

**THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY**  
**BOARD MEETING MINUTES**  
**Thursday, March 10, 2005**  
**8:00 AM at the Port Authority Offices**

**I. CALL TO ORDER**

Jack Rouse called the Port of Greater Cincinnati Development Authority Board of Directors meeting to order at 8:00 a.m.

**BOARD MEMBERS PRESENT:**

Bailey, Clifford  
George, Lou  
Hale, Joe  
Hull, Betty  
Johnson-JioDucci, J.J.  
Kearney, Eric  
Love, Steve  
Muller, Paul  
Peraza, Robert  
Rouse, Jack  
Siebenburgen, David  
Vehr, Nick  
Zimmer, Joe

**EXCUSED:**

Budig, Otto  
Humes, Tom  
Kull, Ron  
Otto, Charlotte  
Reid, Janet

**STAFF:**

Ciampone, Kathy  
Robb, Deborah  
Satzger, Kim

**GUESTS:**

Acri, Tim – Hull & Associates  
Bomberger, Jeff – Squire, Sanders & Dempsey LLP  
Cheney, Mike – Consultant  
Cundiff, Jim – Hamilton County  
Leeper, Steve – 3CDC  
Lewis, Don – Vorys, Sater, Seymour & Pease, LLP  
Neyra, Ed – Neyra Properties  
Phillips, Bonnie – City of Cincinnati  
Ratterman, Ed – City of Cincinnati  
Turley, Lance – Hull & Associates  
Williams, John – Gonzalez, Saggio & Harlan, LLP

## II. APPROVAL OF MINUTES

Robert Peraza questioned February's minutes indicating that on page two, third line from the bottom, Neyer Properties should be changed to Neyra Properties. Kim Satzger said that she would correct the minutes.

**MOTION:** Jack Rouse made a motion to approve the minutes of the February board meeting. Dave Siebenburgen seconded the motion. The motion was passed unanimously.

## III. BROWNFIELD PROJECT UPDATE

**3603 East Kemper Road** – Kim Satzger explained that at the last board meeting, she had presented an offer to purchase the 3603 East Kemper Road property. The offer was from Neyra Properties. She further explained that, at that time, the board had instructed her to coordinate this negotiation with Tom Humes and go back to Neyra Properties with a counter offer. In addition, the board had asked that the property appraisal be updated.

Since that meeting, Ms. Satzger explained that she had contacted Property Advisors to update the appraisal for the 3603 East Kemper Road property. The initial appraisal had been completed for the site assuming that the property would be subdivided and sold as several separate parcels. That appraisal valued the property at approximately \$100,000 per acre. Property Advisors updated the appraisal assuming that the property would be sold in its entirety as one parcel. That appraisal valued the property at approximately \$85,000 per acre. Ms. Satzger explained that she had countered the initial offer from Neyra Properties and, based on the outcome of the negotiations, she is prepared to recommend the Purchase and Sale Agreement from Neyra Properties to the board for its approval.

Kim Satzger then introduced Don Lewis of Vorys, Sater, Seymour & Pease and asked him to review the offer from Neyra Properties. Mr. Lewis said that Mr. Ed Neyra of Neyra Properties will establish a limited liability corporation, Kemper Crossings LLC, to purchase the Kemper property. The purchase price being presented to the board is \$85,000 per acre. This means that the total purchase price for the 9.239 acre property is \$785,315. He further stated that the Port Authority was in receipt of a \$10,000 earnest money deposit. He said that he would review the important aspects of the agreement and respond to questions from the board.

Mr. Lewis said that in Section 4.1 *Buyer Contingency*, the buyer has an "Inspection Contingency." This means that the buyer has 30 days (from the effective date of the agreement) in which to inspect the physical property and/or the documents and studies associated with the property. The closing may be at the end of this inspection period or no later than May 31, 2005.

Mr. Lewis said that in Section 4.4. *Additional Conditions*, the buyer is required to provide a Development Plan which provides the timing and layout for the development of the site. This section of the agreement stipulates that Phase I of the development begin within twelve months after closing and be substantially complete within 24 months after closing. Phases II and III shall begin within 24 months after the closing and be substantially complete within thirty-six months after closing. The buyer is required to comply with the Port Authority's Economic Inclusion Policy. Further, an Environmental Covenant shall be filed with the deed and run with the land with regard to the use restrictions on the property.

Under Section 4.4.2, Mr. Lewis explained that the Port Authority has submitted a No Further Action Letter (NFA) to the Ohio EPA which certifies that the environmental cleanup has been completed to meet Ohio EPA standards. The NFA is still under review by the Ohio EPA but the agreement makes provisions for the closing to take place in advance of the final approval.

Further, Mr. Lewis explained that the buyer is purchasing the property "as is." The Port Authority made known to the buyer that the property was formerly an industrial site on which hazardous materials were stored, that the Port Authority has remediated the property, and that the Port Authority is not making any claims or representations as to the condition of the property. Buyer will inspect the property and buy in as-is condition.

Kim Satzger then introduced Ed Neyra of Neyra Properties. She said that Mr. Neyra will review the plans for the redevelopment of the property. She said that the plans had been included in the Purchase and Sale Agreement as Exhibit B. The development plan was included in the board packet. Mr. Neyra explained that he owns the adjoining property. On that property he had renovated a building which houses office/flex uses. He said that he plans to connect the two properties as a campus. On the property which he proposes to purchase from the Port Authority, he plans to construct three office buildings totaling nearly 90,000 square feet. There will be two 32,950 square foot buildings and one 21,540 square foot building. The buildings will be adjacent to the existing 276,070 square foot building which he currently owns. There will be over 1000 jobs total between the property which he currently owns and the new property (3603 East Kemper). The new building will provide an estimated 350 to 400 jobs.

Mr. Neyra said that he has not been able to renovate the back of his building on the adjacent property because the 3603 East Kemper Road property housed a blighted industrial building. Now that the property has been cleaned up, he can renovate the back of his building. This means that he will be able to offer an additional 40,000 square feet of office space and the community will benefit by additional jobs.

Ms. Satzger said that the price per acre included in the offer is consistent with the appraisal.

Jack Rouse noted that Tom Humes has reviewed the proposal with Ms. Satzger and is satisfied with the result.

Jack Rouse added that Neyra Properties is a Minority Business Enterprise.

Jack Rouse asked if there were any questions on the proposed agreement or the resolution before the board.

Nick Vehr asked if Mr. Neyra had tenants for the site.

Mr. Neyra said that he did not have a tenant(s); however he intended to begin construction of Phase I.

**MOTION:** Nick Vehr made a motion to approve the resolution authorizing the sale of the 3603 East Kemper Road property. Steve Love seconded the motion. The motion was passed unanimously.

**4000 Red Bank Road:** Kim Satzger said that approximately 50% of the building has been demolished. This is a substantial amount of work as the building is over 500,000 square feet. According to the current schedule, the entire main building should be torn down by mid April.

#### **IV. BANKS PROJECT UPDATE**

Kim Satzger said that at the last board meeting she and Steve Leeper of 3CDC reviewed the project budget for Phase I of the Banks Intermodal Facility. She said that at this month's board meeting she and Mr. Leeper would review, in detail, the entire presentation that was made to the Ohio Department of Transportation (ODOT) and Federal Highway Administration (FHWA) at the January 24, 2005 meeting at ODOT regarding the CMAQ and TRAC funds.

CMAQ and TRAC funds are awarded for transportation projects which assist in reducing the amount of automobile emissions. Cincinnati is in a non-attainment area. This means that the local air quality has not achieved the desired standard. The Banks Intermodal Facility will assist in the reduction in local emissions as cars will not be circling through the Central Business District looking for parking spaces. Drivers will know that they will be able to find parking in the Intermodal Facility. Further, the Intermodal Facility has been designed to provide intermodal transportation opportunities as local motorists will be able to take advantage of vanpooling, rideshare, and buses.

Ms. Satzger explained that she and Mr. Leeper will be reviewing the powerpoint presentation that was presented at the ODOT meeting.

Ms. Satzger said that:

- The grant funds that were received were to support the multi-modal aspects of the Banks Intermodal Facility. This facility will connect the Banks neighborhood and the Central Business District with park and ride, rideshare, and vanpool. Further, buses will be available at the Banks Intermodal Facility due to the fact that it is adjacent to the Riverfront Transit Center.
- Phase I will be located on Blocks 4 & 8 between the National Underground Railroad Freedom Center and the Reds Ball Park. Phase I will include 1,000 parking spaces and is proposed to be built on a 30' x 30' column width. There are currently planned three points of ingress/egress: Walnut Street, Mehring Way, and Pete Rose Way.
- Phase I will also include the completion of the roadway infrastructure including sections of Freedom Way, Ted Berry Way, Mehring Way, Race Street and the associated utilities.
- The estimated cost of the Intermodal Facility – Parking Garage is \$35.76 million. This amount includes the cost for the garage, the purchase of three buses, land acquisition and related soft costs.
- The estimated cost of the Intermodal Facility – Access Roads is \$16.20 million. This includes the roads necessary to complete the street grid for the entire Banks area. The total project cost is estimated at \$51.96 million. The roads will be constructed through a financing which will be supported by parking revenues from Blocks 4 & 8.
- Once ODOT/FHWA approves the project to move forward, the project will take approximately 26-34 months to complete including: 10-12 months for pre-development design, 4-6 months for contractor selection, and 12-16 months for construction.
- Once complete, it is anticipated that the total project will attract private investment of \$292-\$361 million, provide 1500-2300 new jobs, and provide 1400 new downtown residences.
- Over the past year, as we have worked with 3CDC to confirm the design assumptions, review the market and economic projections and update the cost estimate, a modification to the original Banks plan has emerged. The modification is the addition of Blocks 11 and 11a. There are the blocks on either side of the Roebling Suspension Bridge north of Mehring Way and south of Ted Berry Way. At one time, these blocks were to be part of the Riverfront Park.
- The projected economic benefits include: 400-500 residential units, 250 hotel rooms, 90,000 square feet of retail space, and 100,000-200,000 square feet of office space. The total square footage is 855,000-1,075,000 square feet at a total development cost of \$139,000,000 - \$174,000,000.
- The TRAC grant requires matching funds. The value of the land on Blocks 4 & 8 will be used as the local match. This is referred to as a “donation land credit.”

Dave Siebenburgen wanted to know when day one of the project will be.

Kim Satzger said that it will be once the Port Authority gets approval from ODOT/FHWA.

Eric Kearney asked if that is when the developer will be picked.

Ms. Satzger said that the Port Authority will be looking at the timing and method for master developer selection. The Port Authority will be selecting a master developer while the Intermodal Facility is being designed so that the weight of the development above may be taken into consideration when designing the Intermodal Facility.

Nick Vehr asked what the best use of these 2 blocks would be for development.

Steve Leeper said that blocks 11 & 11a would be best suited to residential, restaurants and some office.

Nick Vehr asked if there will be residential parking in the flood plain.

Steve Leeper said that there would not be residential parking in the flood plain.

Nick Vehr asked if the addition of Blocks 11 and 11a would require City code changes.

Kim Satzger said that we will need to amend the subdivision plan to address the addition of these two blocks. She said that as the City, County, Port, and 3CDC meet to discuss Banks-related topics; therefore, the City knows that this amendment is coming.

Jack Rouse said that, at this point, the addition of Blocks 4 & 8 is a conceptual plan.

Kim Satzger asked Steve Leeper to discuss the Phase I garage operating projections.

Mr. Leeper said that he has done a “back of the envelope” estimate for the parking garage revenue for Blocks 4 & 8. He said that from Reds and Bengals events, daily parkers, evening parking, and U.S. Bank Arena parking the total gross revenue is estimated at \$2,206,600. The estimated operating expense is \$600,000. This means that the estimated net operating income is \$1,606,600. This amount of revenue could support a \$18.6 million financing. The funds available from this financing will be used in support of the completion of the street grid in the Banks area. Steve Leeper explained that the Intermodal Facility parking garage will be funded through \$10.4 M in CMAQ funds, \$11 M in TRAC funds, and \$3.5 M in FTA funds.

Mr. Leeper explained that currently the parking revenues from Blocks 4 & 8 are scheduled to be divided between the Reds, Bengals, and Hamilton County. However, federal grant dollars may not be used to build a facility that will provide revenues for a private entity. In fact, the revenues from the Banks Intermodal Facility must be put back into a Title 23 eligible activity (transportation related).

Kim Satzger explained we are waiting to hear back from ODOT/FHWA with regard to the approach detailed in this powerpoint presentation. To date, we have not received a response.

Mr. Leeper said that these funds may not be used for the podium or the overbuild. Therefore, we have developed detailed estimates that delineate these items. The greater the number of stories of the buildings located on top of the Banks Intermodal Facility, the greater the overbuild premium.

Eric Kearney asked if Steve Leeper was also talking about the deck over Ft. Washington Way.

Mr. Leeper said that the decks over Ft. Washington Way is not included as part of Phase I.

Nick Vehr asked about the type of hotel that would be included in the Banks.

Mr. Leeper said that sites like this around the country typically have small hotels.

Mr. Vehr asked if we are talking about high-end boutique hotels.

Mr. Leeper said that we will be looking at more high end hotels and that we will ask any hotel built there to have a restaurant on the first level.

Eric Kearney asked if it is realistic to think that the County, Red, and Bengals will give up these revenues.

Steve Leeper said that right now these entities are not getting any revenues as the property is currently an unpaved site. The concern is that once the Intermodal Facility is built it will cannibalize the other lots. 3CDC is currently having a study completed to see if or how much of the garages around Fountain Square will cannibalize the revenues of other parking facilities in the area.

Jack Rouse said that these preliminary analyses have been discussed with the County, Reds & Bengals.

Steve Leeper said that if we want the federal funds to build the Banks Intermodal Facility, then the County, Reds, and Bengals may not take parking revenues.

Nick Vehr asked if we would need to have an agreement with these three entities with regard to giving up the parking revenues.

Mr. Leeper confirmed that was true.

Dave Siebenburgen asked Jack Rouse if we have a good sense that this is going to get done in light of the lawsuit between the County and the Bengals. This is further complicated by the fact that the Red's are being sold.

Mr. Rouse confirmed that we are optimistic that the Reds & Bengals will agree to forego the revenue.

Clifford Bailey asked what major obstacles would slow us down.

Steve Leeper said that this is dependent on what we hear from ODOT. Once we have feedback from ODOT with regard to the proposed approach to the project, we will begin to get the commitments from the teams and the County and we will work on the mechanics of how we create this borrowing.

Clifford Bailey then asked if we have our federal legislators on board with this project.

Kim Satzger said that we are keeping the legislators updated as to project progress.

Kim Satzger spoke on the project progress and milestones. It took over three years to secure the funding to move Phase I of the Banks Intermodal Facility forward.

Jack Rouse said we will be re-engaging the Banks Working Group again. Mr. Rouse thanked Steve Leeper for his help.

Nick Vehr asked about next steps.

Kim Satzger said that when ODOT responds, it will likely indicate that we will need to update the Categorical Exclusion document. This means that we will to study the area for potential historic artifacts. We do not know the cost of that study. We will also need to engage a consulting firm to prepare the parking revenue projections. We will use this document to negotiate with the County, Reds, and Bengals, and we will use this document when pursuing the financing for the roadway construction. As Walker Parking has prepared the parking studies to date for the Banks Area, we will work with them to get this information. It is our understanding that this study will cost approximately \$22,000. We will likely engage Walker Parking before the next board meeting.

## **V. CHAIRMAN'S REPORT**

Jack Rouse said that the Port Authority Board will be going into executive session to discuss an employment matter.

### **Executive Session**

At 8:55 a.m., Betty Hull made a motion to move into executive session as follows:

“Motion pursuant to O.R.C. 121.22 G (1) to adjourn the meeting of the Board of Directors of the Port of Greater Cincinnati Development Authority and to go into executive session to discuss personnel matters relating to the appointment, employment, dismissal, promotion, and/or compensation of public employees. Upon conclusion of the executive session, the Board will reconvene its meeting of the Board of Directors.”

Robert Peraza seconded the motion. The motion passed unanimously by a roll call vote.

The Board of Directors came out of executive session at 9:10 a.m. and the Board meeting reconvened.

**MOTION:** Upon reconvening, Lou George made a motion to remove “Interim” from Kim Satzger’s title naming her as President of the Port Authority, increase her annual salary by \$7,500, rescind the search for a President and authorize Jack Rouse to negotiate an employment contract with Ms. Satzger. Steve Love seconded the motion. The motion passed with Eric Kearney abstaining from the vote.

Nick Vehr said that he and the Board offered its congratulations to Kim Satzger. Further, he thanked her for a job well done.

**Strategic plan** – Jack Rouse said that the Strategic Planning Working Group continued to work on strategic planning. He asked Nick Vehr to provide an update. Mr. Vehr said that a draft document had been prepared and that it was currently under review.

Jack Rouse said the first Hamilton County Economic Development Task Force meeting will be later this month and the work of this Task Force will be complete in October.

## **VI. PRESIDENT’S REPORT**

Kim Satzger said that the Port Authority had received a draft agreement from Hamilton County with regard to the Port Authority’s annual funding support from the County. The agreement is included in the Board packets and has been reviewed by Squire, Sanders, & Dempsey. She said that this is essentially the same agreement that the Port Authority and Hamilton County entered into during 2004. There is a resolution in the Board packet in support of this agreement. Ms. Satzger explained that the County is scheduled to approve the County’s 2005 budget on March 23, 2005. Currently, the County has maintained the Port Authority’s \$285,000 request in its budget.

**MOTION:** Nick Vehr made a motion to approve the resolution authorizing the Funding Agreement with Hamilton County. Steve Love seconded the motion. The motion was passed unanimously.

Kim Satzger asked Mike Cheney to speak on the financial reports that were included in the packets.

Mike Cheney said there is a balance sheet and an income statement included in the Board packet.

He said that the balance sheet has a line item for unearned grant income for \$475,000.

Dave Siebenburgen said there are two assets not on the Port Authority’s balance sheet – the retention pond at Cincinnati Mills and the Queen City Square building.

Steve Love asked if the Port Authority knew the dollar amount for these items.

Mr. Siebenburgen said that the detail on these assets is currently being researched.

Jack Rouse asked Dave Siebenburgen to report on the funds from the Kemper Road sale.

Mr. Siebenburgen said that it is currently intended that these funds will not go to operational support. He said that the Port Authority needs to identify activities on which to spend the funds. He said that perhaps the funds will be used for future projects in the community. He suggested that the funds could be set aside for future development and reported as restricted dollars.

Steve Love suggested that these funds may have an application under the Entrepreneurial Fund referenced in the Economic Inclusion Policy.

Dave Siebenburgen agreed that this is the kind of thing that should be considered.

Betty Hull asked if the receipt of the funds from the Kemper sale provides the Port Authority with the dollars that it needs to fund some of the staff positions.

Dave Siebenburgen said the Board had already approved the new staff positions when it approved the budget at the February Board meeting. Mr. Siebenburgen said that Kim Satzger is currently developing the process for the hiring of staff. He also said that Kim Satzger and Deborah Robb will work together on the hiring process.

Ms. Satzger said that she will forward an outline of the process for hiring to the Board in advance of advertising for hiring. She said that we will be using essentially the same procedure as when Deborah Robb was hired.

Paul Muller suggested that perhaps the proceeds from the sale of the Kemper site could be used for site assemblage and asked if this is something that the Port Authority intends to do.

Kim Satzger said that site assemblage is something that has been discussed and that there is an interest.

Kim Satzger asked Deborah Robb to review the Economic Inclusion Reporting.

Ms. Robb said that there are two projects currently underway that she is monitoring – the 4000 Red Bank Road project and the Queen City Square project. She said that the numbers included for the 4000 Red Bank Road project are not inclusive of the entire project to date. She is currently working with the contractor and will have current numbers for next month's Board meeting.

Steve Love asked about TYS Construction on the Queen City Square project. He asked if the firm was a Minority Business Enterprise.

Ms. Robb said that she would confirm the fact and get back to him.

Eric Kearney asked about the Hispanic numbers and noted that there were not any Hispanic firms listed.

Bob Peraza said that he has spoken to Ms. Robb regarding Hispanic contractors.

Steve Love commended Ms. Robb on her efforts in economic inclusion.

Kim Satzger noted that Ms. Robb has been working with developers and that she is perceived as a team member – working closely with the developer/project manager to proactively identify opportunities for contracting for Minority, Women, and Small Business Enterprises.

## **VII. ADJOURNMENT**

**MOTION:** J.J. Johnson-JioDucci made a motion to adjourn the Board of Directors meeting. Dave Siebenburgen seconded the motion. The motion was passed unanimously.

The meeting was adjourned at 9:35 a.m..

Respectfully,

Kimberly Satzger  
Secretary