

Lorain Port and Finance Authority
Board of Directors
Regular Meeting
Port Office
Tuesday, January 14, 2025, at 6:00 p.m.

Board of Directors: Mrs. Kiraly & Silva Arredondo; Messrs. Mullins, Scott,
Simmons, Veard (left 6:34p), Zellers (6:14p) and Zgonc (8)

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

Guests: Jim Miller, Lorain County Port Authority
David Rogers, Frost Brown Todd LLP

I. Roll Call

A. The meeting was called to order at 6:03 p.m. by Chairman Brad Mullins with roll call indicating a quorum present.

II. Pledge of Allegiance

III. Disposition of Meeting Minutes

A. November 4, 2024, Regular Board Meeting Minutes: Mrs. Leyva Smith said she corrected a few typos prior to tonight's meeting. Mr. Veard moved to approve as corrected. Second by Mrs. Silva Arredondo. Motion carried.

B. December 10, 2024, Regular Board Meeting Minutes: Mrs. Leyva Smith said she adjusted some punctuation prior to tonight's meeting. Mrs. Kiraly moved to approve as corrected. Second by Mr. Simmons. Motion carried.

IV. Report of Officers

A. Chairman

1. Correspondence received:

a. Reappointment Letter for Vassie Scott: Mr. Mullins said welcome back.

b. Reappointment Letter for Michele Silva Arredondo: Mr. Mullins said welcome back.

B. Executive Director

1. Mrs. McClelland said thank you to those who attended the board training.
2. On the Lorain City Council agenda on January 6, we had the approval of our liquor control permit change of address, which is going to help us get the appropriate liquor permit we need for Black River Landing.
3. We had storm damage at the marina that we're working through with our insurance company. We're assessing the damage to some gangways, docks and the building. Mr. Mullins asked what the deductible is? Mrs. McClelland said \$5,000. The damage looks like it will be about \$15,000. Mr. Mullins asked if there was recourse through the contract? They've scrapped over 150 docks, and he thinks we have some say so in those decisions. Mr. Brosky said we do have a say, especially when talking about items we're required to repair. There are things they are required to repair that they wouldn't have to get our input on.
4. We have Brownfield Assessment Grant dollars that we're using on a phase one for a Stein property here in town. We have a potential development there.
5. Mrs. McClelland said the board packet included a list of all expenditure over \$25,000 for the year. If you have any questions on those, feel free to ask. Mr. Mullins asked if we would go back to council about raising the threshold to \$75,000. Mrs. McClelland said yes, that is a priority. She's working with council and changes must be made. It will hopefully be on a council agenda soon.
6. Mrs. McClelland said there is a NOPEC Energy Efficiency Seminar at 12p on Friday, Jan. 17 at Lorian Brewing Company. A lot of the PACE deals we do are through NOPEC. The seminar is for small businesses, or anyone interested in doing some PACE financing or any other energy efficiency project. We are also working with a company who wanted to do a PACE deal, but it wasn't in NOPEC territory. We've partnered with secondary PACE lender. We now have two lenders that will do PACE financing under \$1 million in Lorain County which is exciting.

7. St. Therese Bond Issuance Series Two: Mrs. McClelland said this is going to be very similar to the transaction approved last month. We did close on December 30 last year for series one. A big thank you to the City of Lorain, mayor and their employees for making sure everything got signed. Mr. Jim Miller from the Lorain County Port Authority and Mr. David Rogers from Frost Brown Todd are here tonight to answer questions.

Mr. Mullins presented:

A RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF PORT AUTHORITY REVENUE BONDS, IN A MAXIMUM PRINCIPAL AMOUNT OF \$10,000,000, BY THE LORAIN PORT AUTHORITY, FOR THE PURPOSE OF MAKING A LOAN TO ASSIST SAINT THERESE OF AVON, LLC IN THE FINANCING AND REFINANCING OF THE COSTS OF "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.21 OF THE OHIO REVISED CODE; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH OTHER RELATED AND NECESSARY AGREEMENTS AND INSTRUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS.

Mr. Scott moved to approve Resolution No. 2025-01. Second by Mrs. Kiraly. Roll call vote as follows:

Ayes: 8 Nays: 0 Abstain: 0 Resolution Passed

8. Amphitheater Bond Issuance Discussion: Mr. Miller said the term sheet provides the terms for which the Lorain County Port Authority would be willing to issue bonds for \$5 million. He has been in discussion with the Lorain County Commissioners, and they are willing to pledge the nontax revenue in support of our bond issuance provided they receive a mortgage on Black River Landing and the marina. That would be the security. The bonds are usually one step below what the county rating is. The last one was triple A minus. If you approve a term sheet tonight, they will get theirs signed next week at the county port board meeting. Mr. Rogers said last time he said 90

days would be normal, but it could be done faster. This will not be going to a single bank. The market will look at it. It will be a wider distribution of the bonds and should drive interest rates down. Mr. Miller said the LCPA in exchange for the placement of the bonds and proving credit support is charging a \$50,000 fee. The cost of issuance also includes \$100,000 for Frost Brown Todd. They turned the floor over to questions. Mr. Scott said he noticed it's a 20-year agreement. Mr. Miller said yes, they expect the project to have a useful life of 20 years, therefore it will be a 20-year bond and 20-year loan at a fixed rate. Mr. Mullins asked if there was a penalty for prepayment. Mr. Rogers said it's usually 7 years before you can prepay without penalty. Mr. Zellers said with the 90 days, it would be safe to say by end of April we should be good to go and have our contractor on board. Mr. Rogers said it should not be a problem. Mr. Scott asked about the marina being used as collateral. Mr. Miller said yes, the submerged land lease, so they would take a mortgage on the lease. Mr. Scott asked if there was a possibility about doing it without the marina. Mr. Miller said at this time the commissioners want both. Mr. Zellers asked how that would affect what we do with the marina, as far as establishing a new lease? Mr. Rogers said the Lorain County Port Authority could subordinate, or it could be sold or leased subject to the mortgage, or the Lorain Port and Finance Authority could pay off the bonds. Mrs. McClelland said we need flexibility because our lease with our current marina operator expires in 5 years, and we will have to get a new lease in place. Mr. Miller said that shouldn't be a problem. Mr. Rogers said we can work on language in the mortgage for future plans. The Lorain County Board of Commissioners is the credit the market looks to once they put their nontax revenue pledge behind the bonds. Mr. Zellers said for the timeline, we need to review term sheet, sign it, and get it back to the county port. Mr. Miller said he's presenting the term sheet to his board next week. Mr. Rogers said they've already signed an engagement letter with Frost Brown Todd to do the work. Mr. Zellers said the initial paperwork should be done by the end of this month. Mr. Rogers said yes, and then more paperwork will be completed in

February. Mr. Zellers asked what our interaction with Frost Brown Todd would be. Mr. Rogers said he can set weekly or biweekly meetings with the financing team to review the progress. Northland Securities as the financial advisor to the county port will set a timetable of when documents will be done. At the end of this, they're going to want to sell the bonds. It'll be about 60 days working on the documents and 30 days spending as much time as necessary to sell the bonds. Mr. Zellers said we want to make sure we're on track. Mr. Miller said there will be a timetable and status meetings. Mr. Rogers said the Lorain Port and Finance Authority will need at least one more board meeting to authorize executing a loan agreement, much like the one for St. Therese, and authorize the LCPA to work with Northland Securities to sell the bonds. Mr. Zellers asked how long was the term for St. Therese? Mr. Rogers said it was longer, but St. Therese was a bank negotiated deal. Mr. Zgonc asked what if the county bond rating goes south? Mr. Miller said if it's in the next 90 days it would affect us, but once the bond is priced its locked in. Mr. Mullins asked if there was any flexibility with the 7-year pay off. Mr. Rogers said yes, it could be negotiated by Northland Securities, but he doubts we would get less than 7 years because he hasn't seen one on the market. It used to be 10 years. There is a way to do it in less than 7 years, but it would involve creating an escrow. Mr. Brown asked if Black River Landing as collateral would be the amphitheater or the entire property? Mr. Miller said the whole property. Mr. Brown said wouldn't it be overcollateralized. Mr. Miller said yes, and no. Mrs. McClelland said the term sheet if executed will constitute us putting down a \$20,000 deposit to get started. The other document is Frost Brown Todd's engagement. The fees, \$178,000, will eventually be credited to the appropriated entities. This is contingent on the closing date, but we're looking at annual debt service of around \$385,000. If everyone is comfortable, there are two motions needed. One is to approve executing the term sheet, and the second would be to approve entering into and finalizing the Frost Brown Todd engagement letter. Mr. Scott asked about an executive session before voting. Mr. Brosky said he can't think of an

exception that would allow us to do that. Mr. Miller said other than the deposit, the term sheet is nonbinding. When they engage the lawyers and they start billing time, then we'll be responsible. Mr. Mullins said we would have to mortgage two properties, and he thought Mr. Brown made a good point about the actual values and it being overcollateralized. Mr. Brown said the amphitheater is \$11 million. Mr. Zellers asked about the process to value those properties. Mr. Miller said it is overcollateralized, but this is the commissioners' way of making sure we're making the payments. Mr. Mullins said he's concerned about the marina and the lease. Mr. Brown said there are two leases. There is a submerged land lease, which he thinks the county sees the value in, and then we have a lease with an operator. Mr. Miller said we can talk to the commissioners about the marina. They may realize they don't want it either. Those were the terms he was given to do to deal. Mr. Zellers said worst case scenario, we would be out the \$20,000 deposit. Mr. Scott said his challenge is this is a 20-year commitment with a lot of collateral. He knows we're on a timetable with contractors, but he's concerned about voting without more information. Mr. Zellers said if we have more conversations and a red flag comes up, then we'll lose \$20,000. He thinks it's worth that gamble to move forward. Mr. Scott said that's a valid point. Mrs. McClelland said we could have another meeting in two days. It would have to be before the LCPA meeting next week to keep out timeline. Mr. Mullins said the maturity is in 20 years, but we're not locked in for 20 years. Mr. Scott said he wants a detailed projection on our revenue. He understands why we need to move forward tonight. Mrs. McClelland said we can have a financial committee meeting. Mr. Zellers moved to approve executing the term sheet. Second by Mr. Mullins. Motion carried. Mrs. Silva Arredondo moved to approve finalizing and executing the Frost Brown Todd engagement letter. Second by Mrs. Kiraly. Motion carried. The steering committee is meeting on January 28. Mr. Rogers and Mr. Joseph Robertson from Northland Securities will attend.

C. Operations Director Update: Mr. Brown said as a reminder the Ultimate Doors Show at the Palace is February 1. He is working with Mr. Brosky on finalizing the agreement with The Palace. Mr. Brown met with the Lorain Police Department and is working on security agreement for our events. The meeting went well. He's had multiple meetings with sponsorship candidates and has a meeting with a potential event opportunity in the next few weeks. The liquor license is well on its way. Mr. Brown will be meeting with Lorain County Public Health about a food license. Announcement for concerts will be in March. Rockin on the River is 90 percent done. He is finalizing a couple of openers and may add one extra show. Beer contracts are being negotiated. He met with Superior and Heidelberg, but he thinks having the distributor right down the road and working with a Lorain business is the way to go. Mr. Brown said he is waiting on one other sound proposal. He wants to stick with Vertical Sound for at least the first year. Sound is subjective to a lot of people. Vertical Sound has been good. Mr. Mullins said Mathias from Lorain Brewing Company is asking to have beers on tap at the concerts. He told Mathias he needs to talk with Mr. Brown. Mr. Brown said he'd ask his guy at Heidelberg. He is also talking with Mr. Chris Pataky at the Palace about a Blues and Brews event. BrewFest is another opportunity. Mrs. Kiraly asked if the vendors would be capped, where there was only French fry vendor, one pizza vendor, etc. Mr. Brown said he sees this as a transition year. He's allowing the returning vendors first right of refusal. Contracts and payments are due by March 15. All but one is coming back. He has a waiting list, too. The food vendors will be predominately the same as last year. He thought about opening it up to competition, but the vendors want to keep their territory. As we change the site, then everything will be open game. Mr. Scott said he knows a smooth transition is a priority. At what time will we bring in revenue with other events? Mr. Brown said this year. He has things in line with the Palace, the Outdoor show, probably a Comicon event. ROTR will be 18-20 shows. BRL events will be in addition to that to fill out the calendar. For regional or national acts, we're not there yet. The calendar is filling up. Weekday shows are loss leaders. Even with the eclipse event, it was \$4,000 just for sound. He's not ruling anything out, but

he wants to be realistic. Mr. Mullins asked for a financial analysis breakdown. Mr. Brown said yes. He suggested individual meetings. He wants to educate, but he's not sure we should share everything publicly. It's competitive with the bands as well and he doesn't want to take away the ability to negotiate. Mrs. McClelland said everything is outlined in the budget. Mr. Scott asked about security and how many officers we need. Mr. Brown said because of Vegas and New Orleans they want to add an extra walking officer. Larger shows will have more. Having LPD down here in uniform is better than a private security firm. Mr. Mullins said they're great and want everyone to have a good time. Mr. Brown said we're also leaning into technology and will be scanning passes and have a much better idea of attendance.

V. Report of Committees

A. Contract Management Committee

1. 2025 History Tours Agreement: Mr. Zellers said Mrs. Leyva Smith will explain. Mrs. Leyva Smith said she met with Ms. Barb Piscopo, executive director at the Lorain Historical Society, and a couple of the historians about the dates they want to run this year and the changes they are requesting. They want to increase the ticket price from \$20 to \$25 per ticket and they also want to make a little more per ticket. The split was previously \$4 for the historical society and \$16 for us, but with the ticket price increase they're wanting the split to be \$7 and \$18. It would be the same amount of \$75 for the historian if a private tour is scheduled. They're planning to have four tours a month on Fridays and Sundays.

Mr. Mullins presented:

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO ENTER INTO AN AGREEMENT WITH THE LORAIN HISTORICAL SOCIETY REGARDING THE 2025 HISTORY BOAT TOURS.

Mr. Zgonc moved to approve Resolution No. 2025-02. Second by Mr. Zellers. Roll call vote as follows:

Ayes: 7

Nays: 0

Abstain: 0

Resolution Passed

2. 2025 Shuttle Boat Captain Agreement: Mrs. Leyva Smith said this agreement is approved annually and is the same one as last year. It was reviewed last year by Mr. Brosky. We're hoping to hire more captains this year. We have four returning captains. Tours will start at the end of May.

Mr. Mullins presented:

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO ENTER INTO AN INDEPENDENT CONTRACTOR AGREEMENT WITH SHIP CAPTAINS RELATIVE TO THE OPERATION OF THE SHUTTLE BOAT VESSELS IN 2025.

Mr. Zellers moved to approve Resolution No. 2025-03. Second by Mrs. Silva Arredondo.

Roll call vote as follows:

Ayes: 7 Nays: 0 Abstain: 0 Resolution Passed

B. Strategic Development Plan Committee

1. Mr. Zgonc 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. 2025 Permanent Budget: Mrs. Smith said on the temporary budget last month there was a calculation error on the total. All line items were correct. The total increased by \$30,000. The permanent budget is a one pager to review. We have the general fund, the Brownfield assessment grant fund and the stage fund.

Mr. Mullins presented:

A RESOLUTION MAKING ANNUAL APPROPRIATIONS OF THE LORAIN PORT AUTHORITY FOR CALENDAR YEAR 2025.

Mr. Zellers moved to approve Resolution No. 2025-04. Second by Mrs. Kiraly. Roll call vote as follows:

Ayes: 7 Nays: 0 Abstain: 0 Resolution Passed

2. Board Training: Mrs. Smith asked if the board is willing to do more training. Mrs. McClelland suggested annually. Mr. Scott asked about booking a vehicle for board members to drive from place to place to visit our sites to

know what we're responsible for. Mrs. McClelland said that's a great idea and we will get something scheduled.

E. Bylaws and Personnel Committee

1. Personnel Policy Updates: Mrs. Silva Arredondo said everyone received the personnel policies and procedures in your packet. The committee met and recommended the board approve the proposed changes. Mrs. Silva Arredondo moved to approve. Second by Mr. Zgonc. Motion carried.

VI. Other Business

- A. Mr. Zgonc asked, with PACE financing and selling property on West Erie, is there some way we can get some advertising or PR in front of their building that says we did the financing. Mrs. McClelland said not retroactively, but we can try to do that in the future. We're in a tricky position because we're the conduit but she can look into it to see if it's possible.
- B. Mrs. Kiraly commended Mrs. McClelland for meeting with all board members.

VII. Public Comment


- A. None.

VIII. Adjournment

- A. There being no further business to come before the board, Mr. Veard moved to adjourn. Ms. Bonilla seconded. The meeting adjourned at 7:08 p.m.



Jeff Zellers, Vice Chairman



Tiffany McClelland, Executive Director