
**Lake Development Authority (LDA)
Board of Directors Meeting Minutes
Wednesday, June 26, 2024**

Call to Order: Chairperson, Art Lindrose, called to order the regularly scheduled meeting held at the Lake Erie Conference Room in the Lake County Administration Building located at 105 Main Street, Suite A505, Painesville, OH 44077 at 3:00 pm with the pledge of allegiance and roll call. Board members in attendance included Kevin Freese, Bill Martin, John Rampe (Secretary), Wally Siegel, Jim Struna, John Uhran (Vice-chair) and Ronald Wassum. Nate Hicks was absent.

Others in attendance: Amy Cossick, Patty Fulop, Myranda Keister, Patrick Mohorcic, Brandon Dynes, and Chad Felton. Russ Balthis attended by phone.

Approval of Minutes: The members of the board were provided with electronic copies of the minutes from the April 24, 2024, meeting in advance. A motion was made by Mr. Struna and seconded by Mr. Siegel to approve the minutes as presented. The motion was approved with an 8-0 vote.

Reports and Communications of Officers and Committees:

Chairperson's Report – Mr. Art Lindrose said that after no meeting last month, he missed seeing everyone again. He enjoys this committee and feels they do good work. He thanked board members Bill Martin and Ron Wassum for serving with him on the terminal building committee.

Executive Director's Report – Mr. Patrick Mohorcic thanked Patty Fulop, Don Yager and the folks at CT for their work on the terminal building grant. He also thanked Art, Bill and Ron for serving on the committee. Patrick gave a brief background of resolution 2024-24 stating that Omni Property Companies, LLC is seeking a ground lease termination and project lease termination in connection with the revenue bonds, series 2022 for the Vitalia Mentor Senior Living Project. In general Port Bonds are outstanding for 5 years to reap the sales tax benefits and follow the tax commissioner's opinion. However, we can unwind when economic circumstances exist. Mr. Mohorcic introduced Russ Balthis, bond counsel, for further elaboration. The project is being sold along with a Highland Heights property that is not doing well. Board Action is required to unwind earlier than the documents provide. The Highland Heights project is tied to the Mentor project through Omni's management structure, so both need to be sold to get out from underneath. The purchaser is not interested in buying subject to our ground lease. Mr. Freese asked why we would veer from the original agreement. Patrick clarified that the variable interest at Highland Heights became too high and the general contractor for that project declared bankruptcy. The developer is losing a significant amount of money each month and could anticipate default. Mr. Dynes added that there is nowhere to go, the project will fail, and we are doing everything necessary to protect ourselves. Mr. Mohorcic added that by doing this the LDA avoids any default and through an indemnification agreement, we are protected and made whole. Mr. Freese asked if we looked at Omni's financial assumptions prior to issuance and Mr. Balthis answered that it was not us that reviewed the financials, but First National Bank of Pennsylvania that did the underwriting evaluation. Mr. Balthis left the phone conversation at 3:23pm.

Public Comments: None

Staff Reports:

Deputy Executive Director – Mrs. Amy Cossick reported that a meeting was held with the City of Eastlake and the Eastlake Power Plant property owner, IDA. The representative from IDA, Mike Clark, mentioned that they are interested in discussions regarding the purchase of the pier and the remaining 7 to 8 acres for recreational development and that they are willing to work with Eastlake on the beachfront. Another

meeting is expected for July 11. Amy will draft a Request for Qualifications for the Design and Engineering services that would be required to facilitate this project. Mr. Wassum asked if the pier would be developed as private or public property. Mrs. Cossick felt that we are in the early stages of talks and most everything is on the table. Mr. Freese inquired as to how contaminated the property is or is not. Amy said it is not known yet; she believes the phase 1 environmental is done and they have started on the phase II, so we will know more later. Myranda Keister mentioned that we will share the environmental findings when they are completed and that they are doing some demolition on the stacks there. Mr. Wassum asked if all the stacks were being removed and Myranda commented that she did not think all of them were coming down. Mr. Wassum also asked about the building and Mr. Lindrose and Ms. Keister both agreed that the building is still being used for distribution. Mrs. Cossick also spoke about an interest by the Ohio Department of Natural Resources (ODNR) in the property at 609 Bank Street to develop it for recreational use, but ODNR did not elaborate. She provided them with our reports on the site cleanup. ODNR will seek an appraisal. Mr. Lindrose asked about the business across the street that wanted to use that property for parking. Mr. Mohorcic answered that those talks have gone quiet because zoning would require drainage and it would end up being an expensive parking lot. Mr. Uhran expressed that between this project at Fairport Harbor and Eastlake, we are building a nice relationship with ODNR.

Lake County Executive Airport – Mrs. Patty Fulop reviewed the grant projects. On the T-hangar project, excavation for the taxi streets has started, paving will follow. The pavement removal project has begun but cannot be completed until the runway rehab and the taxiway A shift projects are finished. The Taxiway A Shift project has been delayed while waiting on material approvals, Great Lakes Crushing has hired a new program manager, and that project is getting on track and expected to start July 12th. In the meantime, quotes were received to crack seal runway 10/28 and that project has begun. Crack sealing and a drainage study will be funded using restricted account funds from the sale of airport property to Weston and the City of Mentor. The drainage study will supply us with the exact location and condition of all the current airport drainage and from that study we will be seeking FAA funding for future drainage improvement projects., Mr. Freese questioned how much info we currently have on our drainage, and Mrs. Fulop commented that we are fortunate that our engineer of record, Mr. Don Yager, had completed the original master plan for the City of Willoughby and has abundant records of the current drainage. Mr. Martin inquired about the hard period that runway 5/23 will be closed and Patty confirmed each project has hard closure dates and penalties for exceeding that time frame. We have submitted all the necessary paperwork for the runway 5/23 pavement rehab project and now await issuance of the grant by FAA to begin; the project should commence early fall. Though the grant for runway 5/23 lighting rehab was approved in 2023, the lighting equipment is still under a lengthy delay and not expected to start until spring of 2025. Bids were received for the Terminal Building project on June 20th and are being reviewed for any irregularities. No contractors have been selected yet. The grant for that project has also been submitted and is waiting for FAA to review. Mrs. Fulop praised those involved in the terminal committee for creating an awesome building that will be a signature building for the area. It is comprised of a lot of glass and full of views of the runways. JTV Enterprises has executed their lease and supplied their insurance information and has begun building their hangar as well. A substantial donation by them toward our paving will free up some Bipartisan Infrastructure funds. Staff will get together with our consulting engineers and map out a plan for additional infrastructure improvements.

Coastal Development – Ms. Myranda Keister reported that the Mentor Harbor project is still working through the permitting and we expect that to be complete by mid-July. We also have a meeting next week with Mentor-on-the-Lake. They will have to pass a resolution and we want to get that on their schedule. The bid award has not been made, but both Huffman and Shoreline have agreed to extend the award until Sept. 18th. Mr. Lindrose asked if there was a window for the project to be done. Ms. Keister said there is not a hard deadline but are hoping to get some of the work completed by the end of the year. Mr. Wassum asked if we get an early winter, what will that

do to the time frame? Mr. Mohorcic added that since the contract has not been awarded yet, we will have that discussion as part of that contract. Miranda expanded saying that we will be flexible with the schedule and once the schedule is set, she will let the board know. On the Fairport Harbor project, we are in conversation with the Fairport Harbor Port Authority to extend the submerged land lease area; it does not include all the breakwater area, so we will need to work through that. They are getting it surveyed. We will not have to get as many permits as we anticipated because it is outside the federal navigation channel. The Report to the Community will be completed and released at the annual economic development luncheon. It will cover 2023 and 2024 and be ready before the end of the year. Mr. Freese has attended some quarterly luncheons, and he has seen them well attended. He asked why we are moving from quarterly to annually. Mr. Mohorcic commented that the reality is that the same group attends all three Chamber of Commerce functions, Mayors & Manager's luncheons, Lake County Development Council's forums and our quarterly luncheons. Each attendee is giving the same updates on their community at these meetings. At these other meetings, we provide our updates. We are all competing for speakers and valuable attendee time, so moving to annual luncheons will relieve staff time and expense. We have more informal meetings and candid discussions in a more private setting. Ms. Keister added that she will still be doing quarterly newsletters to keep everyone updated. Mr. Lindrose felt this was an evolution of the LDA. Mr. Freese stated that there was some good collaboration at those meetings. Tying all the local community's economic development directors together is imperative.

Reports of Committees: Other Economic Development Items – None

Resolutions and Motions:

- a. 2024-23: Resolution of the Board of Directors of the Lake Development Authority Authorizing the Executive Director to Execute and Deliver an Electronic Grant Application to "Tour Lake County" for the 2024 Arts & Culture Community Events Grant Program which will Help Fund and Support the Valor of Veterans World War II Military Reenactment Event. A motion was made by Mr. Seigel and seconded by Mr. Struna to approve resolution 2024-23 as presented. The motion was approved with an 8-0 vote.

- b. 2024-24: Resolution of the Board of Directors of the Lake Development Authority Authorizing the Execution and Delivery of a Ground Lease Termination and Project Lease Termination with respect to the transfer of an interest in property owned by the Lake Development Authority to Omni Property Companies, LLC, or its designee and any other necessary agreements of documents in connection with the redemption of the Lake Development Authority's Federally Taxable Economic Development Lease Revenue Bonds, Series 2022 (Vitalia Mentor Senior living Project). A motion was made by Mr. Siegel and seconded by Mr. Struna to approve resolution 2024-24 as presented. The motion was approved with an 8-0 vote.

New Business: None

Board Remarks: None

Adjournment: A motion was made by Mr. Siegel and seconded by Mr. Struna to adjourn the public meeting at 4:06pm. The meeting was adjourned by consensus.

Respectfully submitted by:
Patty Fulop
Administrative Assistant