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Maritime Committee

Thursday, April 14, 2011
8:30 a.m.

Sammy's at One Cleveland Center – 2nd Floor
1375 East 9th Street
Cleveland, Ohio 44114-1790

AGENDA

- I. Adoption of January 11, 2011 Minutes**
Requested Action: Acceptance by Committee
- II. Dock Repairs**
Requested Action: Acceptance by Committee
- III. Asphalt Paving**
Requested Action: Acceptance by Committee
- IV. Browns Parking Agreement**
Requested Action: Acceptance by Committee
- V. LEEDCo Revenue Sharing Agreement**
Requested Action: Acceptance by Committee
- VI. Facility Planning Update**
No Requested Action

Next Committee Meeting – May 4, 2011 at 8:30 A.M.

I. Meeting Minutes

Cleveland-Cuyahoga County Port Authority Maritime Committee Meeting January 11, 2011

MINUTES

Committee Members Present

Robert Peto, Chair
Anthony Moore, Vice Chair
Paul Hoogenboom
Richard Knoth

Board Members Present:

Marc Krantz

Staff Present

Elizabeth Bohinc; David Gutheil; Melisa Freilino; William Friedman; Eric Hirsimaki; Arlene James; Brent Leslie; Sandy Livingston; Garth Woodson.

Guests Present

Dennis Wilcox (Legal Counsel); Victor Anzalone, Citizen; John Baker, ILA; GiGi Benjamin, Calfee, Halter & Griswold; William Brown, Cleveland Commercial Railroad; Jim Cox, Flats Industry; Douglas Fink, Cleveland Commercial Railroad; Ken Fisher, City of University Heights; Mayor Susan Infeld, City of University Heights; Michael Kole, Cleveland Commercial Railroad; Nancy Lesic, Lesic & Camper; Jim McCarty, *The Plain Dealer*; Joe McJunkin, FMT; Stephen Pfeiffer, Citizen; Stuart Theis, Theis Marine Consulting; Steve Wait, Cleveland Commercial Railroad; Mary Zacharyasz, Citizen.

The meeting was called to order at 8:35 a.m. by Chairman Peto welcoming guests, Board members and staff.

The minutes of December 7, 2010 were presented for approval. On motion by Director Moore, seconded by Director Hoogenboom, the minutes were unanimously approved as submitted.

Maritime Update

David Gutheil, Vice President of Maritime & Logistics presented the 2010 tonnage report. Mr. Gutheil stated that there was a lot of growth in 2010. The goal is to continue to increase tonnage.

Mr. Gutheil continued and updated the Maritime Committee on the Container Feeder Service. Meetings have been scheduled with various steamship lines to review pricing and service requirements for the service. Pricing and service standards will be formalized soon and presented to various customers, freight forwarders and steamship lines. Additional meetings with industry associates, direct shippers, and freight forwarders are being scheduled to formally

introduce rates and services. Stan Shumway of Great Lakes Feeder Lines and his partners will attend the meetings.

Mr. Gutheil stated that the Algoma barge was welcomed on January 6th carrying 2,500 tons of cargo. Additional cargo is expected to arrive next week but has not been confirmed. The more products moved this time of the year, the better.

Mr. Gutheil discussed additional initiatives. The tariff needs updating and revising and will be presented at the March committee meeting and these changes will be minor.

Mr. Gutheil discussed the status of the Operations Manager and Marketing/Communications Manager positions. Eric Hirsimaki, current Operations Manager is retiring in June and the position needs to be filled prior to his departure to ensure a smooth transition. Interviews have been scheduled for the Marketing/Communications position.

Reimbursement to FMT for Crane Rental for November 2010 Heavy Lift & Buckeye Booster Repairs

Mr. Gutheil stated that on November 22nd the Federal EMS arrived with a heavy lift, which required the use of the Buckeye Booster. Due to an unforeseen maintenance issue, the Booster was not available, which required Federal Marine Terminals ("FMT") to rent a crane at a cost of \$34,280.00. FMT had previously inquired regarding the availability of the Buckeye Booster, and because the Port had indicated it was available, staff committed to FMT that the Port would reimburse for the crane rental upon approval from the Board of Directors. Staff then made inquiries to potential vendors to repair the Buckeye Booster, which included both local and national firms.

Mr. Gutheil continued and stated that due to the length of time needed for potential transit to locations outside of the Cleveland market and the time needed to examine the machinery itself, staff determined that the repairs would be done by a local vendor. This vendor will have the repairs completed by the opening of the 2011 shipping season, late March or early April.

On motion by Director Moore, seconded by Director Hoogenboom the Maritime Committee recommends that the Board of Directors approve a resolution authorizing that the Port Authority reimburses FMT for the cost of the crane rental for the operation described above in the amount of \$34,280.00. The Maritime Committee also recommends that the Board of Directors approve a resolution authorizing that the Port Authority contract with a vendor to repair the Buckeye Booster in an amount not to exceed \$115,000.00.

Director Moore inquired about additional crane inspections other than the certification process. Mr. Gutheil responded that the maintenance staff inspects the crane periodically, but is not aware of the exact schedule. Since the crane was used four times within a short period of time, additional usage may have contributed to the problem. He stated that due to the age of the machinery, staff will be more watchful in the future. Director Moore concurred.

Director Moore inquired about the certification of the Buckeye Booster. Director Moore asked if something was missed during the inspection of the crane. He stated that the Port Authority received certification in September and the problem occurred a month or so later. Mr. Gutheil replied that between the time of the certification and the time the issues were found, the crane was used four times. Mr. Gutheil stated that the two blocks on the crane need to be completely torn apart and rebuilt. Special machining will need to be done locally in order for the crane to be up and running by the start of the shipping season in 2011.

Railroad Infrastructure Design Bid

Mr. Gutheil discussed the Railroad Infrastructure Design Bid. Funds were received from the Ohio Department of Development to make improvements on the Port. Staff recently solicited construction design services for the railroad infrastructure improvements to Port Authority property. Staff also reviewed the submissions from 5 potential design firms and selected Parsons Brinkerhoff (“PB”), a Chicago-based firm with a local office in Cleveland. PB has extensive experience in design and construction management of railroad track and existing relationships with major railroads. It is imperative that major railroads need sign off on the design process. The design process should take approximately 4 months after which the project will go to bid for construction.

Director Peto asked about the Port’s cost. Mr. Gutheil responded that the total amount of the funds received is just over \$4,000,000. He stated that \$3,000,000 was received from the State and the project is basically a 75/25 percent split. He then stated that 25 percent is the estimated Port cost. Director Knoth asked if the \$469,000 was consistent with the estimates included in the capital budget. Mr. Gutheil concurred and stated typically design costs run between 10 to 15 percent of the total cost of the project. President and CEO William Friedman stated that the cost of the project is reasonable and customary. He stated that there are other multi-facet railroad components.

On motion by Director Knoth, seconded by Director Moore the Maritime Committee recommends that the Board of Directors approve a resolution authorizing that the Port Authority contract with Parsons Brinkerhoff to design the new railroad track on Port Authority property in the amount not to exceed \$469,000.00.

Cleveland Commercial Railroad Service Agreement

Mr. Gutheil discussed the Cleveland Commercial Railroad Service Agreement. He stated Maritime business moving through the Port needs to increase and as part of that staff needs to explore all options. During the December Board of Directors meeting, the Board approved the funds necessary for the Port Authority to begin the process of constructing new rail track on Port property. The Port Authority is proposing a “pilot” partnership agreement with Cleveland Commercial Railroad (“CCR”) to operate and manage the Port’s rail facility east of the Cuyahoga River. The Port Authority and CCR will jointly solicit business through this program and CCR will also consult on the rail design process. This pilot program involves no risk to the Port. Mr. Gutheil introduced the principals of CCR, Bill Brown, Doug Fink and Mike Kole. He also introduced Steve Wait, Director of Marketing.

Mr. Gutheil stated that staff is enthused about working with CCR. Staff has met with CCR on numerous occasions to ensure that this would be a good opportunity and partnership for the Port. These are the type of relationships that need to be forged going into the future if the Port wants to grow its business.

Mr. Wait stated that he and his partners are excited to be in attendance. Mr. Wait stated that CCR was founded in 2004 and is a locally owned and operated company with 10 employees. CCR operates 23 miles of mainline track in northeast Ohio and 4 locomotives. The three principal owners are Bill Brown, Doug Fink and Mike Kole and they have a combined 75 plus years of railroad experience. CCR has contracts with Norfolk Southern and Wheeling & Lake Erie railroads. CCR has grown from handling 1,500 railcars in 2004 to 5,500 in 2010, and projects a volume of 6,500 railcars in 2011.

Mr. Wait continued and stated that all three principals are licensed and trained under the Federal Railroad Administration Rule and Code of Regulations as locomotive engineers and online conductors. CCR has additional staff in place filling these positions. CCR has contracts with Norfolk Southern in Wheeling to continue freight operations. CCR has continued to grow their business despite the economic downturn. The company has experience in knowing and serving its customers. CCR is the only locally owned short-line company in Cuyahoga County with headquarters and operations based in the Cleveland area.

Mr. Wait discussed CCR's safety record. Their safety record since 2004 is perfect. He stated that from a service standpoint CCR will provide and grow service. There has not been much rail business in recent years but will work and negotiate with Norfolk Southern and CSX to access their yard and serve the facility. In addition, CCR has experience in track and operational maintenance. The market growth will come through knowing the players in the larger marketing scheme within the railroad industry. Mr. Wait explained that CCR will take a division of revenue from cars loaded in and out of the Port. Mr. Wait also discussed CCR's service area.

Director Krantz asked that Mr. Wait explain the logistics of getting equipment in and out of the Port since the short-line is not connected to the Port and how it relates to Norfolk Southern and CSX. Mr. Wait replied CCR will pay a switch charge and the locomotives will be delivered by either Norfolk Southern or CSX. He stated if CCR is authorized to proceed they would negotiate with Norfolk Southern and CSX for trackage rights and/or lease into their various yards. Director Krantz inquired about the Port's cost. Mr. Wait responded that the Port would not incur any costs.

Director Moore inquired about CCR's involvement in the rail designing process. Mr. Wait stated that the CCR will be involved quite a bit in the design process and the company has ideas of how to strengthen the track structure. He stated that he has experience in the operations and transportation departments, specifically in maintenance. Their service will make sure that the design is right, that the contractor gets it right and CCR will outline any flaws that they see in the design.

Director Moore stated that it is imperative that the Port Authority does not have two different agreements running into each other. Legal Counsel Dennis Wilcox replied that the agreement with CCR will indicate that the Port Authority has the final say on design issues with the contractor. Director Moore stated that he appreciates Mr. Gutheil's comment regarding no-risk. He then stated that he believes that there is always some risk involved. Director Moore asked Mr. Gutheil to explain potential risks. Mr. Gutheil responded that failure was a potential risk. Since this a new initiative, some companies may view the agreement as negative. He stated that from a financial standpoint the Port's risk is minimal because there is no money "changing hands." Built into the arrangement is a volume threshold that needs to be met before the Port can make any money. He emphasized that there is not a lot of risk upfront in the arrangement.

Mr. Friedman stated that if you look at ports that have more rail volume you will typically see harbor belt railroads performing the same service that CCR is proposing. He stated that there are no operating risks involved. CCR will carry the proper insurance requirements and provide the Port with the proper identification. He stated that the project could fail commercially. There is no guarantee that the Port can solicit business, but based on his experience this is the right approach. There is also a risk that Class 1 railroads do not view this as being in their interest.

Mr. Friedman stated that this is a "pilot" project and there is an out clause running in both directions. The contract can be terminated within six months if notice is given by January 1, 2012. The agreement is structured appropriately in terms of the Port's risk and the project is a speculative business venture for CCR.

Director Hoogenboom inquired about resources for inactive customers in terms of getting them reactivated. Mr. Friedman responded that the Port and CCR will approach customers and discuss their inbound and outbound flows and how rail might be a solution for them through the Port. Mr. Wait stated that CCR has years of experience of working with the Ohio Rail Development Commission to get funding for rail activation projects.

Mr. Friedman stated that freight railroading is becoming more important. This is a good first start towards looking at the Greater Cleveland region not just in terms of rail competitiveness for the Port and other industry. He stated that it is important for the Port to take a broader view. Director Hoogenboom inquired about the intermodal aspect for existing and/or potential customers that want to put containers on or off their site. Mr. Friedman stated that intermodal is different from the car load manifest business because the railroads concentrate primarily on truck-to-rail transfers at their intermodal facilities.

Director Hoogenboom asked if CCR assists customers with loading or unloading containers on and off their site. Mr. Wait responded not specifically, but if a company needed to move a container it would move through Norfolk Southern's intermodal facility in Maple Heights. He stated intermodal is a hybrid of rail transportation where third party brokers often drive to intermodal facilities based on volume, routes and rates.

Director Knoth inquired about numbers used in the Strategic Plan regarding chemicals from Europe and does CCR have the capability of supporting that type of short-line carrier to various companies. Mr. Gutheil asked Director Knoth if he was referring to ISO containers. Mr. Wait responded that CCR has access to equipment that will move ISO containers.

Director Krantz asked Mr. Friedman to discuss the rationale of how the Port would receive the tonnage overpayment once the 500,000 tons is hit and why does that number make sense for the Port. Mr. Friedman replied that the rail investment was not predicated on CCR coming forward and offering to provide this service to the Port. The rail investment is a good investment in and of itself and as an immediate consequence of that project it gave CCR the idea to come forward. Mr. Friedman stated that in regards to tonnage if the Port were to reach 500,000 tons that the Port would begin to share in that revenue stream. Director Krantz asked if the 500,000 tons was the amount needed for CCR to make a profit. Mr. Friedman stated the 500,000 tons was a negotiated number and both parties agreed it was a fair number.

Director Hoogenboom inquired about CCR obtaining additional track. Mr. Wait stated approximately two years ago they acquired 10 miles of track which is based on a lease and operating agreement. Short-lining is frequently done through a long-term lease agreement which is reviewed periodically. He stated meetings are scheduled later in the month with Norfolk Southern to discuss new lines. Meetings were held with CSX to discuss other “footprints in the sand” to make in Cleveland.

Director Peto asked Mr. Wait about the actual yard for their storage of locomotives and rail cars. Mr. Wait responded that most of the storage is in Glenwillow.

On motion by Director Moore, seconded by Director Hoogenboom the Maritime Committee recommends that the Board of Directors approve a resolution authorizing the Port Authority to enter into a contract with Cleveland Commercial Railroad. Cleveland Commercial Railroad will manage and operate the Port Authority’s rail facility east of the Cuyahoga River, jointly solicit additional business for the Port, and provide improvements among other services and obligations.

Cross Lake Erie Ferry Consultant Contract

Mr. Gutheil introduced Stuart Theis of Theis Marine Consulting. Mr. Theis has provided consulting to the Port Authority previously for the cross-lake ferry initiative. The previous agreement ended October 31, 2010; however, not all work has been completed, including the critical task of meeting with public and economic officials in Port Stanley. This meeting was scheduled for December 2010, but was cancelled due to weather conditions.

Mr. Gutheil stated that staff would like to contract with Mr. Theis to continue in the first quarter of 2011 to identify alternative business models which the Port may pursue relative to the cross lake ferry initiative.

Mr. Theis gave a report on the status of the cross-lake ferry service. Mr. Theis stated that his report was in draft form. Mr. Theis stated that Port Stanley had been a federal port and did not have the power to enter into an agreement. The Port Authority went to Transport Canada, the owner of the property, and they were dedicated to a program privatizing ports. Port Stanley was unable to enter into an agreement until it was privatized. He stated it took approximately four years for Port Stanley and Transport Canada to reach a conclusion which was finalized in September 2010.

Mr. Theis stated that he has been in touch with Port Stanley and its local election was October 25, 2010. Port Stanley did not want to discuss the ferry project during the local elections. Mr. Theis reported that Port Stanley stands out as the primary target for the Port location in Canada. He stated that Wagenborg has a ferry division and is a private company that is well financed. Discussions were held with the President of Wagenborg and he is a champion of the ferry prospect. Mr. Theis stated if the main parties did not participate he would investigate other alternatives. He would investigate other Ports along Lake Erie and American partners may be a better fit for the prospect.

Mr. Theis discussed the Ferry Feasibility Study. He stated that the study was very elaborate and carefully done. There is a consensus that the study still has valuable information, but there seems to be much more interest in marketing. Mr. Theis has engaged three candidates to update the Ferry Feasibility Study.

Mr. Theis concluded that there is still skepticism on the Canadian side and Port Stanley. Mr. Theis stated more powerful marketing information is needed and more engagement from various trucking companies. The next steps include meeting with Port Stanley, staying in contact with directors of other ports, and expanding the government-to-government approach.

On a motion by Director Knoth, seconded by Director Hoogenboom the Maritime Committee recommends that the Board of Directors approve a resolution authorizing to re-engage Theis Marine Consulting, LLC on a month-to-month basis, not to exceed 3 months, at a monthly flat amount not to exceed \$6,500.

There being no further business, on motion by Director Knoth, seconded by Director Hoogenboom, and unanimously approved, the Maritime Committee meeting was adjourned at 9:49 a.m.

MINUTES APPROVED

Assistant Secretary

II. Dock Repairs

As part of the Port's ongoing maintenance improvement program, we will continue to repair and replace damaged dock curbs and fenders due to normal wear and tear. The Port has over 7,000 linear feet of docks, each with a fender system to hold the vessel off the dock and a curb rail to prevent vehicles, equipment and people from falling into the water.

The staff solicited and received bids for fender and dock curb repairs on docks 22E, 24E & W, 26N, and 28S. Advertisements for the bids were placed in the Cleveland Plain Dealer and the Call and Post on March 12th and March 19th.

The contract is to replace a total of 42 timber curbs and 10 timber fenders. Staff received six bids, the lowest and most responsible of which was from Roetzel Construction Company. Roetzel is a local company, specializing in various aspects of the construction industry, including both commercial and residential work. This work was included in the FY2011 capital budget.

The Maritime Committee is being requested to recommend to the Board of Directors authorization to enter into a contract with Roetzel Construction for curb and fender repairs on the docks in an amount not to exceed \$50,000.00.

III. Asphalt Paving

Annually the Port paves areas of the facility roadways, docks and storage areas that are in need of repair due to heavy truck traffic, cargo traffic and the winter freeze/thaws.

Staff solicited and received three bids for an estimated 300 tons of asphalt and 25 tons of stone base material. Advertisements for the bids were placed in the Cleveland Plain Dealer and the Call and Post on March 19th and 26th. The lowest and most responsible bid was from Chagrin Valley Paving. Chagrin Valley Paving is a local company that has previously provided paving services to the Port. This work was included in the FY2011 maintenance budget.

The Maritime Committee is being requested to recommend to the Board of Directors authorization to enter into a contract with Chagrin Valley Paving for paving services on the docks in an amount not to exceed \$37,000.00.

IV. Browns Parking Agreement

Background

In June of 1999, the Port Authority entered into a Memorandum of Agreement with the Cleveland Browns to provide 2,200 parking spaces on the docks for each NFL game. Under this agreement, the Browns paid the Port Authority 50% of the net revenue generated from parking fees, or \$200,000, whichever was greater.

In 2000, the parties agreed to extend the agreement to June 30, 2011. The one change in 2000 increased the base parking payment to the Port Authority to \$225,000 to recoup investments made by the Port Authority in improving the interchange at W. 3rd Street.

There are numerous other documents that reference Browns parking requirements. A 1988 Agreement of Lease between the City of Cleveland and the Port Authority states that the Port Authority will provide 1,200 spaces for patrons of Cleveland Municipal Stadium unless otherwise needed for port purposes.

A 1996 Lease by Way of Concession between the City of Cleveland and the National Football League states that the City will cooperate with the Port Authority to cause the Port Authority to enter into long-term parking agreements with the Browns for an additional 2,200 spaces.

Current Situation

The Port Authority works collaboratively with the Browns to balance the Port's need to conduct business and to provide adequate parking on game days. Because of Homeland Security requirements implemented in recent years, the number of spaces made available to the Browns on game days have decreased.

The additional \$25,000 the Port Authority received annually since the 2000 Amendment to the MOA has recouped our initial investment in improving portions of the Port used for parking. In 2011, parking capacity is expected to be reduced further due to the Operating Agreement allowing Independence Excavating to use portions of Dock 22, the anticipated construction of the rail loop and other improvements taking place on the Port Authority docks.

Recommendation

Based on the expiration of the MOA on June 30, 2011, the staff has been actively engaged with the Browns regarding providing parking spaces on days of home games. Staff is recommending amending the MOA to revert to the original agreement under which the Port Authority receives 50% of the net revenue from parking fees, or \$200,000, whichever is greater. Additionally, the Browns have requested language that would reduce this payment on a pro-rata basis if there are less than 10 games in a given season. The term of the Agreement would be for 1-year and both parties would agree to work collaboratively in evaluating the parking operator when the agreement between the Browns and the current parking operator expires.

The Maritime Committee is being requested to recommend to the Board of Directors a Third Amendment to the Agreement for parking between the Port Authority and the Cleveland Browns that reflects the following: 1) a minimum payment of \$200,000 annually; 2) a pro-rata reduction in the minimum payment should less than 10 games be played at Cleveland Browns Stadium and 3) a term ending June 30, 2012, at such point the Port Authority and the Browns will work collaboratively on improving the parking economics for both parties.

V. *LEEDCo Revenue Sharing Agreement*

Background

Lake Erie Energy Development Corporation (“LEEDCo”) is seeking the formal approval from the Cleveland-Cuyahoga Port Authority for a Revenue Sharing Agreement pertaining to Submerged Land Leases. LEEDCo, a non-profit, private corporation, seeks to install a 20-megawatt (MW) project (scheduled to commence in 2012) as the first step toward positioning Northern Ohio as the hub of Great Lakes offshore wind activity. The industry will benefit Northern Ohio (and all of Ohio) by increasing commercial and industrial activity associated with ports, logistics and shipping, onshore fabrication of turbine foundations, and design and manufacturing of turbine components.

The Port Authority plays a critical role as a launching pad for turbine installation and as the recipient of monies collected from the rent of submerged land in Cuyahoga County. Submerged land rent is collected by the State (ODNR) and returned back (50%) to the local jurisdictional authority (the Port Authority). Submerged Land Lease revenues to the Port Authority totaled approximately \$56,000 in both 2009 and 2010.

Proposed Revenue Sharing Agreement

The Port Authority has been a founding collaborator in the wind energy initiative. LEEDCo has proposed a regional Revenue Sharing Agreement among the counties and stakeholders in the operating area. The completion of a Revenue Sharing Agreement is a milestone that will assist LEEDCo in furthering the project and obtaining additional funding.

The initial pilot project is to be located approximately seven miles offshore from Downtown Cleveland (Northwest of Cleveland Browns Stadium) entirely within Cuyahoga County. Revenues from the initial project under the proposed Agreement would be shared using the following formula:

Cleveland-Cuyahoga County Port Authority - 40%
Lorain County - 20%
Lake County - 20%
Ashtabula County - 20%

This formula will remain for an indeterminate period with LEEDCo’s Economic Development & Allocation Committee reviewing the formula and recommending changes, if any, that will reflect the variables involved once the initial project is underway and which shall be approved by the LEEDCo member counties.

Based on numerous meetings and conversations with ODNR and LEEDCo, it is believed the submerged land lease payment will be approximately \$11,000 per turbine annually. Therefore, using the proposed formula and assuming the installation of 5 turbines, the annual payments would be:

Total Revenue = \$55,000

50% to ODNR = \$27,500

Remaining = \$27,500

40% to Cuyahoga County (Port) - \$11,000

20% to Lorain County - \$5,500

20% to Lake County - \$5,500

20% to Ashtabula County - \$5,500

It is important to note that this proposed Agreement only applies to the pilot project for LEEDCo and does not affect the Port Authority's current stream of income from Submerged Land Leases. Staff believes that the concept of regional revenue sharing is one worthy of support, especially if wind energy continues to grow in Northeast Ohio and additional projects are built in the region.

The Maritime Committee is being requested to recommend to the Board of Directors the execution of a resolution approving the Revenue Sharing Agreement among the member counties of the Lake Erie Energy Development Corporation under the terms and conditions described above.

MARITIME UPDATE

April 14, 2011

Cleveland-Cuyahoga County Port Authority
Maritime Committee

DOCK REPAIRS

- The Port will repair and replace dock curbs and fenders as part of annual maintenance program
- The Port has over 7,000 linear feet of docks
- Port staff solicited and received bids for fender and dock repair on the docks
- Advertisements were placed on March 12th and 19th
- Contract is to replace 42 timber curbs and 10 timber fenders
- Staff recommends awarding contract for repairs to Roetzel Construction
- This work was included in the FY2011 capital budget

The Maritime Committee is being requested to recommend to the Board of Directors authorization to enter into a contract with Roetzel Construction for curb and fender repairs on the docks in an amount not to exceed \$50,000.00.

Asphalt Paving

- The Port annually paves areas of the facilities roadways, docks, and storage areas due to truck traffic and winter freeze/thaws
- Staff solicited and received bids for approximately 300 tons of asphalt and 25 tons of stone based material
- Advertisements were placed on March 19th and 26th
- Staff recommends awarding contract to Chagrin Valley Paving
- This work was included in the FY2011 maintenance budget

The Maritime Committee is being requested to recommend to the Board of Directors authorization to enter into a contract with Chagrin Valley Paving for paving services on the docks in an amount not to exceed \$37,000.00

Cleveland Browns Parking Agreement

- The Port Authority entered into a Memorandum of Agreement with the Cleveland Browns in June of 1999 for 2,200 parking spaces for each NFL game
- Parameters of original agreement provided Port Authority with 50% of net revenue generated from parking fees, or \$200,000, whichever is greater
- Parameters of agreement changed in 2000, and increased base parking payment to Port to \$225,000, and is set to expire on June 30, 2011
- This agreement enabled the Port to recoup investments made by the Port for improvements to the interchange at W. 3rd St.
- Parking capacity is expected to be reduced in 2011 due to the Operating Agreement allowing Independence Excavating to use portions of Dock 22 and the anticipated construction of the rail loop

Cleveland Browns Parking Agreement

- Staff has been actively engaged with the Browns to finalize a new agreement prior to June 30, 2011
- Staff is recommending the amendment of the current MOA to revert to the original agreement, which will provide the Port with 50% of net revenue from parking fees, or \$200,000, whichever is greater
- The Browns have also requested language which would reduce this payment on a pro-rata basis if there is less than 10 games in a given season
- The term of this agreement would be for one year
- Both parties would work collaboratively to evaluate the current parking operator when the current agreement expires
- ***The Maritime Committee is being requested to recommend to the Board of Directors a Third Amendment to the Agreement for parking between the Port Authority and the Cleveland Browns that reflects the following: 1) a minimum payment of \$200,000 annually; 2) a pro-rata reduction in the minimum payment should less than 10 games be played at Cleveland Browns Stadium and 3) a term ending April 30, 2012, at such point the Port Authority and the Browns will work collaboratively on improving the parking economics for both parties.***

LEEDCo Revenue Sharing Agreement

- Lake Erie Energy Development Corporation (“LEEDCo”) is seeking formal approval from the Port Authority for revenue sharing pertaining to Submerged Land Lease
- LEEDCo seeks to install a 20-megawatt (MW) project positioning northern Ohio as the hub of Great Lakes offshore wind energy activity
- Project would benefit northern Ohio by increasing commercial and industrial activity relating to the logistics and manufacturing of turbine components
- The Port is crucial as a launching pad for turbine installation and also as a recipient of funds collected from the rent of submerged land in Cuyahoga County
- Submerged land rent is collected by the state (ODNR) and returned back (50%) to the local jurisdictional authority (Port)
- Submerged land lease revenues to the Port totaled approximately \$56,000 in both 2009 and 2010

LEEDCo Revenue Sharing Agreement

- LEEDCo has proposed a revenue sharing agreement among the counties and stakeholders in the operating area
- The completion of this agreement will assist LEEDCo in obtaining additional funding and furthering the project
- The initial pilot is to be located approximately seven miles offshore from downtown Cleveland, entirely within Cuyahoga County
- Revenues from the initial project under the proposed agreement would be shared as follows:
 - ▣ Cleveland-Cuyahoga County Port Authority 40%
 - ▣ Lorain County 20%
 - ▣ Lake County 20%
 - ▣ Ashtabula County 20%

LEEDCo Revenue Sharing Agreement

- Based on meetings with ODNR and LEEDCo, the submerged land lease payment will be approximately \$11,000 per turbine annually
- Based on installation of 5 turbines, the annual payments would be the following:
 - ▣ Total Revenue \$55,000
 - ▣ 50% to ODNR \$27,500
 - ▣ Remaining \$27,500
 - Cuyahoga County \$11,000
 - Lorain County \$5,500
 - Lake County \$5,500
 - Ashtabula County \$5,500
- Proposed agreement only applies to the pilot project for LEEDCo and does not affect the Port's current revenues from submerged land leases

The Maritime Committee is being requested to recommend to the Board of Directors the execution of a resolution approving the Revenue Sharing Agreement among the member counties of the Lake Erie Energy Development Corporation under the terms and conditions described above

UPDATE ON FACILITY PLANNING

Maritime Committee
April 14, 2011

Background

- Staff is completing research and a set of strategic policy recommendations
- This work will be rolled-out for discussion and feedback from stakeholders over the next 60 days
- Wanted to brief Board on maritime facility planning now to prepare for maritime and non-maritime opportunities as they may arise

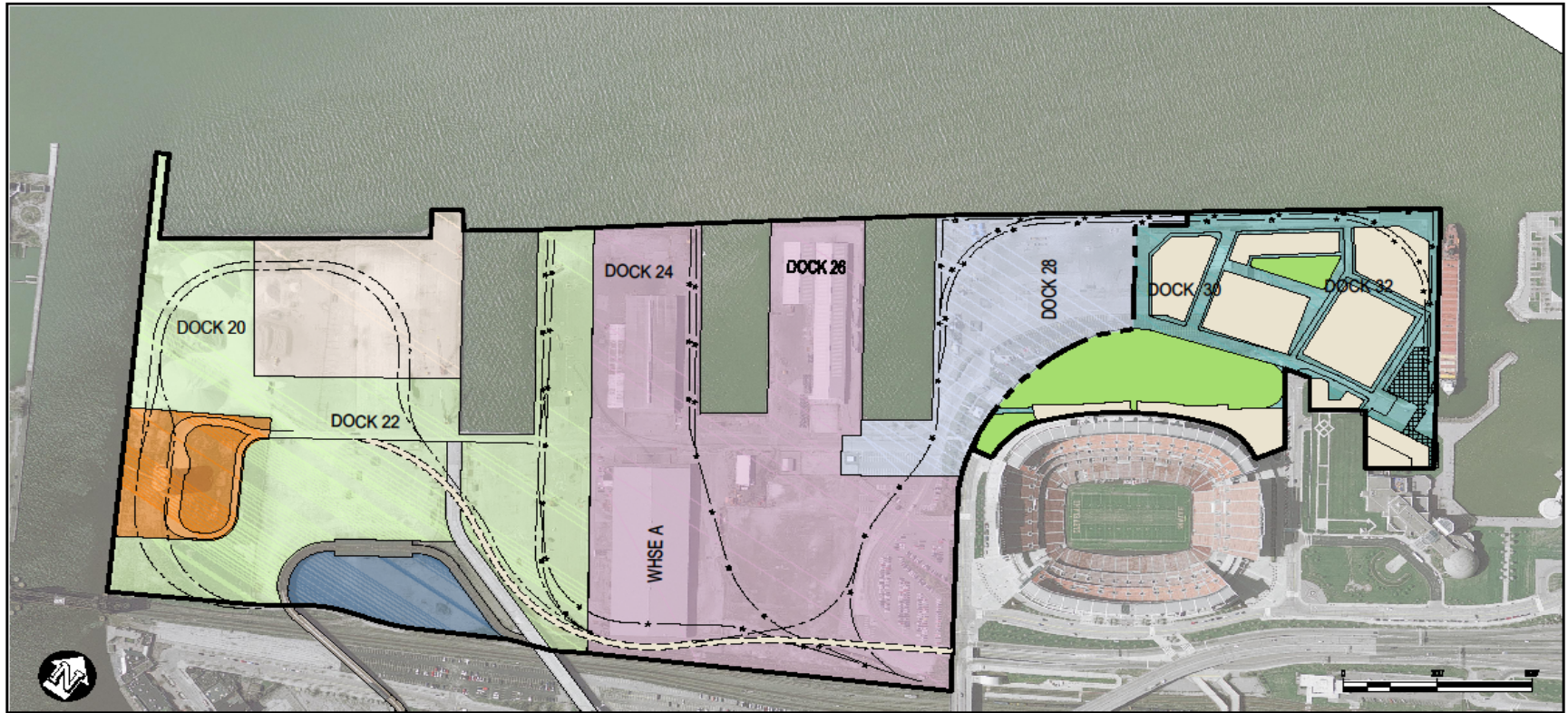
Key Planning Assumptions

- Future, potential demand for port facilities based on best available information and expert market analysis
 - ▣ Four major maritime growth opportunity areas
 - Increased general (steel) and project cargo
 - Land and marine based wind energy development
 - Short-sea shipping including container feeder service
 - Crosslake ferry service
 - ▣ Conceptual facility plan based on accommodating high growth scenario in all four areas


Acreage Required to 2030

- High growth scenario implies cargo growth from 450,000 tons today to approximately 2.5 million tons by 2030
- General acreage requirements
 - ▣ Steel and project cargo: 25 acres
 - ▣ Wind Energy: 25 acres
 - ▣ Container terminal: 15 acres
 - ▣ Ferry Operations: 10 acres
- 100 acres (Docks 20-28) required to support projected throughput and support area needs
- Dock 30 and 32 area can be made available for mixed-use redevelopment as envisioned in earlier planning

Conceptual Port Master Plan




| LEGEND | | LAND - USE | |
|--------|----------------------------------|---|-------------------------|
| | CONTAINER YARD OPERATION - 8 Ac. | | CEMENT TERMINAL - 4 Ac. |
| | OPERATIONAL SUPPORT AREA - 3 Ac. | | EXISTING RAILROAD |
| | WIND ENERGY - 26 Ac. | | FUTURE RAILROAD |
| | WATERFRONT DEVELOPMENT - 20 Ac. | | FUTURE ROAD |
| | GENERAL CARGO - 33 Ac. | | |
| | FERRY OPERATION - 11 Ac. | | |
| | | NON - INDUSTRIAL PORT (INCLUDES SLIPS) | 20 Ac. |
| | | TOTAL | 118 Ac. |




PORT OF CLEVELAND
Cleveland - Cuyahoga County Port Authority

**PORT AUTHORITY
BASE CONCEPT
LAYOUT**



**MARTIN
Associates**



TEC inc