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PORT APPROVES \$4.8 MILLION CAPITAL BUDGET TO MAKE CLEVELAND MORE COMPETITIVE; FORECASTS A 2011 OPERATING SURPLUS

CLEVELAND – December 22, 2010 -- At today's meeting of the Cleveland-Cuyahoga County Port Authority board, directors took several measures to close out 2010 and set a solid financial foundation for next year.

The board provided preliminary approval for a \$4.8 million capital budget, the first major investment in maritime facilities since 2003. The Port is also making substantial investments into other infrastructure assets and enhancing port security as part of the 2011 capital plan.

The board voted unanimously to sign a commitment letter with the State of Ohio, which is lending \$3 million for a proposed rail project. The project would involve 5,500 feet of new track installed on port property which would accommodate up to 80 railcars at a time. The rail line would greatly expand the port's ability to receive and ship large quantities of cargo via rail.

"We are currently limited in our ability to unload and load large quantities of cargo from rail to ship," said Will Friedman, CEO of the Port Authority. "This project will allow us to better market Cleveland as a more efficient, cost-effective port to shippers. It will make it cheaper and faster to load and deliver goods."

The board also today approved the Port Authority's 2011 operating budget of \$6.6 million in expenditures. This is an increase from the 2010 budget, but is \$1.2 million (or 16%) *less* than, the 2009 budget. The Port Authority is forecasting positive net income for 2011, that will be used to make continued investments in maritime-related activities.

Friedman wants to more aggressively market the port domestically and internationally in 2011 and is increasing resources for maritime business development. While there is additional focus on maritime marketing, the agency's overall budget for marketing and communications in 2011 will still be far less than what it had been in recent years.

The staff headcount will remain below 2005 levels, and professional service expenses are also reduced.

"This budget was carefully crafted with an eye toward strategic expenditures," said Steve Williams, Port Authority board chairman. "We want to more aggressively market and pursue cargo opportunities which will pay off with increased business and revenues in years to come."

Statistics show that cargo shipments at the port increased dramatically in 2010. Break-bulk cargo – which includes steel shipments – were up approximately 85% over their 2009 levels.

Additionally, the increased activity at the Cleveland Bulk Terminal was even more dramatic, as shipments were 2.5 times greater in 2010 than 2009

In other action, the board approved three financing agreements today, including the financing of the Hospice of the Western Reserve's 32-bed, 44,000 square foot residential inpatient hospice facility in Westlake. The construction project is estimated at approximately \$20 million.

The agency will also assist with the construction of the Medical Mart by entering into a one-year agreement with Independence Excavating that will allow them to store materials that will be used in that project. The agreement will generate \$57,000 in additional revenue for the port.

Today's meeting was the final one for board member John Carney. Carney had served on the board for more than 12 years, including a term as chairman.

Williams recognized Carney's many years of commitment to the Port Authority.

"John Carney has been an influence and an inspiration to me," Williams said. "He knows this agency inside and out and he will be missed. The Port Authority and greater Cleveland are grateful to him for his many years of selfless service to move our port and the city forward."