

**Lorain Port and Finance Authority**  
**Board of Directors**  
**Regular Meeting**  
**Port Office**  
**Tuesday, October 8, 2024, at 6:00 p.m.**

**Board of Directors:** Ms. Bonilla; Mrs. Kiraly & Silva Arredondo; Messrs. Mullins,  
Scott and Zellers (6)

**Staff:** Tom Brown, Executive Director  
Tiffany McClelland, Assistant Director  
Yvonne Smith, Accountant  
Kelsey Leyva Smith, Office Manager

**Guests:** Mr. Rey Carrion, Lorain Safety Service Director

**I. Roll Call**

A. The meeting was called to order at 6:30 p.m. by Chairman Brad Mullins with roll call indicating a quorum present.

**II. Pledge of Allegiance**

**III. Disposition of Meeting Minutes**

A. February 13, 2024, Marketing & Public Affairs Committee Meeting Minutes:

Ms. Bonilla moved to approve the minutes. Second by Ms. Silva Arredondo.  
Motion carried.

B. August 13, 2024, Regular Meeting Minutes: Mrs. Smith said she corrected the

misspelling of Mrs. Silva Arredondo's last name (extra n). Mrs. Kiraly moved  
to approve the minutes as corrected. Second by Mr. Zellers. Motion carried.

C. September 10, 2024, Contract Management Committee Meeting Minutes: Mr.

Zellers moved to approve the meeting minutes. Second by Mrs. Kiraly. Motion  
carried.

D. D. September 10, 2024, Regular Meeting Minutes: Mrs. Leyva Smith said she

corrected the misspelling of Mrs. Silva Arredondo's last name (extra n) and  
clarified where we are in our stage project fundraising effort. Mr. Zellers  
moved to approve the minutes as corrected. Second by Mrs. Silva Arredondo.  
Motion carried.

#### **IV. Report of Officers**

##### **A. Chairman**

###### **1. Correspondence received:**

- a. Mr. Brown said the stage came down this morning. It went well. The good news is they believe we will get one more year out of it.
- b. Mr. Brown said he previously reported on the Underground Railroad Monument that blew over during a big storm in August. Mrs. Smith has been working diligently on this and the insurance company will cover the expense to repair it. The committee who fundraised for the monument is working with a monument company on potential changes for a sturdier design. They're going to meet and get back to us. Our deductible is \$2,500. The Bronze relief was salvaged and repaired. It's still a work in progress. Ms. Bonilla asked about the stage project interfering with the underground railroad monument and relocating it. Mr. Brown said he considered it. He thinks it's better to leave it for now. Our architects are thinking ahead to make it more prominent in the future. It will be closer to the river when the later phases of the stage project occur.
- c. Mr. Brown said Oasis Marinas is in final negotiations with a restaurant for the former Jackalope. An announcement will be made once it's final.

##### **B. Executive Director**

1. Discussion concerning board retreat/training: Mr. Brown said the board previously brought up a retreat and training. Mrs. Smith has done some research. She said she has been working with the State Auditor's Office. They have a program where they send someone out to do training. The training would cover budgeting, port authority laws and roles of a board member. It would be about 1-1.5 hours. If we want to cover ethics, we can get someone from the attorney general's office down the road. Mrs. Smith said we wanted to do something fun too, and she reached out to Savage Society Axe Throwing in Amherst. They have a party room that seats about 20. Originally, we talked about a Saturday, but what about Thursday afternoon instead? Some options are October 13 or 31. Mr. Mullins said people need a

month to plan. First, is there any interest? Mr. Zellers said what is the axe throwing about? Mrs. Smith said that's the retreat part. It's a teambuilding thing. It would all be on the same day. Mr. Brown said we can make it what the board wants. Mr. Mullins said he is really busy, so it would be hard for him. Mr. Zellers said he thinks it would be beneficial, so he would make time. November or December would be better. Mrs. Kiraly said she likes the idea of both. She thinks training is beneficial, and she's done the axe throwing before. Thursday afternoons are good. Mrs. Silva Arredondo is open to both, and so is Ms. Bonilla. Mr. Scott said he would appreciate the training but can't throw axes due to his shoulder. Mrs. Smith said she will reach out to Trina with the State Auditor's Office and send out possible dates in December.

2. KB Lawn and Snow Removal: Mr. Brown said last year resolution 2023-19 was approving year one of three of our contract with KB Lawn and Snow for lawn maintenance. We need a motion to execute year number two. Mr. Mullins asked if this was different than what we approved before? Mr. Brown said no, the price is the same. He said the site looks great. The resolution only mentioned 2024, so we just need to clarify last year's resolution with a motion. Mr. Zellers moved to execute year two of the three-year contract with KB Lawn and Snow Removal. Second by Mr. Mullins. Motion carried.

### **C. Assistant Director**

1. Motorsports Park Construction Finance Agreement: Mrs. McClelland said she's going to talk about financing. She said this is a good project. We don't have a lot of projects over \$10 million in the city. We've been talking with this group for a few years. The group broke ground and is beginning construction. We're offering sales tax exemption. We are to the point where we need to execute some documents. We have a term sheet, they executed a term sheet with us and we got a deposit. We had some legal documents drafted that have been sent. When you have a project like this, it's called a construction finance agreements, but we're not giving any money. This is sales tax exemption only. Construction finance is what it's called by law. There will be a lot of legal documentation so that in name only the port authority will own the

facility for the building out to offer sales tax exemption for the construction of the motorsports park development. We've done this before. It's a lot of paperwork but there is no financial liability on our end. It's so we can offer a sales-tax-exempt certificate for the project. The term sheet outlines what we and our advisors will get paid. We have a financial advisor and legal counsel. We'll have a consultation agreement with Baker Tilly, who is our financial advisor. Bricker Graydon is the legal counsel on this transaction. We'll make \$50,000. The term sheet is for about \$100,000 total and \$50,000 will cover the financial and legal advisor fees. Mr. Zellers asked how we determined \$100,000? Mrs. McClelland said it's industry standard, 1/8 percent. Mrs. McClelland said they'll end up saving about \$225,000 using us. She said we've used Baker Tilly and Bricker Graydon before and have good relationships with both. Mr. Zellers asked how the project is going? Mr. Mullins said its making progress. Mrs. McClelland said everything is moving along. Mr. Zellers asked about the mayor wanting us to have oversight? Mr. Brown said this is all we'll be doing. Mrs. Kiraly abstained due to the appearance of a conflict of interest.

Mr. Mullins presented:

**A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$12,000,000 OF LEASE REVENUE BONDS OF THE LORAIN PORT AUTHORITY FOR THE PURPOSE OF FINANCING COSTS OF "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.21, OHIO REVISED CODE, FOR THE BENEFIT OF XELL REAL ESTATE HOLDINGS LLC; AUTHORIZING A BOND ADVANCE AGREEMENT; AUTHORIZING A GROUND LEASE; AUTHORIZING A LEASE; AUTHORIZING A MORTGAGE; AUTHORIZING A CONSTRUCTION SERVICES AGREEMENT; AUTHORIZING OTHER COLLATERAL DOCUMENTS; APPROVING A TERM SHEET; AND AUTHORIZING AND APPROVING RELATED MATTERS.**

Mr. Scott moved to approve Resolution No. 2024-22. Second by Mrs. Silva Arredondo.

Roll call vote as follows:

**Ayes: 5**

**Nays: 0**

**Abstain: 1**

**Resolution Passed**

2. Baker Tilly Consultation Agreement: Mrs. McClelland said this is the second resolution for the motorsports park project. Mrs. Kiraly abstained due to the appearance of a conflict of interest.

Mr. Mullins presented:

**A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO ENTER INTO AN AGREEMENT WITH BAKER-TILLY FOR THE PURPOSES OF ADVISORY SERVICES FOR CONSTRUCTION FINANCING IN RELATION TO THE LORAIN OHIO KARTPLEX PROJECT PENDING FINAL LEGAL APPROVAL.**

Mr. Scott moved to approve Resolution No. 2024-23. Second by Mr. Zellers. Roll call vote as follows:

**Ayes: 5                      Nays: 0                      Abstain: 1                      Resolution Passed**

## V. Report of Committees

### A. Contract Management Committee

1. King Fishery Lease Agreement: Mr. Zellers said this agreement comes up every year and turned the floor over to Mr. Brown. Mr. Brown said King Fishery is at the south end of Black River Landing. They encroach on our property about 50 feet. It's \$400 per year that we receive. Mr. Zellers wondered if the amount could increase to \$500? Mr. Brown said he would go with \$400 this year and will reach out to Mr. Kenneth King about an increase in 2025.

Mr. Mullins presented:

**A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEW AN AGREEMENT WITH KING FISHERY TO LEASE A PORTION OF THE GROVE SITE FOR TEMPORARY STORAGE OF COMMERCIAL FISHING VESSELS.**

Mr. Zellers moved to approve Resolution No. 2024-24. Second by Mrs. Kiraly. Roll call vote as follows:

**Ayes: 6                      Nays: 0                      Abstain: 0                      Resolution Passed**

2. Mr. Zellers said he wanted to give an update on the permanent stage project and where we stand with that. He met with Whiting Turner last week. They're

looking for a change order for about \$42,000. We're going back and forth on what would be considered preconstruction. There have been a number of conversations and he thinks they will come back with a difference number. There are things they have done we would consider construction. If the project had started this year like we thought this wouldn't be an issue at all. Because we are delayed, some of the work they did would happen during the construction timeframe. We're waiting to hear back on that from construction manager at risk. He hopes to have this resolved by November. Mr. Brown will contact steering committee in the meantime. Mrs. Silva Arredondo asked about the cost to delay? Mr. Zellers said about 3 percent of the total project.

**B. Strategic Development Plan Committee**

1. Mr. Mullins said he had no report.

**C. Marketing and Public Affairs Committee**

1. Mr. Scott said he had no report.

**D. Financial Planning and Audit Committee**

1. Accepting Amount and Rates for Calendar Year 2025: Mrs. Smith said she received the rates and amounts from the county auditors. This is the first year of our new levy. They're projecting \$1,380,068 per year for the five years.

Mr. Mullins presented:

**A RESOLUTION ACCEPTING THE AMOUNTS AND RATES FOR CALENDAR YEAR 2025 AS DETERMINED BY THE BUDGET COMMISSION AND AUTHORIZING THE NECESSARY TAX LEVIES AND CERTIFYING THEM TO THE COUNTY AUDITOR.**

Mr. Scott moved to approve Resolution No. 2024-25. Second by Ms. Bonilla. Roll call vote as follows:

**Ayes: 6                      Nays: 0                      Abstain: 0                      Resolution Passed**

2. September 2024 Financial Statement: Ms. Bonilla said she met with Mrs. Smith Monday and everything looked good. Mrs. Smith opened the floor to questions or comments. Mr. Mullins moved to approve the financials. Second by Mrs. Silva Arredondo. Motion carried.

3. Budget Amendment: Mrs. Smith said the one in the board packet will have an amendment to it because we need to add \$20,000 for the planning consultant. It will go from \$16,000 to \$21,600. It is the only correction needed.

Mr. Mullins presented:

**A RESOLUTION RATIFYING EXPENDITURES AND AUTHORIZING THE EXECUTIVE DIRECTOR TO REVISE THE 2024 OPERATING BUDGET, TRANSFER AND APPROPRIATE FUNDS AND REQUEST AN AMENDED CERTIFICATE OF ESTIMATED RESOURCES FROM THE COUNTY AUDITOR.**

Mr. Zellers moved to approve Resolution No. 2024-26. Second by Mr. Scott. Roll call vote as follows:

**Ayes: 6                      Nays: 0                      Abstain: 0                      Resolution Passed**

**E. Bylaws and Personnel Committee**

1. Mrs. Silva Arredondo said the committee met today before the regular meeting to talk about changes to the organization due to the acquisition of Rockin' on the River. She wants to have an executive session to share what was discussed. Mr. Mullins said the board would enter executive session after other business and public comment.
2. Mr. Scott asked if there was a policy for attendance for board members? Mr. Brown said the bylaws mention that if a board of director member misses three consecutive board meetings, then they may up for removal. Mr. Scott asked if that was excused or unexcused? Mr. Brown said the language is vague. Mr. Scott wants an opinion by the next board meeting. Mr. Brosky said no problem.

**VI. Other Business**

- A. Mr. Zellers wants the November meeting to be on the 4<sup>th</sup> or 6<sup>th</sup> instead of Tuesday, November 12 to accommodate board members' schedules. Mr. Mullins said he doesn't mind but wants everyone made aware. Mrs. Kiraly moved to change the next regular meeting date to Monday, November 4, 2024, at 6 pm. Second by Mrs. Silva Arredondo. Motion carried.

**VII. Public Comment**

A. None.

**VIII. Executive Session: Personnel**

A. Ms. Bonilla moved to enter executive session. Second by Mr. Scott. Roll call vote:

**Ayes: 6                      Nays: 0                      Abstain: 0                      Motion Passed**

Mr. Scott moved to exit executive session. Second by Mrs. Silva Arredondo. Motion carried.

**IX. Adjournment**

A. There being no further business to come before the board, Mr. Scott moved to adjourn. Ms. Bonilla seconded. The meeting adjourned at 7:49 p.m.

  
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Brad Mullins, Chairman

  
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Tom Brown, Executive Director