

**Lorain Port and Finance Authority
Board of Directors
Contract Management Committee Meeting
Port Office
Tuesday, October 11, 2022, at 6:00 p.m.**

Committee Members: Ms. Kiraly; Messrs. Nielsen, Veard and Zellers (4)

Board of Directors: Messrs. Mullins and Scott

Staff: Tom Brown, Executive Director
Tiffany McClelland, Assistant Director
Yvonne Smith, Accountant
Kelsey Leyva-Smith, Office Manager

Guests: None

I. Roll Call

- A. The meeting was called to order at 6:10 p.m. by Contract Management Committee Chairman Jeff Zellers with roll call indicating a quorum present.

II. Report of Chairman

1. Riverside Building Lease: Mr. Zellers suggested starting the meeting with the Riverside Building discussion as Mr. Chris Haynes hadn't arrived. Mr. Brown said the committee heard proposals earlier this year and liked the Neal's proposal for a slushie bar and picnic area. He's been working on a tentative lease and had Mr. Mike Brosky review it. It was sent to board leadership and Mr. Neal for review. Mr. Brown said he wanted to bring the lease to committee tonight for any additional input, likes and/or dislikes. On the rate, in order to come up with a logical construction rate, we came up with a measurement using aerial imaging, of about 1,200 square feet for the building. We landed on \$3 per square foot, and after construction would be \$10 per square foot. Mr. Zellers asked if this was going to be reviewed by our insurance? Mr. Brown said yes, and the city will need to sign off, too. Mr. Zellers asked if occupancy would be required by July 1? Mr. Nielsen said it's an arbitrary date, but he worries that if we don't set a date Mr. Neal may procrastinate on opening. It's to make sure the project is completed in a timely manner. Mr.

Zellers asked about the construction plan? Mr. Brown said the design isn't as elaborate as initially presented, and he would share that with the board. Mr. Scott asked about a way to get out of the lease if he doesn't meet the deadline? Mr. Brown said we can include that. Mr. Scott said we'd want to be able to get out of the lease if Mr. Neal can't get a liquor license. He clarified Mr. Neal was representing an LLC. Mr. Nielsen said yes. He added that he wants the lease to be nontransferable. Mr. Scott said we need to know who is part of the LLC. Mr. Mullins asked if this project had investors or if banks were involved? Mr. Brown said Mr. Brosky sent Mr. Neal a questionnaire and he confirmed there was no bank financing involved. Mr. Mullins said he thinks we may want to allow subleasing but have the first right of refusal. Mr. Scott said we need a balance of flexibility and control. That's where Mr. Brosky comes in. He said we don't want Mr. Neal to be able to leave the LLC and put someone else in charge. We don't want him to sell the LLC. Mr. Brown said we'll need to make a few tweaks before it's ready for board approval. Ms. Kiraly asked about the purpose of the proposed business? Mr. Brown said it would be a slushie bar and restaurant with docks.

- 2. Marketing and Content Presentation by Chris Haynes:** Mr. Brown said we've reached the end of our lease with Mr. Haynes. He provides us social media content and manages the pages for us. Mr. Haynes asked for a slight increase and was going to give a presentation tonight but hasn't arrived. We did a three-month trial period with him and are happy. We added an extra month and have talked about expansion. His content is very professional. The website needs another update and freshening up. Mr. Mullins asked what Mr. Haynes is requesting? Mr. Brown said Mr. Haynes asked to be an employee and we're not quite at that point. He also asked for \$2,000 a month, which is what led to the idea of giving a presentation to the board. We currently pay him \$1,000 a month. Mr. Nielsen said he could never be an employee. Mr. Brown said when Mr. Haynes asked about being an employee, Mr. Brown suggested that he instead make a proposal about increased marketing content. Mr. Mullins asked if he was a Lorain guy? Mr. Brown said no, he

owned the Erie Shores Rentals and Detailing. Ms. Kiraly said she understands what he does as far as marketing, but do we have an idea of what he's going to do more than before? Mr. Brown said it was a full expansion, but he was relying on Mr. Haynes to explain that tonight. Mr. Mullins said Ms. Kiraly is looking for what the return on investment is. Ms. McClelland said to start, Mr. Haynes quoted \$1,500. We pushed back and said what can we get for \$1,000. He's actually giving us more than the \$1,000 covers. Mr. Scott asked how this will tie into fundraising for the stage? Mr. Brown said it can, and Mr. Haynes was supposed to talk about that tonight. Mr. Mullins said his company hires a marketing guy for \$1,000 a month. Our likes and followers have increased sizably, but Mr. Mullins said \$2,000 is a lot of money for us. He thinks there is value in what Mr. Haynes does. Mr. Nielsen asked if Mr. Haynes works on our website? Ms. McClelland said no, currently he only does social media. Ms. Kiraly said website traffic has to be purposeful. Mr. Mullins said Mr. Haynes' videos are great, but we need fresh content on the website, too. It's vital for our growth. Mr. Brown said we're presently happy and impressed with his work. It was up to him to be here tonight. We wanted him to make suggestions for the website. We would be able to extend to November. Mr. Nielsen said what's the number we want? Mr. Mullins, Nielsen and Brown agreed on \$1,500 being the ceiling. If there's no objections, we'll get another month with him. If he won't present, we'll part ways. Ms. Kiraly said with the rebrand of our organization, in terms of program fliers, brochures and handouts, is that something Mr. Haynes can update or that we already have? Ms. McClelland said the logo and letterhead was updated when we changed our name and matches on all our materials. Ms. Kiraly asked if there was a specific branding strategy? Ms. McClelland said no. Mr. Mullins said we have objectives, like BRL, but there's not exactly an established strategy. Mr. Nielsen said that might involve hiring a company like Maximum Velocity. Mr. Brown said going back to our strategic plan, we added finance to our name so people know we're out in the field and don't just associate us with concerts and fireworks. Ms. McClelland said the

website was designed intentionally keeping concerts off the front page so people think of shipping and finance. Ms. Kiraly said she was also referring to having a set color scheme and a few logo versions to keep content fresh. Mr. Mullins said Mr. Haynes might not be the guy for that exactly and would more so be for a company like the one Mr. Nielsen mentioned. Unfortunately, they're not cheap, but the strategic committee could decide that's a good step forward. Mr. Scott said if we're going to market a stage, where is our strategic planning and how does that become a part of it? Although we offer financing and it's important, that isn't what is going to fund the stage. Mr. Mullins said we could use a landing page for the stage. Ms. McClelland agreed. Mrs. Leyva-Smith said she can have the landing page live on our website tomorrow. Mr. Zellers said getting back to Mr. Haynes contract, we'll likely want a joint marketing and contract committee meeting scheduled for him to present if he's willing. He wants to know what we get today and what we'll be getting additionally. Mr. Brown will use his discretion to extend the contract with Mr. Haynes until November.

- 3. Riverside Park Building continued:** The committee then switched back to the Riverside Building discussion. Mr. Brosky arrived at 6:47 p.m. and Mr. Brown asked if liquor license and occupancy permit needed to be tied together? Mr. Brosky said we can, but his suggestion was they either pay their rent or they don't. We can put it in but he's not sure if we need to. Mr. Scott said we want to keep control of the lease and know who's operating as far as the LLC. We want control of who's operating. If they can't get the liquor license, do we have the option to go elsewhere? Mr. Brosky said right now with how the lease is written, if Mr. Neal pays his rent on time, we would not be able to get out of it. He added we would need to find out who the LLC partners are and work from there. Mr. Scott said this sounds like a great idea to attract boaters, but we want control if things get out of hand. Mr. Brosky said you can put something in the agreement, but it would be difficult. The language would have to be very particular to the issues we're trying to address. Mr. Mullins confirmed with Mr. Brosky breaking the law could be considered a breach of

the contract. Mr. Brown said in the questionnaire, Mr. Neal said tentatively the lease name will be Jack Riverside, LLC, current budget is \$80,000-100,000 depending on independent contractors, supply costs and allowed renovations, timeframe for project is under 12 months pending signed lease and accepted bid with general contractors. They want to open the summer of 2023. They're seeking a minimum 10-year lease, renewable every 5 years, as long as both sides agree on the terms. Mr. Brosky said it was written as a 5-year lease. Mr. Mullins asked if the rent increased by a percentage over the five years or if it was a fixed rate? Mr. Brown said we can add that in. Mr. Mullins thinks we should. Mr. Brosky said right now, the only rent acceleration was after construction. Mr. Mullins asked if Mr. Neal's group has permission to place docks? Mr. Brown said he let them know they would need to contact US Coast Guard and US Army Corps of Engineers. There is some dockage there, they want to bring back the finger piers, and those were approved previously. Mrs. Leyva-Smith said the kayak launch was recently approved at that location, too. Mr. Nielsen confirmed Mr. Neal would be responsible for the docks? Mr. Brown said yes. There is one remaining that could be repaired. Mr. Scott asked if they would be serving food? Mr. Brown said that is the goal. They want to add a small kitchen and walk-in cooler. One area that can't be used is the easement area for ODOT to access the bridge. Mr. Scott said if there are any changes to the lease agreement, he wants us to have the ability to approve them. Mr. Brosky said we can add in that they would be in default if they don't tell us about changes to the building. Mr. Scott said it's not that we wouldn't approve it if they wanted to change ownership, but we want the ability to if needed. Mr. Mullins said he wants an escalation after year two. Mr. Brown said he would follow-up with an email to Mr. Brosky.

III. Other Business

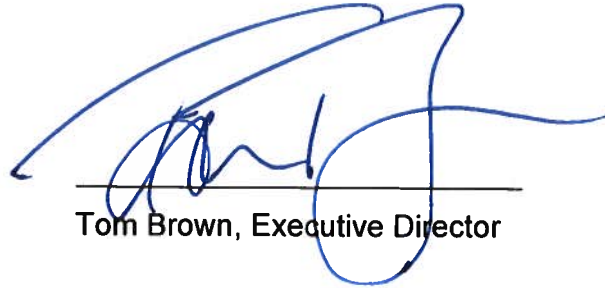
A. None.

IV. Adjournment

A. There being no further business to come before the committee, Mr. Nielsen moved to adjourn. Ms. Kiraly seconded. Meeting adjourned at 7:01 p.m.



Jeff Zellers, Chairman



Tom Brown, Executive Director