The Port of Cleveland
A Catalyst for Economic Development
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:
  o Aggressively pursue maritime growth
  o Target the development finance program to serve more communities and organizations
  o Take on new roles to safeguard and enhance Cleveland Harbor
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
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
## Recent Financing Projects

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Bond Amount</th>
<th>City</th>
<th>Total Project Costs</th>
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<tbody>
<tr>
<td>06 Park Synagogue</td>
<td>10,000,000</td>
<td>Pepper Pike</td>
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<td>06 Emerald Village</td>
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<td>06 Cleveland Cavaliers Practice Facility</td>
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<td>06 Preston Place</td>
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<td>07 Cleveland Clinic Carnegie 89th Garage &amp; Service Center</td>
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<tr>
<td>07 Science Park Cleveland Buildings 1 &amp; 3</td>
<td>34,590,000</td>
<td>Beachwood</td>
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<td>07 Science Park Cleveland Buildings 2, 4 &amp; 5</td>
<td>45,700,000</td>
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<td>08 Laurel School II (Refinance &amp; New Construction)</td>
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<td>10 Independence Research Park, LLC</td>
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<td>10 Oriana Services, Inc.</td>
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<td>11 Medical Center Company</td>
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<td>11 Optima-Sage Downtown Cleveland Hotel</td>
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<td>11 St. John Medical Center</td>
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<td>12 Magnificat High School</td>
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<td>Rocky River</td>
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**Conduit & Bond Fund Grand Totals**

$1,065,050,000 $1,720,582,000
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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