

Clinton County Port Authority
Thursday, November 14, 2019
9 a.m. Wilmington Air Park

Present: Walt Rowsey, Beth Ellis, Larry Laake, Renee LaPine, John Settlemyre, Brian Smith

Staff Present: Dan Evers, Kelly Greene, Beth Huber

Chairman Rowsey called the meeting to order at 9:04 a.m.

Mr. Laake made a motion to excuse Mr. West. Mr. Settlemyre seconded. A roll call vote resulted in "Yes" votes from Mr. Rowsey, Ms. Ellis, Mr. Laake, Ms. LaPine, Mr. Settlemyre and Mr. Smith. The motion passed unanimously.

Ms. Ellis made a motion to approve the Agenda for the November 14, 2019, Board of Directors meeting. Ms. LaPine seconded. A roll call vote resulted in "Yes" votes from Mr. Rowsey, Ms. Ellis, Mr. Laake, Ms. LaPine, Mr. Settlemyre and Mr. Smith. The motion passed unanimously.

After reviewing the Minutes of the previous meeting, Ms. Ellis made a motion to approve the Minutes of the October 17, 2019, meeting, as presented. Mr. Laake seconded. A roll call vote resulted in "Yes" votes from Mr. Rowsey, Ms. Ellis, Mr. Laake, Ms. LaPine, Mr. Settlemyre and Mr. Smith. The motion passed unanimously.

Chairman's Report

Chairman Rowsey welcomed everyone to the November 2019 Board Meeting of the Clinton County Port Authority.

Secretary/Fiscal Officer Report

Mr. Laake noted that no Finance Committee was held this month. He presented the copy of the bills for review. The bill to DBT was for the RVR purchase, and two months of LGSTX bills were paid in October.

Resolution 2019-11-01

A resolution authorizing payment of accounts for bills and credit card charges submitted in the month of October 2019.

Mr. Settlemyre made a motion to approve the resolution as presented. Mr. Smith seconded. A roll call vote resulted in "Yes" votes from Mr. Rowsey, Ms. Ellis, Mr. Laake, Ms. LaPine, Mr. Settlemyre and Mr. Smith. The motion passed unanimously.

Old Business

Mr. Evers reported that there was no Old Business for consideration.

New Business

Resolution 2019-11-02

A resolution authorizing an annual agreement to offer subsidized health insurance to employees of the Clinton County Port Authority.

Mr. Evers said the Port Authority has offered health insurance to its employees since 2016 and has subsidized a portion of each employee's premium costs. The current insurance coverage expires on November 30, 2019. Accordingly, coverage will need to be selected prior to the next meeting. Staff is in the process of reviewing proposals from multiple providers. While Staff has seen and heard of year-to-year increases in coverage for other organizations of up to 20 percent it is believed that the maximum increase in the health care plan cost will be not more than 12 percent Total cost of insurance will increase, however, as a result of the increase in staff electing coverage. The proposed resolution authorizes the Executive Director to determine the most appropriate vendor and plan and execute all agreements necessary to secure health insurance coverage for the coverage year December 1, 2019, through November 30, 2020, and to continue to provide a subsidy consistent with past practice. It is staff's recommendation that the resolution be approved.

Chairman Rowsey asked if a provider had been selected. Mr. Evers indicated that, at present, one had not been selected. Ms. Ellis confirmed that the increase in the individual plan cost was estimated to be 12 percent, but that overall costs would increase due to more employees. Mr. Settlemyre asked how many years we had been with our current carrier. Mr. Evers replied that we were completing our third year. Mr. Smith added that it is important to understand which providers are in the network when considering switching plans. He added that 12 percent has been common in the industry this year. Mr. Evers said that the availability of local, in-network providers was important, not only for the employees who might need to switch if they were not, but also to the employer for the time it takes the employee to get care.

Mr. Smith made a motion to approve the resolution as presented. Ms. LaPine seconded. A roll call vote resulted in "Yes" votes from Mr. Rowsey, Ms. Ellis, Mr. Laake, Ms. LaPine, Mr. Settlemyre and Mr. Smith. The motion passed unanimously.

Resolution 2019-11-03

A resolution amending Resolution 2019-09-04 to increase the authorized purchase of snow and ice treatment chemicals, from time to time, to an aggregate amount not to exceed \$400,000 for the 2019-2020 winter season.

Mr. Evers said that the Board, at its September meeting, approved purchases of winter chemicals (sodium formate and potassium acetate for the airport surfaces, and rock salt for the parking lots) at an amount not to exceed \$75,000. This allowed for the purchase of one load of each type of chemical. As staff noted at that time, it was anticipated that additional authorization to purchase winter chemicals would be forthcoming. As winter is upon us and considering the increased air operations, additional reserve is both necessary and appropriate. This resolution authorizes the purchase of additional chemicals for winter operations, as necessary, to ensure efficient operations and the safety of the air operations and non-aviation parking areas. Staff recommends approval of this resolution.

Mr. Laake noted that it is important to emphasize the measurement metrics for use of these chemicals. Mr. Evers agreed, and said that LGSTX has worked to create a process and system for tracking labor and materials. With 24x7 operations on the airfield, they have put a tracking plan in place for their benefit as well as the Port Authority's. Mr. Steve Vibbard, with LGSTX, said they have been able, so far, to keep the airport clean without use of chemicals, but that they have established a snow desk, allowing LGSTX employees to call in to the desk and note a location and volume of

chemical used so that it can be tracked as the trucks move from location to location. Mr. Settlemyre asked if this process and rebilling will add to the bottom-line costs. Mr. Evers said the new process does not substantially alter the billing process. With the added operations, areas that were not plowed and treated last year will be this year, and that will add, incrementally, to the overall costs.

Chairmen Rowsey asked if we ran the risk of purchasing too much chemical. Mr. Evers indicated that this process offers the Staff the ability to replenish supplies in real time, and order on an as-needed basis.

Mr. Vibbard added that the newly acquired snow equipment worked well in the recent snow event and thanked the Board for those purchases.

Ms. Ellis made a motion to approve the resolution as presented. Mr. Settlemyre seconded. A roll call vote resulted in "Yes" votes from Mr. Rowsey, Ms. Ellis, Mr. Laake, Ms. LaPine, Mr. Settlemyre and Mr. Smith. The motion passed unanimously.

Resolution 2019-11-04

A resolution authorizing the retention of legal counsel.

Mr. Evers said that the Board has before it a resolution to continue its engagement of Vorys, Sater, Seymour and Pease LLP as legal counsel to the Clinton County Port Authority. The terms and fee schedule are consistent with the current engagement agreement and historical practice. Vorys agrees to "cap" its fees at the current rate for on-going, "standard" legal services provided by the firm. This cap, as noted in the proposed engagement letter, does not extend to matters such as real estate valuation representation/disputes (of which we have had limited activity, in 2019, and anticipate little in 2020), nor recovery action associated with aircraft storage agreements. Similarly, individual special projects of a complex and on-going nature are exempted from the cap. Projects of these types, should they present themselves during 2020, would be reviewed with Vorys in advance, to determine the most appropriate manner of billing and/or classification.

It is staff's firm belief that the CCPA is incredibly well-served by the expertise, accessibility, and professionalism Vorys brings to this engagement. The institutional knowledge of the firm, having been at the organization's side since the negotiation of the donation, is irreplaceable.

Mr. Laake noted that this was not an amendment, but a new agreement. He asked how long the firm had represented the Port Authority. Mr. Aaron Berke, of Vorys, advised that the firm has represented the Port Authority since its incorporation in 2004. The current fee structure has been in place since the donation, in 2010.

Ms. Ellis made a motion to approve the resolution as presented. Mr. Settlemyre seconded. A roll call vote resulted in "Yes" votes from Mr. Rowsey, Ms. Ellis, Mr. Laake, Ms. LaPine, Mr. Settlemyre and Mr. Smith. The motion passed unanimously.

Resolution 2019-11-05

A resolution authorizing an eighth amendment to an agreement with Jones Lang LaSalle Americas, Inc. to represent and exclusively list the Wilmington Air Park property.

Mr. Evers said the Board has before it a proposed eighth amendment to the initial listing agreement between the CCPA and JLL. This amendment extends the terms and obligations of the original 2012 agreement, through December 31, 2020. One proposed revision to the agreement would modify the commission rate associated with land leases, compensation from “6 percent of the base rent for years 1 -5 and 3 percent of the base rent from years 6 – 10, and 1.5 percent for years 11 – 20,” to “the greater of (i) 6 percent of the Net Present Value of the Base Rent (using a 6% discount rate) for the entire lease term, or (ii) \$250/acre/yr. for years 1 – 20.” This proposed revision reflects the changing dynamics of our real estate opportunities at the Air Park, and our recent experience with the role and volume of work that JLL would undertake in the successful negotiation of a land lease. The fiscal impact to the CCPA, relative to the total value of a transaction of this nature, is not a significant detriment.

It should be noted that the listing agreement identifies transactions for which JLL receives a reduced commission fee. This agreement also affords the CCPA the opportunity to make “installment payments” on a commission fee due for larger-scale transactions. These features remain intact, in this extension. The installment agreement is atypical for commercial/industrial agreements. During 2019, leases for approximately 290,000 SF of space at the Wilmington Air Park were successfully negotiated.

It is staff’s belief that the CCPA derives significant benefit from the JLL engagement. There is a vast depth of institutional knowledge, as JLL was part of the initial redevelopment study undertaken by the CCPA subsequent to the donation. The Port Authority receives significant market intelligence and collaboration in the development of marketing strategies that extends beyond the marketing of our real estate, as well as direct assistance in research – pertaining to our properties, labor force, and other arenas relevant to large- and small-scale economic development efforts. We are not charged, by JLL, for any of these activities or services rendered. Accordingly, it is staff’s recommendation that the extension be authorized.

Mr. Evers confirmed that this is an annual agreement. Chairman Rowsey asked if the land lease change represented a dramatic change in compensation and asked if he could have an example. Mr. Evers explained that in the initial agreement, land leases were not really anticipated. Airports are generally limited (by the FAA) to 50-year land leases. For 100,000 SF building on 12 acres, the difference would be under \$22,000.

Mr. Settlemyre asked if space was easier to lease now that the market is tighter. Mr. David Lotterer of JLL agreed that it was. He continued, noting that active discussions are ongoing with possible third-party partners. He added, that if there was space available, the Port Authority could be leasing it.

Mr. Evers said that in his experience, in other markets, the support the Port Authority gets from JLL is unique. A small brokerage firm would run out of bandwidth, but the depth and breadth of the JLL team continues to allow new and varied opportunities to share the story and capabilities of the Wilmington Air Park.

Mr. Lotterer thanked the Board for the opportunity he has had. He remarked that it is rewarding to see the parking lot full, and to see the aircraft traffic. Mr. Settlemyre asked what his vision was for

the next 12 months. Mr. Lotterer replied that the challenge will be in putting deals together because is it not just renting space now. It will involve more moving pieces and will require each group to respond quickly. That is why building the relationships with the developers now will be important. It will be important, he said, to get a catalyst project initiated. Then, the second project will be easier. Additional space could be built with the first project, depending on what it was, so that small tenants could move in quickly.

Mr. Laake made a motion to approve the resolution as presented. Mr. Settlemyre seconded. A roll call vote resulted in “Yes” votes from Mr. Rowsey, Ms. Ellis, Mr. Laake, Ms. LaPine, Mr. Settlemyre and Mr. Smith. The motion passed unanimously.

Resolution 2019-11-06

A resolution authorizing a lease agreement with LGSTX Services, Inc. for certain real property adjacent to Building 2061.

Mr. Evers said staff has been working with LGSTX Services, Inc., as well as other entities within the ATSG group of companies, with respect to a proposed modification to space within Building 2061 (the Administration Building). The proposed modifications would enhance operations and training opportunities for ATSG companies. The proposed modifications will require both demolition and reconstruction of portions of the facility, as well as the lease of space – facility and land – adjacent to Building 2061. This proposed resolution authorizes a lease agreement for space needed for this project, and designates LGSTX, Services, Inc. as the Port Authority’s construction agent for the requisite improvements. This designation will enable ATSG and/or its related companies to realize sales tax savings on construction materials associated with this project. It is staff’s recommendation that the resolution be adopted.

Ms. Ellis asked if this is resolution addressed both the anticipated construction and the lease of space. Mr. Evers confirmed that it did. ATSG has designated LGSTX as its agent for matters dealing with the Master Lease (current Simulator space that is being modified) and for leasing the new space (building space and ground space); as well as designated LGSTX its construction agent. This arrangement is similar to the Hangar Construction in 2012-2014 and the Amazon early access agreement. Chairman Rowsey asked if the new equipment was on site yet. Mr. Evers said it was not.

Mr. Smith made a motion to approve the resolution as presented. Mr. Settlemyre seconded. A roll call vote resulted in “Yes” votes from Mr. Rowsey, Ms. Ellis, Mr. Laake, Ms. LaPine, Mr. Settlemyre and Mr. Smith. The motion passed unanimously.

Resolution 2019-11-07

A resolution authorizing an agreement with Woodhull, LLC for the lease of a multifunction machine.

Mr. Evers said the current copier/scanner/printer utilized by the CCPA is leased equipment. The term of the current lease has expired, and Staff has reviewed proposals from multiple vendors for a similar piece of equipment, selecting a proposal from Woodhull, LLC. While the anticipated annual cost of any of the proposed leases – estimated at not more than \$256 per month – is within the purchase authority of the Executive Director, Staff felt it appropriate to present this to the Board, as the proposed term of the lease is anticipated to be 60 months. The proposed resolution authorizes the lease and enables the Executive Director to execute all documents necessary to effect the equipment lease. Staff recommends approval of this resolution.

Mr. Laake asked if the new machine would increase functionality. Mr. Evers confirmed that it would afford cloud capabilities and would be slightly faster. Chairman Rowsey asked if there was a maximum number of copies allowed per month. Mr. Evers said that the lease was based on the average usage over the life of the last lease and included that number of images in color and black-and-white. Additional copies, over the monthly average, would be billed at a contracted rate.

Mr. Settlemyre made a motion to approve the resolution as presented. Ms. LaPine seconded. A roll call vote resulted in “Yes” votes from Mr. Rowsey, Ms. Ellis, Mr. Laake, Ms. LaPine, Mr. Settlemyre and Mr. Smith. The motion passed unanimously.

Resolution 2019-11-08

A resolution determining that three vehicles and miscellaneous equipment parts have no value to the Port Authority and that there is no readily available market or resale value for these items.

Mr. Evers said that Staff and LGSTX work to ensure that the Air Park is maintained at the highest level practical – both inside and outside the fence. As part of this effort, excess personal property is identified, from time to time. It is both beneficial and appropriate to remove these potential liabilities when they are identified and determined to have no value to the CCPA and for which there is no market. Three vehicles, received in conjunction with the donation of the Air Park, have been identified and determined to have neither value nor a market value. Accordingly, it is staff’s desire to remove these “attractive nuisances” from the Air Park. The proposed resolution authorizes the Executive Director to dispose of these vehicles. It is staff’s recommendation that the proposed resolution be approved.

Responding to questions, Mr. Evers said that this did not include the busses and that only two of the three vehicles had titles. He confirmed that the proper precautions would be taken to ensure proper disposal of the vehicles and equipment allowing the Port Authority to be clear of any subsequent obligation.

Ms. Ellis made a motion to approve the resolution as presented. Ms. LaPine seconded. A roll call vote resulted in “Yes” votes from Mr. Rowsey, Ms. Ellis, Mr. Laake, Ms. LaPine, Mr. Settlemyre and Mr. Smith. The motion passed unanimously.

Resolution 2019-11-09

A resolution authorizing the repair of electric lines to Building K.

Mr. Evers said the Air Park’s infrastructure, in multiple locations, dates back decades – in some instances, to the era of the Army Air Corps’ ownership of this asset. As a result, significant time and resources are devoted to the maintenance and repair of elements of that infrastructure. Inevitably, however, certain infrastructure assets reach the end of their effective life. Such a circumstance has occurred with the high voltage lines that feed Building K. The lines have failed, due to age, and cannot be repaired – replacement is required and necessary. LGSTX has solicited two quotes from firms qualified to perform this work. The quotes are comparable in price and scope; staff is evaluating both proposals and anticipate selecting a vendor in short order.

The proposed resolution authorizes the Executive Director to select a contractor, negotiate, and execute all necessary agreements and paperwork. Staff estimates that the total cost of this project –

including coordination by LGSTX personnel – will not exceed \$115,000. Staff recommends approval of the proposed resolution.

Mr. Laake asked if power was still out in Building K. Mr. Evers confirmed that it was, and that LGSTX was working to ensure the sprinkler system stayed operational. Responding to additional questions, Mr. Evers said that the building is not sub-metered for electric; that there were perhaps 1,000 feet of line that needed replaced, to get electric to the building. As the building is currently leased, and generating revenue, completing this work is prudent and cost-effective in the long run. Two tenants are interested in the space, if it were to become available, and that rent could return our investment in nine months or so.

Chairman Rowsey asked if there were other areas that we should review based on this failure. Mr. Evers agreed that there were, and working with LGSTX, staff is doing that, and has been for the past 18 months or so. Some areas were addressed in the construction earlier this year when Buildings B and C were taken down. Mr. Evers added that with the history of the Air Park being a one-owner/one-operator facility, daisy-chaining utilities from building to building was common. Mr. Laake asked if DPL was involved. Mr. Evers said that its help would be welcomed, however they usually do not get involved past the meter.

Mr. Laake made a motion to approve the resolution as presented. Ms. Ellis seconded. A roll call vote resulted in “Yes” votes from Mr. Rowsey, Ms. Ellis, Mr. Laake, Ms. LaPine, Mr. Settlemyre and Mr. Smith. The motion passed unanimously.

Review of actions taken since the last meeting (per CCPA bylaws)

Mr. Evers Reported that there were no actions to bring to the Board since the last meeting.

Updates

Mr. Evers then asked Mr. Lotterer for his update. Mr. Lotterer first wanted to thank the Board for the opportunity to work with the Port Authority for another year. He said he was honored by their confidence.

He continued, saying that they are working diligently to determine the development scenario that makes the most sense from a financial standpoint and aligns with the Port Authority’s philosophy. He is continuing to work on opportunities for the spaces that are left on the Air Park and to pursue new opportunities.

Badge Office Update

Mr. Evers presented some Badge Office data to the Board:

- In the last four weeks, the Badge Office has issued 393 Badges to seven entities
- The majority of those have been issued to Amazon
- Since the June migration to Log Level, the Badge Office has issued 2,030 badges

- Amazon NHO events continue three times a week, requiring coordination with the Adobe Contact (Amazon is not converted to Log Level yet), printing badges, and attending the events to confirm training is complete and to issue badges in real time. Mr. Evers noted that Ms. Greene and Ms. Huber are devoting significant time, outside traditional working hours, to provide this service, and expressed his gratitude.

Mr. Evers thanked Ms. Greene for her continued work and noted that she also is working as a connection between the Port Authority and Security.

Ms. Huber then reviewed Meetings/Calls/Visits and Events Attended since the last Meeting, including:

Meetings and Visits

Local Business R&E call – potential expansion

Consortium Meeting – IT for multiple projects.

Spectrum Meeting

Air Side Facility Discussion – Amazon, City of Wilmington, LGSTX

Service Master/Diverse – Construction vendors meetings, multiple projects

Candidate interviews/Community Visit

Amazon meetings (deice, catch up, etc.)

ATI Sim meeting

Atlas – lease space review

DDC Talent Forum discussion with Dessie Rogers (Chamber) and Taylor Stuckert (RPC)

LogLevel meeting – Amazon

Copier meetings

Project review – JLL

Meeting with representatives of a new development project and LGSTX, re: 7460 permit issues

Clinton County Building & Zoning Department – Project discussion

Attended

Lunch & Learn – Chamber

NHO at Amazon

ATI Lunch – 40th anniversary

Zoom Prospector (facility database) webinar

Rotary District Conference Planning

Rotary Presentation

Hillsboro Rotary

Chamber Economic Alliance – Historical Society

Economic Round Table meeting

New WPD Chief Reception

Rotary Membership meeting

Dictionaries & thesaurus distribution with Rotary

Calls and Projects

Capstone Mentor Work

Vorys Call
PDAC Applications Submitted
JLL Calls
Form Fire – Insurance Renewals
Spackle & Patch Schuerger (Escorting)
Insurance Docs (CORSA renewal)
Scott here – IT Upgrades
Governors’ Cup submissions
Vendor calls – community Branding

Chairman Rowsey then opened the floor for public comment.

Public Comment

No one had any comments for the Public Comment section.

Executive Session

Hearing no requests for public comment, Mr. Smith made a motion that the Board move into Executive Session to discuss matters contemplated by Ohio Revised Code Section 121.22 (G) (1) employment matters, hiring and 4582.58(C). Mr. Settlemire seconded. A roll call vote resulted in “Yes” votes from Mr. Rowsey, Ms. Ellis, Mr. Laake, Ms. LaPine, Mr. Settlemire and Mr. Smith. The motion passed unanimously.

The Board entered Executive Session at 10:12 a.m.

Mr. Settlemire made a motion that the Board exit Executive Session at 12:15 p.m. Mr. Laake seconded. All voted in favor, responding with “Aye”. The motion passed unanimously.

Mr. Smith made a motion to adjourn the November 14, 2019, Board of Director’s meeting of the Clinton County Port Authority. Mr. Settlemire seconded. All voted in favor, responding with “Aye”. The motion passed unanimously.

The November 14, 2019, Board meeting was adjourned at 12:15 p.m.

The next meeting is set for December 12, 2019.