

**GATEWAY ECONOMIC DEVELOPMENT
CORPORATION OF GREATER CLEVELAND**

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

**Held on February 19, 2020
3:00 o'clock p.m.**

**Offices of
Climaco, Wilcox, Peca & Garofoli Co., L.P.A.
55 Public Square, Suite 1950
Cleveland, Ohio**

There being a quorum present, Mr. Silliman called the meeting to order at approximately 3:00 p.m. Board members Ken Silliman, Matt Carroll and David Ebersole were present as was newly appointed Board member Teri Agosta. Also present from Gateway were Todd Greathouse, Brian Kelly and Daniella Nunnally, as well as Dennis Wilcox and Scott Simpkins as Gateway's General Counsel. Also present was Gateway's Engineering Consultant David Faller. Present from the Indians were Jim Folk, Neil Weiss and Seth Cooper. Present from Cuyahoga County was Jim Boyle. Present from the media were Courtney Astolfi of cleveland.com and Mark Naymik of WKYC. Present from the public was William Tarter.

Mr. Silliman, as Chairman, opened the meeting and asked for approval of the Minutes of the November 13, 2019 meeting. Upon motion made by Mr. Carroll, and seconded by Mr. Ebersole, the Minutes were approved 3-0, with Ms. Agosta not voting.

Next, Mr. Silliman asked if there was any public comment. Mr. Tartar asked, when a major capital project is being considered, what is the public versus private funds percentage split for such major capital improvement project. Mr. Silliman responded that, under the leases with the Indians and the Cavaliers, payment for major capital improvements is the responsibility of Gateway. However, because of the nature of Gateway's funding sources, ultimately the responsibility for payment of any major capital expense comes back to a public funding source absent some alternative agreement with the respective team. Hearing no further public comments, Mr. Silliman waived any Board Chairman comments.

Mr. Silliman then asked Mr. Wilcox to introduce Resolution 2020-1 for approval of the appointment of Ms. Agosta to serve on the Board of Trustees as one of the County's appointees to replace William Reidy with her term to commence immediately and to expire May 31, 2022. Based on the presentation and motion by Mr. Carroll and seconded by Mr. Ebersole, the following Resolution 2020-2 was unanimously approved by the Board:

RESOLUTION NO. 2020-1

REGARDING SEATING OF TERI A. AGOSTA
AS A MEMBER OF THE BOARD OF TRUSTEES
OF GATEWAY ECONOMIC DEVELOPMENT
CORPORATION OF GREATER CLEVELAND

WHEREAS, William J. Reidy was previously appointed as a member of the Corporation's Board of Trustees as an appointee of Cuyahoga County, Ohio; and

WHEREAS, William J. Reidy has resigned from the Board of Trustees; and

WHEREAS, the Board has been notified by the Cuyahoga County Executive that the County wishes to designate Teri A. Agosta, to serve as appointee of the County for the unexpired term of Mr. Reidy commencing immediately and expiring May 31, 2022; and

WHEREAS, such appointment was confirmed by the Council of the County by Resolution 2019-0266.

NOW, THEREFORE, BE IT RESOLVED, that Teri A. Agosta be and hereby is seated as a member of the Board of Trustees and as a member of the Corporation as Cuyahoga County's appointee to replace William J. Reidy, such term to commence immediately and to expire May 31, 2022, subject to reappointment by the County Executive.

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The Board then heard the Executive Director's report. Mr. Greathouse started by reporting on the Ballpark Major Capital Repair projects and, specifically, the second reading for approval of the Building Automation System (BAS) major capital project. He noted that on September 11, 2019, Mr. Weiss of the Indians made a Power Point presentation to the Board as a first reading and a discussion on the BAS project took place on the necessity of the BAS project. Mr. Greathouse then noted that the useful life of a BAS system is normally 10-12 years and the existing Ballpark system is the original system that has been in place for 26 years but, with proper maintenance, they were able to extend the useful life of the existing BAS system. However, due to the age of the current system, new software updates are unavailable, mechanical parts are longer available, and new user licenses are unavailable. The 2017 Facility Condition Assessment study likewise recommended replacement of the BAS system by 2018 and we have now gone an additional two years since that facilities assessment. Mr. Weiss' team and the Gateway team worked together since the September 11, 2019 Board meeting to prepare the best possible replacement solution and budget numbers for the major capital project request presented. Thereafter, Mr. Faller referred the Board members to a Power Point presentation included in the Board materials. After outlining the definitional requirements for determination of a major capital expense, he then discussed the need for replacement of the current BAS system, the fact that the BAS replacement will be a phased project, and identified the estimated budget of \$4,993,500 for the project. He noted that the nature of the project and the budgeted expense places it well above the major capital repair threshold and

that the project also includes lighting controls and system health and energy efficiency regulation. Mr. Silliman explained the major capital expense approval process for the benefit of the newly-appointed Board member Ms. Agosta and then asked if any of the Board members had any questions. Hearing none, Mr. Silliman introduced Resolution No. 2020-2 recommending approval of the BAS replacement project as a Major Capital Repair. Based on the presentation and motion of Mr. Carroll and seconded by Mr. Ebersole, the following Resolution 2020-2 was approved unanimously 4-0 by the Board:

RESOLUTION NO. 2020-2

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 for the Building Automation System; and

WHEREAS, the Board has reviewed such request and pursuant to the Policy has received information from its professional consultant recommending approval of such item as a Major Capital Repair; 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 no later than June 2020.

EXHIBIT A
BUILDING AUTOMATION SYSTEM
REPLACEMENT - \$4,993,500

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Mr. Greathouse then discussed the status of the Ballpark escalator replacement. He stated that the 9th Street and Ontario truss frames are installed and exterior stainless steel cladding is in progress. Escalator treads are being installed and interior cladding will follow tread installation. Completion for start-up is estimated on March 6, 2020 and break-in and testing will follow to ensure completion before the March 26, 2020 Indians home opener.

Mr. Greathouse then reported on Fieldhouse Major Capital Repairs. With regard to the Fieldhouse Roof project, Mr. Greathouse stated he was glad to announce that all roofs are in place and they are working on metal flashing the rest of the Roof O which should be complete in three weeks with final inspection to take place thereafter. Upon completion, inspection and acceptance, a 20-year warranty will be in place on the roof. With regard to the HVAC replacement, this is a \$28 million upgrade including replacement of the Fieldhouse BAS system. The major equipment has been installed and is operational including the chiller, cooling tower, air handling units, and fan coil units and reheat coils. The BAS system is largely complete with the contractor working on final graphics with the Cavaliers. Testing and balancing of the system is complete pending the engineer's review. Osborn is walking through the final punch list items with a targeted completion of March 2020. Lastly, with regard to the ice plant chiller project, after the last meeting, the project went out to bid, but only one bid response was received. The other two contractors who were invited to bid declined to bid due to their work schedules because they are already booked through 2021. Gateway is currently confirming the scope of the project and looking into direct purchasing the chiller which would cut out any markups. Mr. Greathouse will provide a further update regarding the ice plant chiller at the next Board meeting.

Next, the financial reports were given by Mr. Kelly. He first reviewed the operating account for the month ended January 31, 2020 and reported a cash beginning balance of \$293,328, total receipts of \$1,051,760, and total disbursements of \$1,164,116 for a month-end balance of \$180,973. Mr. Kelley noted the larger than usual receipts and expenses are due to the payment of property taxes and business improvement district assessments during the period. He then reviewed the Ballpark Capital account for January which had a beginning and ending balance of \$72,394, because there was no recent activity in that account.

Mr. Kelly then reviewed the projections from February 1st through April 30, 2020. First, the February 1, 2020 account balance is \$180,973, anticipated revenues are \$760,580, for estimated money before disbursements of \$941,553. Operating disbursements are anticipated to be

\$792,850, for an estimated balance by April 30, 2020 of \$148,703. On the same summary sheet, Mr. Kelley then addressed the anticipated operations advances, composed of \$397,952 for the Indians and \$362,628 for the Cavaliers.

Mr. Kelly then provided a Progressive Field major capital account spreadsheet. The cumulative Major Capital amount submitted equals \$37,415,629 with excess funds of \$85,418 to be reallocated to the escalators project. He then addressed the Ballpark Alterations account noting that 2019 total receipts and disbursements was \$7,309,069 and \$7,305,978 respectively and since 2014 the total is over \$48 million.

Mr. Kelly then discussed the Rocket Mortgage Fieldhouse transformation project costs spreadsheet and noted the total amount for the bonds related to the Transformation Project was \$140,955,000, with \$955,000 related to debt service and interest. After the \$140,955,000 amount, the Cavaliers self-fund the balance of the project costs. There is currently a balance of \$681.63 left. Mr. Kelley then referred the Board to the spreadsheet regarding the second Rocket Mortgage Fieldhouse Major Capital Bond account. He noted that the cumulative amount submitted has been \$32,372,289 with the total amount of the bond at \$39,500,000, and a remaining balance of \$7,127,710. Lastly, Mr. Kelly referred the Board to the Rocket Mortgage Fieldhouse major capital spreadsheet. Mr. Kelly reported the total amount approved thus far taking into consideration the various category reductions equals \$26,384,721, with Major Capital paid of \$24,983,926. This completed presentation of the financial report.

Upon motion made by Mr. Carroll, seconded by Mr. Ebersole, and unanimously approved, the Board adjourned the meeting at approximately 3:30 p.m.

APPROVED:

Chair