

**GATEWAY ECONOMIC DEVELOPMENT
CORPORATION OF GREATER CLEVELAND**

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

**Held on August 26, 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. Board members Timothy Offtermatt, Matt Carroll, Tracey Nichols and William Reidy were present. Board member Emmanuel Glover was absent. Also present were Todd Greathouse, Brian Kelly, and Daniella Nunnally of Gateway, and Dennis Wilcox, General Counsel. Present from the Cleveland Indians were Dennis Lehman, Joseph Znidarsic and Andrew Miller. William Tarter was present from the public.

The first item of business was approval of the Minutes. Upon motion by Mr. Reidy, seconded by Ms. Nichols, the Minutes of the August 12, 2015 meeting were unanimously approved.

Mr. Offtermatt then asked for any public comment. Mr. Tarter commented thanking the staff of the Indians and Gateway for answering questions he had about the improvements to the Ballpark.

The Board next considered the Executive Director's report. Mr. Greathouse first reported on the field lights at Progressive Field and distributed a lighting survey to the Board. He reported that Major League Baseball continually monitors the field lighting and there are approximately 674 field light fixtures. They are working on correcting any lenses which may need fixing. An Osborne study indicated that the lighting system was losing 30% of its capacity through the lenses. In addition, a GE study indicated there was a 14% reduction in lighting through capacitors. There was a question from Ms. Nichols whether the cleaning of the lenses would improve efficiency. Mr. Greathouse indicated lenses were cleaned several years ago, but with only a slight improvement. At this time Gateway and the Indians are reaching out to GE regarding the lenses and capacitors, but are also looking at the possibility of putting in LED lighting. At this point they are looking at pricing alternatives. Ms. Nichols asked if this could turn into a Major Capital repair because of the amount of the project. Mr. Greathouse said it was

possible, however, there is no particular deadline for the work at this time. Normally this has fallen under routine maintenance or non-Major Capital in the past.

Mr. Greathouse then reported on the elevators and the escalators in the Ballpark. He noted there are 11 elevator banks and some of these need to have replacement of drivers and at this time they were having difficulty finding parts for these particular elevators. These repairs or replacements could be up to \$260,000. Mr. Offtermatt asked if we are replacing the component will we need to replace the entire system. Mr. Greathouse indicated that would not be the case. He also reported that there are 2 escalators that are inside escalators being used outside, but they have been well maintained and repaired since opening day in 1994. This year the Indians are putting in 50 replacement steps for approximately \$58,000 and this will be done in 2016 to extend the useful life of the escalators.

Mr. Greathouse then turned the Board's attention to Phase II Ballpark Alterations/Improvements that were presented to the Board at the last meeting by the Cleveland Indians. After further discussion, upon motion made by Mr. Carroll which was seconded by Ms. Nichols, the Board unanimously adopted the following resolution by a 4-0 vote.

RESOLUTION NO. 2015-3

AUTHORIZING AND APPROVING AGREEMENT
WITH RESPECT TO ALTERATIONS
BETWEEN GATEWAY ECONOMIC DEVELOPMENT
CORPORATION OF GREATER CLEVELAND AND
CLEVELAND INDIANS BASEBALL COMPANY LIMITED PARTNERSHIP

WHEREAS, Gateway Economic Development Corporation of Greater Cleveland ("Gateway") has entered into a Lease Agreement dated as of September 15, 2008 with the Cleveland Indians Baseball Company Limited Partnership (the "Indians"), respecting the Major League Baseball Park known as Progressive Field (the "Ballpark") which was amended by a First Amendment to the Lease dated September 15, 2014 (together, the "Lease"); and

WHEREAS, pursuant to the Lease, the Indians have submitted a request for approval of alterations to the Ballpark (the "2015 Alterations") as presented to the Board at its August 12, 2015 Board Meeting; and as described in an Agreement between Gateway and the Indians, a form of which is on file with Gateway (the "Agreement").

WHEREAS, the Board desires to authorize and approve the Agreement and actions to be taken thereunder, including to enter into a Design-Build Contract for the Alterations.

NOW, BE IT RESOLVED, that the Board of Trustees of Gateway, on behalf of Gateway, hereby authorizes and approves the Agreement and Design-Build Contract.

FURTHER RESOLVED, that the Chair or Secretary or any other officer of Gateway are authorized to enter into the Agreement, substantially in the form on file and a Design-Build Contract by and among Gateway, the Indians and Gilbane Building Company substantially in form previously utilized for the 2014 Ballpark Alterations and, in each case, with such changes as are not materially adverse to Gateway and which are consistent with this Resolution, as such officer or officers executing the same in their, his or her judgment deem necessary or appropriate in connection therewith, which execution shall constitute conclusive evidence as of the approval and authorization thereof by Gateway.

FURTHER BE IT FINALLY RESOLVED, that the Chair or Secretary or any officer of Gateway are each authorized to carry out the transactions set forth in the Agreement and Design-Build Contract, provided such actions are consistent with this Resolution and not materially adverse to Gateway.

Mr. Kelly then gave the financial report. He first reviewed the operating account which had a balance on July 1, 2015 of \$49,677, with total receipts during July of \$1,083,040, which included payment for real estate taxes. Cash disbursements were \$1,023,749 and the Operating Account had an ending balance of \$108,969.

Mr. Kelly next reviewed the Ballpark Capital Account which had a beginning balance of \$88,857 on July 1st with \$127,875 of total receipts during July, and expenditures of \$143,172 for an ending balance of \$73,560.

Next, he reviewed the forecast from August 1st through October 31st, with a beginning balance being \$108,969. Projected revenues were \$621,921, for total available funds of \$730,090 and proposed disbursements of \$620,583, for a ending balance of \$110,307 projected as of October 31st.

Mr. Kelly then reviewed the receipts and disbursements for various accounts beginning with the Progressive Field Alteration Account for the period from September 1, 2014 through July 31, 2015. There have been total receipts in this account of \$26,259,756.86 and total disbursements of \$23,255,011.59 leaving an ending balance as of July 31, 2015 of \$3,004,095.27.

He then reviewed the Major Capital Account for the Ballpark from January 1, through July 31, 2015 which had total receipts and expenditures of \$246,627.14.

He next reviewed the Quicken Loans Arena Major Capital Accounts which had total receipts of \$15,122,270.20 and total disbursements of the same amount for a beginning and ending balance of \$250. He also

reviewed the levels of completion of each project. The only project being 100% complete was the Parsons Sound System project. After some question from the Board and discussion, it was agreed that Parsons and/or the Cavs should provide a completion certificate for this work.

Mr. Kelly then reported that the audit had been completed and accepted as unmodified as of July 7, 2015, with no management comments and the audit is now on the Auditor's website. Discussion was had of distribution of the same which Mr. Kelly will follow up on.

The Board next discussed the next meeting, which is scheduled for November 18, 2015. Ms. Nichols indicated she would be out of town at that time.

There being no further business before the Board, upon motion by Mr. Carroll and seconded by Ms. Nichols, the meeting was adjourned at 3:35 p.m.

APPROVED BY:

SECRETARY-TREASURER
