



**PORT OF  
CLEVELAND**  
Cleveland – Cuyahoga County Port Authority

# The Port of Cleveland

## A Catalyst for Economic Development

William D. Friedman  
President/CEO  
Cleveland-Cuyahoga County  
Port Authority  
June 6, 2012



# Background



## Ohio has more than 50 port authorities

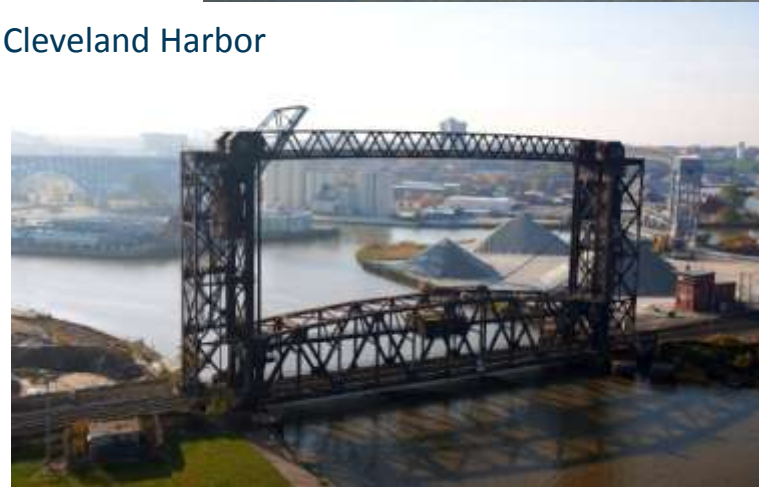
- Less than 10 have maritime facilities on a lake or river
- State law grants port authorities important economic development powers
  - Issue bonds and general obligation debt for public or private sector projects
  - Acquire, lease, sell and renovate property
  - Issue a property tax levy
  - Receive state and federal loans/grants
  - Give companies option to construct or renovate facilities without ownership
  - Use eminent domain to assemble sites for economic development
- Our Port is both a maritime and development agency
  - Created in 1968 to manage the waterfront
  - Started financing program in 1993 to help finance Rock and Roll Hall of Fame and Museum

# Port of Cleveland



## New Direction

- Became President/CEO in June 2010
- Reset Port role to maximize benefit to the community
- New mission: job creation and economic vitality
- New Strategic Action Plan calls for fuller use of statutory authority and expertise to:
  - Aggressively pursue maritime growth
  - Target the development finance program to serve more communities and organizations
  - Take on new roles to safeguard and enhance Cleveland Harbor



# Hybrid Agency Maximizing Community Benefit



## Entrepreneurial business enterprise spurring job growth and business expansion

- **Maritime:** Companies depend on Cleveland Harbor to move about 13 million tons of cargo annually
- **Development Finance:** Provided nearly \$2 billion for construction and expansion since 1993

## Independent agency enhancing civic assets by solving critical challenges

- **Lakefront and Riverfront Initiatives:** Catalyst for vibrant waterfronts; steward for river activities





# Maritime



## Overview

- First major U.S. port of call closest to the St. Lawrence Seaway
- 145 acres leased/owned
- Commodities handled at Port and River terminals:
  - Finished and semi-finished steel
  - limestone, sand, cement
  - wind energy components, industrial machinery and other oversized cargoes
- Overall cargo volume grew 31% in 2011; up 25% in April/May

## New Initiatives

- Building rail loop to enhance competitiveness; largest capital project in a decade
- Pursuing opportunity for cross-lake freight service to Ontario
- Seeking scheduled cargo-vessel service between Cleveland and European ports
- Created partnership for administration of Port's Foreign-Trade Zone to increase use

# Maritime Economic Benefits



## Maritime activities vital to regional economy:

- 17,832 jobs
- \$1.08 billion in annual personal income
- \$112 million in annual local and state taxes
- \$1.81 billion in total annual economic activity



# Development Finance



## The Port has the tools and capabilities to help turn development projects into reality

- Leading catalyst for economic development and job creation in our region
- Providing capital to broad range of organizations whose financing needs are not otherwise met by public and private sources
- Deploying financial expertise and statutory powers to be resourceful, customer-oriented and civic-minded
- Financing complementary; adds value



# Development Finance: Customized Solutions



## Tailored financing to meet project needs

- Fixed-rate program:
  - Between \$1.5 million and \$9 million
  - Fixed assets, land, buildings and select machinery and equipment
- Structured Leasing
  - The Port can own facility and lease to borrower
  - Sales tax exemptions on construction materials
- Infrastructure Financing:
  - Helps municipalities and developers finance public improvements such as roads, street lights, underground utilities, and garages
  - Sales tax exemptions on construction materials
  - Fixed interest rates



## New Markets Tax Credits

- Program supports redevelopment in distressed communities
- Only port directly engaged in NMTC deployment
- Nearly \$60 million deployed since program's inception



Cleveland Museum of Art



# Recent Financing Projects



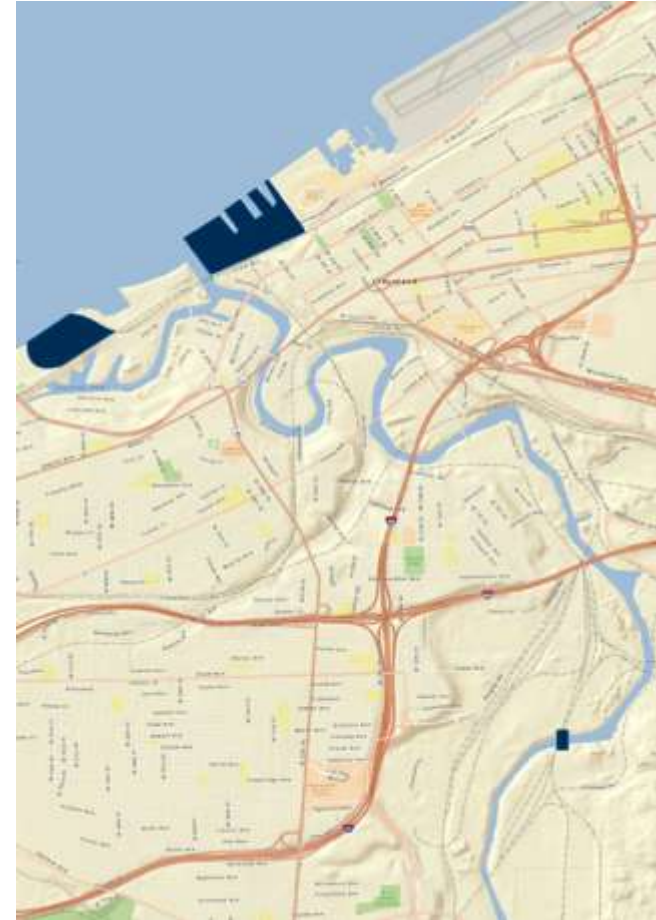
	BOND AMOUNT	CITY	TOTAL PROJECT COSTS
06 Park Synagogue	10,000,000	Pepper Pike	19,000,000
06 Emerald Village	20,000,000	North Olmsted	20,000,000
06 Cleveland Cavaliers Practice Facility	9,500,000	Independence	27,100,000
06 Preston Place	5,060,000	Perrysburg	11,612,000
07 Cleveland Clinic Carnegie 89th Garage & Service Center	156,920,000	Cleveland	156,920,000
07 Science Park Cleveland Buildings 1 & 3	34,590,000	Beachwood	34,590,000
07 Science Park Cleveland Buildings 2, 4 & 5	45,700,000	Beachwood	45,700,000
08 Laurel School II (Refinance & New Construction)	16,000,000	Russell Township	6,000,000
08 CSU Euclid Avenue Housing Corporation Parking Garage	14,500,000	Cleveland	15,000,000
08 Brush Wellman	5,155,000	Elmore	11,300,000
09 Veterans Development, LLC	115,000,000	Cleveland	116,000,000
09 Eaton Corporation	2,000,000	Beachwood	175,000,000
09 Eaton Corporation	150,000,000	Beachwood	28,885,000
10 Nehst Creations, LLC	5,200,000	Cleveland	11,700,000
10 Independence Research Park, LLC	46,000,000	Independence	46,000,000
10 Cleveland Museum of Art (Phase II)	70,430,000	Cleveland	88,000,000
10 Higbee Building	2,520,000	Cleveland	47,000,000
10 Flats East Bank	8,800,000	Cleveland	278,500,000
10 Flats East Bank (Construction Phase I)	108,900,000	Cleveland	259,500,000
10 Flats East Bank (Acquisition)	11,000,000	Cleveland	11,000,000
10 Flats East Bank (Construction Phase I)	3,000,000	Cleveland	3,000,000
10 Hospice of the Western Reserve	22,000,000	Cleveland	29,200,000
10 Oriana Services, Inc.	2,505,000	Cleveland	2,505,000
11 Medical Center Company	77,470,000	Cleveland	77,470,000
11 University Circle Marriott	2,000,000	Cleveland	26,500,000
11 Optima-Sage Downtown Cleveland Hotel	36,000,000	Cleveland	73,000,000
11 St. John Medical Center	40,000,000	Westlake	50,000,000
12 Flats East Bank (Construction Phase I)	5,000,000	Cleveland	5,000,000
12 Cleveland Thermal	32,000,000	Cleveland	37,300,000
12 Magnificat High School	7,800,000	Rocky River	7,800,000
<b>Conduit &amp; Bond Fund Grand Totals</b>	<b>\$ 1,065,050,000</b>		<b>\$ 1,720,582,000</b>

# Harbor & Waterfront Initiatives



**New economic development role to deliver on ambitions for a revitalized Cleveland**

- The 6.5 mile Cuyahoga River ship channel
  - Lead development of sustainable sediment management program focused on beneficial use
  - Manage efforts to fund and implement projects that include:
    - Restoration and replacement of bulkheads
    - Stabilization of at-risk slopes
    - Facilitate private bulkhead repairs
  - Play leadership role on restoration initiatives
    - Cleanup of legacy sediments in Old River Channel
    - Build vessel system to remove floating debris
- The downtown Lake Erie shoreline
  - Working to enhance quality of place with public art, green space and public access at the Port
  - Opened an 88-acre lakefront nature preserve

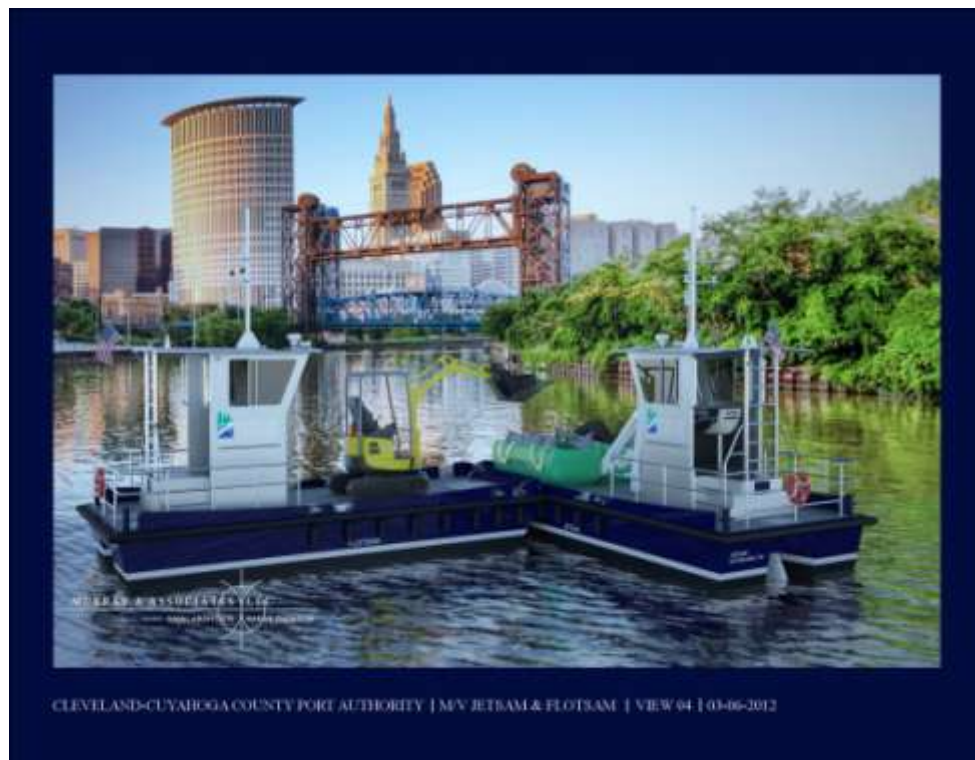


# Flotsam and Jetsam



## Two-vessel debris harvester system

- Vessel concept developed by Port staff
- Floating debris to be removed from Ship Channel and downtown Lakefront
- Port received U.S. EPA grant for project
- Construction recently began
- System to be deployed this summer
- Cleanup needed for river renewal
- Floating debris:
  - EPA listed impairment
  - Undermines river quality
  - Problematic for river users and wildlife
  - An eyesore



# Cleveland Lakefront Nature Preserve



## Promoting environmental initiatives and public access to the lakefront

- Sediment disposal site for 20 years; now 88-acre wildlife haven
- Opened Preserve in February
- More than 280 bird species; 40 butterfly species identified
- Connects people and nature on lakefront
- Facilitate environmental education
- Developing natural resources plan for world-class habitat
- Provides opportunity for eco-tourism



Photo Courtesy of Don Nottage



# Plan Link & Contact Information



To view the Port of Cleveland's Strategic Action Plan:

<http://www.portofcleveland.com/strategicplan>

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