

PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY
January 15, 2009
7:30 AM, 3CDC Conference Room, Suite 1440

I. CALL TO ORDER

Mr. Rouse called the Port of Greater Cincinnati Development Authority Board of Directors meeting to order at 7:31 a.m.

BOARD MEMBERS PRESENT:

Bailey, Clifford
Budig, Otto
George, Louis
Hull, Betty
Muller, Paul
Rouse, Jack
Siebenburgen, David
Zimmer, Joe

EXCUSED:

Johnson-JioDucci, J.J.
Love, Steve
Otto, Charlotte

STAFF:

Karimi, Marjorie
Robb, Deborah
Russell, Christine
Satzger, Kim
Schafer, Ray
Thomas, Susan

GUESTS:

Bomberger, Jeff – Squire, Sanders & Dempsey LLP
Engel, Mark – Bricker & Eckler, LLP
Phillips, Bonnie – City of Cincinnati

II. APPROVAL OF MINUTES

Motion: Mr. Budig made a motion to adopt the minutes of the November 20, 2008 Board meeting. The motion was seconded by Mr. Bailey. The motion was approved unanimously.

Motion: Mr. George made the following motion pursuant to Ohio Revised Code Section 121.22 G, to adjourn the meeting of the Board of Directors of the Port of Greater Cincinnati Development Authority to go into executive session for the following purposes: (I) to consider, pursuant to division (G)(1) of that section, the appointment, employment, dismissal, discipline, promotion,

demotion, and/or compensation of public employee(s), and (II) for a conference, pursuant to division (G)(3) of that section, with attorneys representing the Port Authority concerning disputes involving the Port Authority that are the subject of imminent court action. Upon the conclusion of the executive session, the Board will reconvene its meeting of the Board of Directors. Mr. Budig seconded the motion. The motion was approved unanimously by roll call vote.

The Board adjourned into executive session at 7:33 a.m. The Board came out of executive session at 8:18 a.m.

III. **BROWNFIELD PROJECTS UPDATE**

Ms. Russell provided the Board with the following brownfield projects update.

5025 Carthage Avenue, Norwood, OH (Linden Pointe) – Remediation of this site was completed in August 2007. The No Further Action Letter (NFA) was submitted at the end of April 2008. Comments were received from the Ohio Environmental Protection Agency (OEPA) during the summer of 2008, and the Port Authority replied to those comments in September 2008. Additional comments were received from OEPA in November 2008, and the Port Authority is currently working to address the latest round of comments.

Mr. Budig asked if the latest round of comments were simply challenging some aspects of the remediation.

Ms. Russell replied that the issue of the comments dealt with verification sampling to demonstrate that the clean-up is complete. The Port Authority expects that additional sampling will be required to satisfy the OEPA.

Mr. Budig asked if there were any concerns about replying to the comments to the satisfaction of the OEPA.

Ms. Russell replied that the developer fully understands that additional sampling is required and the Port Authority is working very closely not only with the developer, but also with Mr. Mark Norman at Vorys, Sater, Seymour, & Pease (Port Authority's environmental counsel).

Ms. Russell went on to report that more information should be forthcoming at the next Board meeting concerning the path forward on this project.

320 South Anthony Wayne Avenue, Lockland, OH (Hamilton County Regional Business Park) – The final demolition and infrastructure work is currently being performed by Evans Landscaping with significant work being done by a Women Business Enterprise (WBE), the Armrel Byrnes Company. This work includes removing remaining slabs of concrete foundation, placing backfill, and then installing storm sewers and sanitary/water lines. This is the last scope of work for this project, and the work is very close to being complete. The NFA has been drafted; a technical assistance meeting with the OEPA took place earlier this week to review the NFA and ensure that there were no outstanding questions that had not been addressed; and the NFA will be submitted on the heels of the completion of field work.

4101 Spring Grove Avenue, Cincinnati, OH (American Can Building) – During the past year, the Port Authority and the American Can Building, LLC have been working with OEPA and the U.S. Environmental Protection Agency (U.S. EPA) to develop a new clean-up plan for this project. A Request for Qualifications and Proposal (RFQP) for Certified Professional Services was issued

on December 18, 2008 to hire an environmental consultant and certified professional to implement the new technical approach. The Port Authority received five proposals and Ms. Russell is in the process of reviewing these proposals. American Can Building, LLC is very anxious to get the RFQ awarded and have physical work start as soon as possible.

Mr. Budig requested confirmation that American Can Building, LLC was satisfied that the new clean-up plan approved by the OEPA was reasonable.

Ms. Russell replied in the affirmative.

Ms. Russell stated that there was a motion before the Board today requesting authorization for the Port Authority to enter into a contract with the selected environmental consultant/certified professional.

Ms. Satzger reported to the Board that typically the Port Authority staff comes to the Board with this type of request after a selection has already been made. The Board is being asked today to grant Ms. Satzger permission to make the selection on behalf of the Port Authority in consultation with the Board Chair, Mr. Rouse. The reason behind the request is that American Can Building, LLC is very anxious to get started prior to the next Board meeting in February 2009.

Motion: Mr. Budig made a motion to adopt the resolution authorizing the Port of Greater Cincinnati Development Authority to enter into a contract for Clean Ohio Assistance Fund environmental services for the American Can Building project. Mr. Siebenburgen seconded the motion. The motion was approved unanimously.

Ms. Russell reported to the Board, and specifically to Mr. Budig, that the financing for this project was coming together. The financing package is extremely complex and includes a low interest loan through the State of Ohio.

Mr. Siebenburgen asked what the amount of the total financial package was.

Ms. Russell replied that she was not sure, but the entire development was a \$25 million project and includes the property in front of the American Can Building. As far as the American Can Building portion of the project goes, the developer has historic tax credits, new markets tax credits, and a low interest loan from the State of Ohio to fund the remaining clean-up work not covered by the Clean Ohio Assistance Fund (COAF) grant, along with some conventional financing.

Clean Ohio Assistance Fund (COAF) Application for 1220 Harrison Avenue, Cincinnati, OH (Harrison Terminal Building) – This is the COAF application that the Port Authority submitted last fall to perform a phase II assessment of this property. The Port Authority has learned that the application was approved by the State of Ohio Controlling Board. A draft grant agreement is expected within the next month with hopes of bringing a resolution before the Board at the February 2009 Board meeting to give the Port Authority approval to sign the grant agreement. The Board can also expect the property owner to be invited to the February Board meeting for introductions.

IV. FINANCING PROJECTS UPDATE

Ms. Thomas provided the Board with the following project financing update.

Queen City Square Tower, Cincinnati, Ohio – The Board approved final resolutions authorizing the financing of this project at the November 20, 2008 Board meeting. The financing closed on December 17, 2008. As previously discussed with the Board, the financing structure, including the refinancing of the 303 Broadway bonds, utilized \$64 million in Tax Increment Financing (TIF) bonds issued in two series, and \$259 million in lease bonds also issued in two series. The demolition, excavation, and earthwork have been completed at the tower site.

Ms. Robb added that a continuous concrete pour is scheduled for this weekend. The developer is planning to have media present and to block off the streets.

Mr. Muller remarked that it was ironic that the Queen City Square Tower is going to be taller than the Carew Tower, which was built during the Great Depression in around 1930.

Cincinnati Mills Mall, Forest Park and Fairfield, OH – On December 30, 2008, the Mills Limited Partnership sold its membership interest in Cincinnati Mills, L.L.C., the owner of Cincinnati Mills Mall, to Cincinnati Mall, L.L.C., an Ohio limited liability company.

Mr. George asked the name of the new owner.

Ms. Thomas replied that the owner would remain Cincinnati Mills, L.L.C. which is now owned by Cincinnati Mall, L.L.C.

V. ECONOMIC INCLUSION UPDATE

Ms. Robb provided the Board with the following economic inclusion update.

4000 Red Bank Road, Fairfax, OH (Red Bank Village) – The Police Substation is now complete. Regency Centers will be going out to bid on two of the retail lots, and plans on working with the Port Authority on inclusion efforts. Regency Center has pre-qualified five companies that will be bidding as the prime contractors on this project. The Port Authority will be in attendance to assist the pre-qualified bidders with economic inclusion efforts.

Mr. George asked if Wal-Mart was still going to be an anchor at Red Bank Village.

Ms. Robb replied yes.

Mr. Siebenburgen asked if there was any additional financial involvement for the Port Authority in this project, and whether the developer had elected to continue economic inclusion efforts regardless.

Ms. Robb replied that Regency Centers had elected to continue economic inclusion efforts even though the Port Authority financed portion of the project is nearly complete. She said that Regency Centers agreed to apply economic inclusion to the entire project – even the portions not assisted by the Port Authority. The only difference now is that the Port Authority will not be monitoring the economic inclusion results, as it only measures the outcome when public grant funds or public financing is provided through the Port Authority.

Galbraith Road at I-71, Sycamore Township, OH (Kenwood Towne Place) – The Port Authority continues to meet with Bear Creek Capital on a regular basis with regards to their economic inclusion efforts.

320 South Anthony Wayne Avenue, Lockland, OH (Hamilton County Regional Business Park) – The infrastructure work on this project continues, and the Port Authority continues to meet with the developer regularly to work on inclusion efforts. This project has a WBE performing site utility work.

Queen City Square Tower, Cincinnati, Ohio – The Port Authority is meeting with the developers on a monthly basis to acquire updates from the project team, which consists of Eagle Realty Group, Ellington Management Services, and Turner Construction. The Port Authority has also been performing site walks on this project. Outreach meetings have been conducted and another key stakeholder meeting is scheduled for early February 2009, which the Port Authority plans on attending. The key stakeholder meeting is primarily to discuss project updates and economic inclusion efforts with key community stakeholders.

Mr. George asked if the project was going in the direction Ms. Robb had hoped for in regard to economic inclusion efforts.

Ms. Robb replied yes.

Ms. Robb then reported the following to the Board in regard to economic inclusion monitoring. Starting with the “Projects in Process – With Kenwood” report, the only percentages that have changed are the Queen City Square II project. Last month this project had 17% Minority Business Enterprise (MBE) participation. This month the percentage has risen to 28%. This is due largely in part to the steel contract, which is a WBE/MBE contractor out of South Carolina. WBE participation on the Queen City Square II project was at 1% last month, up to 26% this month. Small Business Enterprise (SBE) participation was at 9% last month and is down to 1% this month due to the fact that the WBE/MBE steel contractor is not a SBE.

Mr. George asked of the 28%, how much was within the Cincinnati geographic area versus South Carolina.

Ms. Robb replied that \$20 million of the 28% was outside of Cincinnati.

Ms. Satzger reminded the Board that they had been briefed by the Eagle Realty Group at the beginning of the project that there would be difficulty with the Small Business Enterprise (SBE) component of this project since by definition SBE's have varying average annual sales receipts or number of employees per industry sector. As the size of the contracts may be large on this project, it may prove difficult to stay within the SBE standards.

Mr. George expressed his concern in regards to having money leave the area in order to maintain the Policy goals.

Ms. Satzger replied that, unfortunately, there was no M/WBE in the geographic area who could have performed the steel work.

Ms. Robb then reported that overall this report had 20% MBE, 19% WBE, and 7% SBE participation. Once again, these percentages are with the Kenwood Towne Place project. If Kenwood Towne Place is removed from the scenario, then the percentages change to 26% MBE, 25% WBE, and 7% SBE participation.

Mr. George asked for a reiteration of what the logic was behind showing economic inclusion results with the Kenwood Towne Place project inclusion efforts included and then without those efforts.

Ms. Robb replied that the Port Authority had been reporting “with Kenwood” and “without Kenwood” in order to reflect the impact one project had on previously strong inclusion results.

VI. CHAIRMAN’S REPORT

Mr. Rouse reported that the current version of the Port Authority’s Bylaws establish the Board meeting date as the first Thursday of the first full week of the month (except for July and August as the Board does not meet during those months). For 2008, for ease of reference, the Board made the decision to simply meet the third Thursday of the month.

Motion: Mr. Rouse made a motion for the 2009 Board meetings to be held on the third Thursday of month (except for July and August as the Board does not meet during those months). Mr. Budig seconded the motion. The motion was approved unanimously.

Mr. Rouse said that the next point for discussion is the election of officers. He said that per the Bylaws, each year we need to elect Board officers – Chair, Vice Chair, Secretary, and Assistant Secretaries.

Motion: Mr. Budig made the following motion. Pursuant to the Bylaws of the Port of Greater Cincinnati Development Authority, Article II, Sections 1 and 2, Mr. Rouse is hereby elected as Chairperson; Mr. Steve Love is hereby elected as Vice Chairperson, Ms. Kim Satzger is hereby elected as Secretary, and Mr. Ray Schafer and Ms. Deborah Robb are hereby elected Assistant Secretaries of the Port of Greater Cincinnati Development Authority for the term commencing January 1, 2009. Ms. Hull seconded the motion. The motion was approved unanimously.

VII. PRESIDENT’S REPORT

Mr. Schafer reported the following financial information to the Board.

Financial Report – The balance sheet reflects \$1,320,000 in cash. Approximately \$500,000 of the cash amount is from the Queen City Square II Bond closing in December. Revenues are higher than planned because the Queen City Square II project was not included the original budget. Expenses are within budget.

Ms. Satzger reported to the Board that their packets contain press on various projects, including an article on the fact that Ms. Robb had been given the Advocate of the Year award from the South Central Ohio Minority Supplier Development Council. Ms. Satzger said that the Port Authority is very proud of Ms. Robb, and her significant achievement.

Mr. Bailey added that the Advocate of the Year award is very prestigious and automatically puts Ms. Robb in competition for a National Advocate of the Year award.

VIII. ADJOURNMENT

Motion: Mr. Budig made a motion to adjourn the meeting. Mr. Siebenburgen seconded the motion. The motion was passed unanimously.

The meeting was adjourned at 8:38 a.m.

Respectfully,

Kimberly Satzger
Secretary