \$20,000 to create that same legislation in Ohio. There was interest but it was not approved.

Director Chema noted that Hiram College may be interested in collaborating with the University of Akron in the potential development of the Hudson Boys School/Reformatory. Perhaps the Portage County Port could work in the project on the infrastructure portion.

Director Wyatt asked for an update on the Portage County Courthouse in Kent. Mr. Ruller responded that he did speak with Commissioner Smeiles and discussed continued discussions about the ASW property for property on Main Street behind Jimmie John's, which used to be the Kent Motor Lodge, which was torn down. The land is now vacant and may be used by the county for the relocation of the Kent Court House. The county has hired a firm to assess different sites and come up with some numbers. Attorney Denise Smith confirmed that the architectural firm was hired to determine where the building should go. Questions as to what the footprint will be are ongoing. Mr. Ruller noted that the courthouse could remain where it is; Denise Smith added that there are

staging issues and the question of what to do with the building must be addressed. Mr. Ruller noted that the decision is now in the Commissioners' hands. Denise Smith confirmed that the agreement between the Board of Commissioners and the Judges has been signed. The agreement details who has the final say as to a number of issues. The Judges wanted final approval but that rests with the Board of Commissioners in accordance with this agreement; the Judges will decide what is put into the building.

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Paul Thomarios of Thomarios was unable to attend this meeting but may attend the December meeting.

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CONSIDERATION OF NEW RESOLUTIONS AND MOTIONS

Authorization to pay the remaining balance of \$155 for PCDED Director Bill Ulik to attend NEOTEC's Ohio Logistics Conference & Golf Outing on Tuesday, August 31, 2010. Portage County funds were used to pay the conference portion/Motion by Director Chema to authorize payment of the remaining balance of \$155 for PCDED Director Bill Ulik to attend NEOTEC's Ohio Logistics Conference & Golf Outing on Tuesday, August 31, 2010, seconded by Director McDonald, all in favor, motion carries.

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CORRESPONDENCE

1. August 30, 2010 email from the Auditor of State advising that Portage County Port Authority audit report for the years ended December 31, 2009 and 2008 is acceptable and requires no modification/Information only.
2. The Board of Directors acknowledged the receipt of the August 2, 2010 Official Certificate of Estimated Resources for the Port Authority, as presented by the Portage County Budget Commission. The Board of Directors agreed to amend the 2011 certification to reflect the reduction in Administrative Fees.

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Chairman Bhargava asked the Directors to think about an evaluation of the Port Authority for a discussion during the December meeting. Where are we going? What have we done? How can we improve? Let's evaluate the work we have done. The Chairman agreed to send his thoughts and comments to the Board of Directors.

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RESOLUTION NO. 10-005

RE: AGREEMENT WITH SUMMIT COUNTY PORT AUTHORITY TO AMEND THE COOPERATIVE AGREEMENT BETWEEN THE PORTAGE COUNTY PORT AUTHORITY AND THE SUMMIT COUNTY PORT AUTHORITY.

It was moved by Thomas V. Chema, seconded by David Dix that the following Resolution be adopted:

WHEREAS, the Portage County Board of Directors adopted Resolution No. 06-007 on September 5, 2006 agreeing to accept assignment of the Amended Cooperative Agreement between the Portage County Board of Commissioners and the Summit County Port Authority; and

WHEREAS, the Summit County Port Authority has requested that the Portage County Port Authority Board of Directors agree to a reduction in Administrative Fee for each of the two currently existing Portage County projects (Cascades of Brimfield and Plaza/Schroer), as detailed in the Cooperative Agreement; and

RESOLVED, that the Board of Directors agrees to amend the Cooperative Agreement between the Portage County Board of Commissioners and the Summit County Port Authority to reduce the Administrative Fee for each of the two currently existing projects by 50% for the calendar year 2011 as follows:

	Percentage	Existing 2011	New 2011
Cascades	25.00%	\$5,750.00	\$2,875.00
Plaza/Schroer	18.75%	\$1,402.50	\$ 701.25

; and be it further

RESOLVED, that the reduction in fees will end on December 31, 2011 and the agreement will revert to the existing 2010 fee arrangement unless the Portage County Port Authority takes action to continue with the 50% Administrative Fee reduction; 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 as Follows:

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

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SCHEDULED MEETING DATES

The next meeting will be held on Tuesday, December 7, 2010 beginning at 2:00 PM

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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 **September 7, 2010**. There being no further business to come before the Board, the official meeting of **September 7, 2010** adjourned at 3:10 PM.

T.N. Bhargava




David Dix



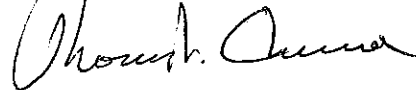
Neil Mann, Jr.



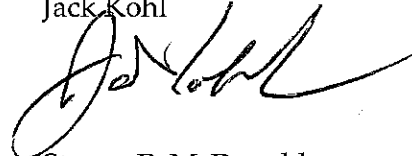
James A. Wyatt, Jr.



Thomas V. Chema



Jack Kohl



Steven P. McDonald



Deborah Mazanec

Secretary-Treasurer