

THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY
BOARD MEETING MINUTES
Thursday, April 7, 2005
7:30 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 7:35 a.m. He suggested that the meeting agenda be rearranged so that the Board of Directors can receive the brownfield update in advance of the approval of the minutes as there is currently not a quorum of the Board of Directors.

BOARD MEMBERS PRESENT:

George, Lou
Kearney, Eric
Kull, Ron
Muller, Paul
Otto, Charlotte
Peraza, Robert
Reid, Janet
Rouse, Jack
Siebenburgen, David
Vehr, Nick
Zimmer, Joe

EXCUSED:

Bailey, Clifford
Budig, Otto
Hale, Joe
Humes, Tom
Hull, Betty
Johnson-JioDucci, J.J.
Love, Steve

STAFF:

Ciampone, Kathy
Robb, Deborah
Satzger, Kim

GUESTS:

Cundiff, Jim – Hamilton County
Phillips, Bonnie – City of Cincinnati
Ratterman, Ed – City of Cincinnati
Williams, John – Gonzalez, Saggio & Harlan, LLP

II. BROWNFIELD PROJECT UPDATE

Kim Satzger reported on the brownfield projects listed below:

3603 East Kemper Road – At the last board meeting the Board approved the sale of the 3603 East Kemper Road property to Neyra Properties. Ms. Satzger signed the *Purchase and Sale Agreement* on March 14, 2005. Under this agreement, Mr. Neyra has an inspection contingency period for 30 days after the date of execution of the agreement. This means that Mr. Neyra has until April 13, 2005 to conduct his due diligence. Currently, Mr. Neyra’s environmental consulting firm, CEC Environmental, is reviewing the environmental documentation on the property. The agreement stipulates that the closing may be 30 days after the expiration of the inspection contingency period (May 13, 2005) and no later than May 31, 2005.

4000 Red Bank Road – The main building is nearly down. The site consists of 564,868 square feet of former manufacturing space including the main plant, a storage shed, an idled power plant, a covered concrete paved storage area, and parking areas. The demolition is scheduled for completion by mid April. The soil and groundwater remediation will begin following the demolition and is scheduled to be completed by July 2005.

5025 Carthage Ave. – The Port Authority has received approval for a \$750,000 Clean Ohio Assistance Fund grant for the remediation of the former GM/Globe Wernicke site. The Port Authority applied for these grant funds jointly with the City of Norwood. However, the Port Authority is the “applicant of record” and therefore will implement the project activities. The Port Authority is currently working with the Ohio Department of Development on the Grant Agreements and the associated agreements with the developer and the environmental consulting firm.

Jack Rouse noted that this is this site has been a large eyesore for many years.

Kim Satzger said it is where GM parked cars as the cars came off the line. It was determined that the contamination was not from GM but from the Globe Wernicke company – a furniture manufacturer that owned the property prior to GM’s ownership.

Review of Summary Table of Environmental Benefits of Brownfield Projects – Ms. Satzger indicated that a Summary Table of Brownfield Projects had been prepared by Port Authority staff. She said that the summary of the Port Authority’s brownfield sites is included behind tab III of the board book. This table comprises all the sites the Port Authority has worked on since 2001, with the exception of the most recent grant award for the 5025 Carthage Avenue site.

The table provides the location of the projects, the role of the Port Authority, the amount of grant funds received, the project duration, as well as the project status. From the table, the Board can see that the Port Authority has completed four projects and has one project “in-process.” To date, the Port Authority has assessed and/or remediated nearly 110 acres – and – remediated and/or demolished 785,000 square feet in formerly abandoned or underutilized property within Hamilton County. It is important to note that, as part of this process, the Port Authority has recycled 1,860 tons of steel and 4,827 tons of concrete. This means that these materials are not in a constructions debris landfill.

Lou George asked if this table of information would be placed on our web site. Ms. Satzger said that this table was intended for internal use. However, once the information was put in an “easy-to-read” format, it would be placed on the web page and included in the annual report.

Dave Siebenburgen questioned the \$3M figure under the grant amount column for 400 Pike Street project.

Ms. Satzger thanked Mr. Siebenburgen for pointing it out and stated that the grant amount for the Pike Street and Red Bank Road projects should be switched. She indicated that the table would be corrected.

Nick Vehr asked what the difference was between “assessed” and “remediated” as noted in the column headings of the table.

Kim Satzger said that “assessed” means that an environmental consulting firm assessed the property to determine if there was contamination at the site, and if so, determined the level of contamination and the cost to cleanup the site. The only project where the Port Authority assessed a property with the use of Clean Ohio Funds was the 5700 Center Hill Road (Center Hill Landfill) project. The remainder of the Port Authority’s projects have involved “remediation.” Remediation is the cleanup of the environmental contaminants at the property.

Jack Rouse said there has been a flurry of articles in the national news on the need to assemble old brownfield sites within the urban core.

Kim Satzger added that many economic and community development experts around the country cite the recycling of brownfield properties as an essential strategy for providing development opportunities within urban counties – particularly urban counties within the communities most heavily affected by the industrial era.

III. APPROVAL OF MINUTES

Kim Satzger said that at last month’s board meeting it was noted that the minutes from the March board meeting had mistakenly referenced Neyer Properties instead of Neyra Properties. Ms. Satzger said that upon review of the minutes, it was determined that the sentence referred to the original purchase agreement with Neyer Properties. Therefore, the use of “Neyer” is correct.

At 7:48 a.m., Jack Rouse noted that there was now a quorum to approve the minutes of the March board meeting and asked for a motion to approve the minutes.

MOTION: Charlotte Otto made a motion to approve the minutes of the March board meeting. Lou George seconded the motion. The motion was passed unanimously.

IV. BANKS PROJECT UPDATE

Jack Rouse said that significant progress has been made on the Banks project recently. He then asked Kim Satzger to give an update on the Banks.

Kim Satzger said that at the last board meeting she and Steve Leeper of 3CDC reviewed the presentation made to ODOT regarding the \$24.5M in funding. A copy of this presentation has been provided to the Board members with their board books.

EDA Funding for the Freedom Way Improvement Project – Ms. Satzger said that the Port Authority had requested a grant amendment in December 2004. The Port Authority received the grant amendment from EDA after the last Board meeting. The City of Cincinnati and Hamilton County are grant co-applicants. This means that that amendment will require the signature of the City and the County, in addition to the signature of the Port Authority. The City and the Port Authority have signed the amendment. The amendment is now at the County waiting for signature. The request was to amend the grant award to construct the segment of Freedom Way from Walnut Street to Main Street in lieu of the Freedom Way segment between Race Street and Vine Street originally identified in the grant award. The Freedom Way segment between Elm and Race Streets would be constructed as identified in the original application.

Banks Intermodal Facility Update – Kim Satzger provided an update on the topics listed below.

ODOT/FHWA Response to Phase I Proposal – In January, the Port Authority presented a plan for the implementation for the Banks Intermodal Facility to be funded with CMAQ, TRAC, and FTA grant funds. After the last Board meeting, the Port Authority received a written response from ODOT/FHWA as to the plan. The ODOT/FHWA letter:

- Stated that they were in agreement that the parking garage revenues for Blocks 4 & 8 could be used in support of the financing for the remaining riverfront street improvements.
- Recommended that the Port Authority move forward with an updated environmental document to satisfy the NEPA requirements.
- Suggested that the Port Authority start working with FTA to begin the grant application process. FTA has designees that are eligible to receive grant funds. In the Hamilton County area, SORTA is the designee. In order to receive the grant funds, the Port Authority will need to enter into a funding agreement with SORTA.
- Recommended that the Port Authority begin the process to retain the services of a professional engineering firm. The Port Authority will need to select a firm that is familiar with the development process of ODOT, FHWA, and FTA. As part of that process, the Port Authority will be required to select a firm that has been prequalified by ODOT. The Port Authority must conduct the consultant selection process in compliance with state and federal regulations.
- Requested that the Port Authority secure written confirmations from the Reds, Bengals, and County that each entity will commit to forego parking revenues from Blocks 4 & 8.

Walker Parking Study – In order to provide the Reds, Bengals, and County with the information that they need to respond to the request to forego parking revenues, the Port Authority needs to provide those entities with projections as to the amount of revenue that will be given up. In the past, Walker Parking Consultants has contracted by Hamilton County to perform other riverfront parking studies. The Port Authority has been working with the County to seek its release of Walker Parking so that Walker Parking can work on the Port Authority's study. During the week of March 21, 2005, the County released Walker Parking to perform the Port Authority's study. The Port Authority then received a scope of work and an agreement from Walker Parking. The Port Authority has now engaged Walker Parking at a cost of \$22,000 – as estimated at the March Board meeting. Walker Parking has begun to work on the study and will be in town on April 14th and 15th to study the site. Walker Parking anticipates that they will have parking revenue projections to the Port Authority by the end of April so that we can begin discussions with the Reds, Bengals, and County. The full study is scheduled to be complete by mid May. The Walker Parking Study will also be used to provide the information required to secure financing for the street improvements.

Jack Rouse said that the Port Authority is pushing the Walker Parking to move on the study as we need to get The Banks started soon or risk losing momentum. Should the latter happen, we may never get another chance to revitalize the Banks – or – it may be a mud field for another ten years.

Riverfront Park – Jack Rouse said that there was a recent meeting with Cincinnati Parks. He said that the meeting was very positive. Cincinnati Parks has adjusted the phasing for the Riverfront Park. The phasing is now consistent with the phasing for the Banks Intermodal Facility. Therefore, the section of the park east of the Roebling Suspension Bridge will be developed first and the development will occur in roughly the same timeframe as the Banks Intermodal Facility. Cincinnati Parks has the funding for the Phase I activities. Further, Cincinnati Parks has incorporated the adjustments to the Banks Plan into their plan; and therefore, Blocks 11a and 11b are new development blocks and will not be used for the riverfront park.

FTA Grant – During the next months, the Port Authority will be preparing the grant application for the FTA dollars. The \$3.5 million in FTA funds will be also be used for the Banks Intermodal Facility and was included in the plan that the Port Authority presented to ODOT/FHWA.

SORTA Agreement – As previously mentioned, in order to draw the FTA dollars, the Port Authority must enter into an agreement with SORTA. Therefore, in the next months, the Port Authority will be working with SORTA to seek that approval to enter into the required agreement.

Eric Kearney asked how long it will take to complete the Banks Intermodal Facility.

Ms. Satzger said that the project will take 9-12 months to design and 24 months to construct.

Nick Vehr asked if we can design without knowing the type and size of development that will occur above the garage.

Ms. Satzger said that the Port Authority plans to select the master developer as the project is being designed so that the developer will have input into the parking garage design. Therefore, we will be moving the Intermodal Facility improvements forward at the same time as we are moving the private development on top of the garages forward.

Jack Rouse noted that we are not certain that all of the previously short-listed development firms that were selected by the Port Authority will have an interest in moving forward. However, other developers have shown interest. Interest from the developer community is higher than before.

Eric Kearney asked if the developer also develops the Intermodal Facility.

Jack Rouse said that these are separate. He added that the Port Authority will own and operate the intermodal facility.

Janet Reid asked if there were any restrictions on the height of the buildings that will be built on top of the garages.

Jack Rouse said that the current subdivision plan for the Banks has height restrictions. The restrictions may need to be amended as we move forward. He thinks the market will drive what will ultimately be placed on top of the garages.

Kim Satzger said the next steps are as follows:

- Complete the Walker Study which will provide us with the parking revenue estimates to take to the Reds, Bengals, & County to negotiate an agreement regarding the loss of parking revenues. ODOT is waiting for us to have signed agreements with these three entities.
- Transfer the Block 4 & 8 property to the Port Authority to be used as “donation land credit.”
- Engage firms to update the environmental and archeological information per the NEPA requirements.
- Negotiate an agreement with SORTA to enable the Port Authority to receive FTA grant funds.
- Issue an RFP in order to select an ODOT pre-qualified professional engineering firm to begin designing the Banks Intermodal Facility.
- Develop a Banks-related project budget.

- Hire a Banks Director.

Nick Vehr asked how we get help with the soft costs. The Port Authority will need funding to move the Banks project forward.

Jack Rouse said we will be working on a budget for this.

Dave Siebenburgen said that Steve Leeper has indicated that this is very doable. In Pittsburgh, the soft costs were included in the financing for the riverfront improvements.

Jack Rouse said that the project will take longer than 10 years and that the Banks Director will be a key position. We will want a person with a lot of drive, passion and fire.

Further, Mr. Rouse said that the Port Authority Board needs to get an update on the plans and schedule for the Fountain Square improvements to understand how the two areas complement one another.

Paul Muller suggested that the Port Authority needs to have input on the color and appearance of the Roebling Bridge. He pointed out that this will be very important as the Roebling Suspension Bridge is the centerpiece – the icon – of the Banks project. He recommends that we will also want to encourage the proper lighting of the bridge.

Kim Satzger said that Kentucky owns the bridge and is in charge of the painting of the bridge that was recently announced.

Charlotte Otto suggested that we give Kentucky the Cincinnati USA color palette.

Paul Muller said the decision is being made in Frankfurt, Kentucky – the Kentucky Department of Transportation.

Jack Rouse said he will contact the Kentucky Department of Transportation to see how the Port Authority can have input into the renovation of the Roebling Suspension Bridge.

V. CHAIRMAN'S REPORT

Strategic planning – Jack Rouse said that the Strategic Planning Working Group continued to work on strategic planning. He then asked Kim Satzger to provide an update.

Kim Satzger said that the working group is currently reviewing the Port Authority's role in economic development and how to maximize benefit for the region. We have developed a table of goals and objectives for the one year and three year timeframes. We are looking at such things as amending the Port Authority's formative agreement to enable the Port Authority to be a fully functioning port authority without the current restrictions.

Jack Rouse said that this is something that the Hamilton County Economic Development Task Force has brought up on several occasions. Further, he stated that lifting the restrictions on the Port Authority and empowering the Port Authority in order to optimize the powers of the Port Authority in support of local development is something that was mentioned in the IEDC Report commissioned by Hamilton County in 2004.

VI. PRESIDENT'S REPORT

Port Authority/Hamilton County Funding Agreement – Kim Satzger said the Port Authority has signed the Funding Agreement with Hamilton County and is waiting on approval of the agreement by the County Commissioners. The agreement is scheduled to be presented to the County Commission at their April 13, 2005

meeting. Ms. Satzger indicated that Jim Cundiff (from Hamilton County) said he will put the requisition for the Port Authority's County annual funding support (\$285,000) through immediately upon approval of the agreement by the County Commissioners. He said that he believes that this means that the Port Authority should receive its annual support in the end of April/mid May timeframe.

Jack Rouse added that he thought that once we start on the Banks we will get additional funding from the City of Cincinnati.

Schedule for Staff Hiring – Kim Satzger reported that on March 21, 2005, an e-mail was sent to the Board which detailed the schedule for the hiring of both the Director of Finance and the Director of Brownfield Development positions, as well as provided copies of the ads. The ads were placed in the Cincinnati Enquirer and the Cincinnati Herald. In addition to advertising, the Port Authority sent letters to the public sector, business community, and other stakeholders. The Port Authority is working through the same process as was initiated to search for the Director of Economic Inclusion.

The Port Authority began advertising for the positions on March 23, 2005. Resumes are due to Port Authority by April 29, 2005. During the week of May 16, 2005, we will conduct interviews and plan to have the selection made for both positions by the end of May. As of today, we have received 22 resumes for the Director of Finance position and 8 resumes for the Director of Brownfield Development position.

Nick Vehr said that the Chamber is currently searching for a finance director and may be willing to share resumes with the Port Authority. The Chambers applicants would also be experienced in public fund processes.

Jack Rouse asked if the Board wanted to see a list of applicants.

Eric Kearney said he thought this was Kim Satzger's call as President to hire staff.

Kim Satzger said she would use key board member in the decision making process. For example, Dave Siebenburgen and Lou George would help with decisions on the Director of Finance.

Dave Siebenburgen said that he would imagine that other Board members would likely be involved in the interview process for the Director of Brownfield Development position. Mr. Siebenburgen said that he imagined that Deborah Robb would also be involved in the interview process for the two positions.

Financial Report – Ms. Satzger said that the Board packets include the balance sheet and income statement. She said that with the hiring of a Director of Finance, we will develop reporting that will provide the year-to-date budget numbers for the Board. The balance sheet and the income statement are within the budget approved by the Board in February.

Economic Inclusion Reports – Deborah Robb reported on the two projects currently underway that she is monitoring – the 4000 Red Bank Road project and the Queen City Square project. Ms. Robb stated that she and Steve Love met with Turner Construction to inquire about their low numbers in relation to Minority Business Enterprise (MBE) participation. Turner explained that they had already bid 80% of the project prior to the Port Authority's involvement.

Kim Satzger explained that the Port Authority issued the bonds for this project in July 2004. Eagle Realty/Western Southern had bid most of the contracts prior to that time. Eagle Realty/Western Southern used the City of Cincinnati's small business policy in bidding all of the initial contracts. Therefore, the SBE numbers are high.

Lou George asked if this happened because the Port Authority did not inform Eagle Realty/Western Southern of the Port Authority's policy. Further, he wondered if there was a process in place that would prevent this from happening in the future.

Ms. Robb said in her meetings with developers she has found that the Port Authority had always proactively educated its development partners about the Port Authority's Economic Inclusion Policy. She said that she is continuing to refine that process.

Nick Vehr asked about the Queen City Square numbers again to understand where the problems occurred. Ms Satzger explained that it was a difficult negotiation between the City, Port Authority and Western & Southern. The process took months longer than was originally anticipated. Eagle Realty/Western Southern began the work before the role of the Port Authority as the issuer of the debt was finalized.

Lou George said that it was his understanding from Eagle Realty/Western Southern that, until the project closed, there was always the risk that the Port Authority would not have issued the debt.

Paul Muller asked if the Port Authority had an enforcement mechanism for the Economic Inclusion Policy.

John Williams said that if it were the City, they would be put on a "No Work List" so there would be no repeat business. Here, there is not such restriction.

Kim Satzger added that the Port Authority has been advised by legal counsel that it is currently not legal for the entities working with the Port Authority to suffer penalties or sanctions as a result of the Economic Inclusion Policy. This policy stated the aspirational goals of the Port Authority.

It was pointed out that Turner was following the City of Cincinnati's rules on hiring minorities.

Dave Siebenburgen asked when our policy is explained to potential clients.

Ms. Satzger said that a letter is sent after the developer and the Port Authority decide to work together. This letter explains the Port Authority's policies. The letter is designed to be signed by the developer and returned to the Port Authority.

Deborah Robb also reported that she has worked with Steve Armsey of Resurgence Group to advise as to the development of an Economic Inclusion Policy for his company.

Charlotte Otto asked if Ms. Robb was also working with 3CDC. Ms. Robb said that she and Kim Satzger had discussed the potential for her to provide services to both 3CDC and the Uptown Consortium. She would be pursuing meetings with those entities in the near future.

Ms Robb said she is working on a database consisting of Minority, Women, and Small Business Enterprises. This database will eventually be on the web site for use by developers.

Ms. Robb made a correction to last month's board meeting minutes. In the minutes, it was reported that Steve Love asked if TYS Construction was a MBE and Ms. Robb said she would get back to him with an answer. Mr. Love actually inquired as to the status of Maxim, which was a company listed with TYS Construction Services. Ms. Robb corrected the minutes to reflect that she would inquire about the status of Maxim. TYS is a MBE company. As an update, Maxim is a majority company which rents cranes to TYS Construction Services.

Ms. Robb has been looking into record retention facilities and has narrowed it to a firm in Blue Ash called Fortress Inc., which is an MBE.

Janet Reid asked if there is a way to digitize the information.

Ms Robb said that with all of the environmental reports there is too much paperwork to make it feasible to do so.

VII. ADJOURNMENT

MOTION: Ron Kull made a motion to adjourn the Board of Directors meeting. Charlotte Otto seconded the motion. The motion was passed unanimously.

The meeting was adjourned at 8:36 a.m.

Respectfully,

Kimberly Satzger
Secretary