

**GATEWAY ECONOMIC DEVELOPMENT  
CORPORATION OF GREATER CLEVELAND**

**Minutes of a Meeting of the  
Board of Trustees**

**Held on August 12, 2015  
3:00 o'clock p.m.**

**Offices of  
Climaco, Wilcox, Peca, Tarantino & Garofoli Co., L.P.A.  
Cleveland, Ohio**

There being a quorum present, Mr. Offtermatt called the meeting to order at approximately 3:10 p.m. All Board members were present: Timothy Offtermatt, Matt Carroll, Tracey Nichols, William Reidy and Emmanuel Glover. Also present were Todd Greathouse, Brian Kelly, and Daniella Nunnally of Gateway, David Faller, Consultant from Osborn Engineering, and Dennis Wilcox, General Counsel. Present from the County was Michael King. Present from the Cleveland Indians were Dennis Lehman, Neil Weiss, Joseph Znidarsic, Ken Stefanov, Jim Folk, Andrew Miller and Alex King. Present from the press were Andrew Tobias for Northeast Ohio Media Group and Kevin Kleps from Crain's Cleveland.

The first item of business was approval of the Minutes. Upon motion by Mr. Carroll, seconded by Ms. Nichols, the Minutes of the May 13, 2015 meeting were unanimously approved.

Mr. Offtermatt then asked for any public comment. There being none, he moved into the first agenda item that being a Sin Tax update. Mr. Offtermatt noted that the recently voter approved Sin Tax was now effective for collection as of August 1, 2015. He also reported on the request from Gateway to the County to fund expenses related to reviewing Major Capital Repairs requests, including consultant and legal costs. This request for \$100,000 was approved by the Board of Control of the County and Mr. Offtermatt thanked the County for the funding. He then summarized the Board's review of Major Capital requests from the teams, including in this case, the Cleveland Indians, and turned the meeting over to Todd Greathouse for his report.

Mr. Greathouse first reviewed ongoing Quicken Loans Arena Major Capital Items previously approved the Board. He reported that the Command Center contract was originally estimated at \$3,090,000, as approved by the Board. The scope of work was prepared in order to prepare an RFP which was sent to 3 qualified companies. Proposals

from \$1.9 to \$3.2 million were received, and it was determined that Netech was the best responsive and responsible proposal and Netech was also the lowest bid. On July 21, 2015 Gateway provided a letter of intent to proceed with Netech. A contract was finalized as of August 6, 2015 and the project is expected to complete no later than October 23, 2015.

He next reported on the roof system repair, which was estimated at \$4.174 million. This was approved by the Board at the August 20, 2014 meeting as well. A scope of work and RFP are being prepared. There is an issue with the system being considered because of the weight. Mr. Greathouse turned that item over to Dave Faller, Gateway's consulting engineer, for further comment. Mr. Faller noted that in order to get a maximum useful life extension of 10 to 20 years, the Cavaliers had been trying to use a Bitumen roof system. However, that system puts too much weight on the structure and they are now looking at an alternate roofing system. He is hoping to have design guidelines within the next 2 weeks for an RFP, with an award of a contract to follow within a month. Mr. Offtermatt asked Mr. Faller if there was enough time to get this roof repair completely done in the Fall. Mr. Faller indicated they would try to do the end domes and high domes of the roofing this Fall and then restart the project in the Spring to finish it. He did also indicated that work can be performed in Winter. However, he believes because of timing that it would be necessary to do both the Fall and the Spring mobilization for the project.

Mr. Greathouse then reported on the Progressive Field Phase I alteration close out. Andrew Miller of the Indians noted that the Phase I close out is virtually complete. There are just a small number of invoices left. Mr. Miller noted that the Phase I project was designed to connect the Ballpark to those outside the Ballpark and the surrounding area and that the Phase II project to be presented to the Board was essentially to extend fan enjoyment in a similar way to other parts of the Ballpark.

Mr. Miller of the Indians then presented the proposed Indians Phase II alterations. The Master Plan Phase II Overview presented by Mr. Miller is attached to the Minutes as Exhibit A. In summary, Phase II is designed to continue the theme for Phase I including opening the concourse to the field, adding team branding/history, adding elements authentic to Cleveland, adding unique targeted seating options, adding wayfinding and neighborhood concepts, reducing seating capacity, adding a Season Ticket Holder Lounge and renovating 10 suites behind home plate.

As part of the master plan summary there were certain items, including suite renovations and concession/food and beverage equipment that are part of the Indians Major Capital items which were previously deferred. Mr. Offtermatt asked if these were now being requested to be included in the Major Capital submittal from the team. Mr. Miller indicated that was the case, which is based on a

letter sent on July 20, 2015 from the Cleveland Indians to Gateway, including an additional \$701,204 of items to be added to the Major Capital request. Mr. Offtermatt then complimented the team on the Phase I improvements to the Ballpark.

At this time Mr. Greathouse reviewed the Major Capital repairs request of the Indians that was first considered at the May 13, 2015 meeting. He presented the Board with 2 alternates showing the initial request and the second request with the additional \$701,204 of items included, based on the July 20, 2015 letter. He noted that some of these items individually were less than \$500,000, but they were part of an overall system that exceeded the \$500,000 threshold, a portion of which are being deferred. After several questions by Mr. Offtermatt to clarify this, Mr. Greathouse explained that these were items that needed to be done while the alteration work was being done, as opposed to coming back later and requiring work to be redone at a potentially higher cost. Mr. Folk then indicated that all of these system repairs would be done within the time of the Major Capital needs. Ms. Nichols noted that this is part of the overall system based on the engineering that has been presented and Mr. Folk agreed and said the Indians preferred to do these Major Capital items while the suites are open for alterations rather than come back and do them later.

After further discussion from the Board, Ms. Nichols made a motion which was seconded by Mr. Glover to approve the resolution 2015-2. The Board then unanimously adopted the following resolution by a 5-0 vote.

RESOLUTION NO. 2015-2

REGARDING RECOMMENDATION WITH RESPECT TO  
REQUEST FOR MAJOR CAPITAL REPAIRS FROM  
THE CLEVELAND INDIANS BASEBALL  
COMPANY LIMITED PARTNERSHIP

WHEREAS, Gateway Economic Development Corporation of Greater Cleveland ("Gateway") has agreed to provide for Major Capital Repairs as defined in the Lease (the "Lease") between Gateway and Cleveland Indians Baseball Company Limited Partnership (the "Cleveland Indians"); and

WHEREAS, the Board of Gateway has previously notified the City of Cleveland, Ohio ("City") and Cuyahoga County ("County") that Gateway does not have sufficient funds to pay Major Capital Repairs as defined in the Lease and requested the respective appointing authorities of Gateway, the City and the County, to consider such funding of Major Capital Repairs; and

WHEREAS, on May 9, 2012 the Board adopted Resolution No. 2012-1 setting forth its policies and procedures with respect to Major Capital Repairs ("Policy"); and

WHEREAS, the Cleveland Indians have submitted a request for approval of Major Capital Repairs to the Ballpark under the Lease; and

WHEREAS, the Board has reviewed such request and pursuant to the Policy has received information from its professional consultant recommending approval of such items as Major Capital Repairs; and

WHEREAS, the Gateway Board desires to recommend approval of the Major Capital Repairs request from the Cleveland Indians as further described in Exhibit A attached hereto.

NOW, BE IT RESOLVED, that the Board of Trustees of Gateway, on behalf of Gateway, finds that the requested Major Capital Repairs from the Cleveland Indians for the Ballpark, attached as Exhibit A hereto, are Major Capital Repairs under the Lease and are hereby recommended for approval.

BE IT FURTHER RESOLVED, that this Resolution, including the attached Exhibit A, constitutes Gateway's recommendation under the Policy and shall be forwarded to the City and the County forthwith and Gateway shall continue to provide information to the City and the County as requested to support this recommendation.

BE IT FINALLY RESOLVED, that the Board respectfully requests the County or City make a decision as to this recommendation as soon as possible but no later than December 31, 2015.

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Mr. Greathouse then discussed inclusion issues and indicated that Gateway was reviewing its practices and preparing MBE-FBE-CSB lists in an updated fashion. He then asked Daniella Nunnally to explain the intake and the month-to-month reports that Gateway has been preparing. Ms. Nunnally then passed out reports to the Board summarizing performance of the Ballpark alterations and each of the three Arena Major Capital projects to date, with regard to inclusion efforts. The summaries for each contract are attached to the Minutes as Exhibit B.

She noted that the original goals for the Indians Alterations contract were 15% MBE, 7% FBE and 5% CSB. The Ballpark performance under the Gilbane Contract was 25% MBE, 11% FBE and 2% CSB. When adding money spent by the Indians outside the Gilbane contract, the total of the Alteration Project was 21% MBE, 9% FBE and 4% CSB. Ms. Nunnally then reviewed each of the three Arena Projects. The scoreboard performance was 2% MBE, 1 % FBE and 54% CSB for the non-specialty items. The Bowl Sound System non-specialty work was 0% MBE, 25% FBE and 28% CSB. Finally, the Video Production non-specialty work was 30% MBE, 18% FBE and 11% CSB. Mr. Offtermatt

noted that the specialty items of the Arena reduced the amount of available contracts to include in the inclusion goals.

Mr. Offtermatt asked about the ability to find qualified contractors given all of the current construction work in the City. Ms. Nichols observed that not every business wants to be certified and she did note that in the last two years because of all of the construction, at times there has been a lack of minority firms available to do certain work, especially smaller projects. Ms. Nichols then explained some of the City processes looking at specialty items and utilizing minority firms.

Mr. Offtermatt asked Mr. Greathouse to give a report on the Republican Presidential debates at the Arena. Mr. Greathouse indicated that everything went well and functioned as it was supposed to and thanked the Cleveland Police and other law enforcement for their work.

The next meeting is scheduled for August 26, 2015, at which time the Board will take up approval of Indians proposed Phase II alterations and review the audit among any other business.

There being no further business before the Board, upon motion made by Mr. Carroll and seconded by Ms. Nichols, the meeting was adjourned at approximately 4:15 p.m.

APPROVED BY:

SECRETARY-TREASURER

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