

PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY
BOARD MEETING MINUTES
Friday, April 9, 2010
7:30 AM, 3CDC Conference Room, 1014 Vine Street, Suite 1420, Cincinnati, OH

I. CALL TO ORDER

Kim Satzger, Secretary to the Board, stated that Mr. Otto Budig, Board Chair, was unfortunately called out of town on business and unavailable to attend today's meeting. As well, Ms. Lynn Marmer, Board Vice Chair, was unable to attend due to a death in the family. Both send their apologies for not being available to attend the Board meeting. Further, Ms. Satzger said that the Board of Directors and Port Authority staff extend their condolences to Ms. Marmer and her family for their loss.

With the Board Chair and Vice Chair not in attendance, Mark Engel, General Counsel, advised that, per the Port Authority's Bylaws, in the absence of the Chair and Vice Chair, the Board Secretary may call the meeting to order and may, by motion of the Board, lead the meeting, or the Board may appoint another Board member to lead the meeting.

Ms. Satzger called the Port of Greater Cincinnati Development Authority Board of Directors meeting to order at 7:32 a.m.

Motion: Pursuant to the Bylaws of the Port of Greater Cincinnati Development Authority, Article III (g)., Rick Greiwe moved that Kim Satzger, Secretary to the Board, chair the meeting in the absence of the Chair and Vice Chair. Joe Zimmer seconded the motion. The motion was approved unanimously.

BOARD MEMBERS PRESENT:

Dunn, Marty
Greiwe, Rick
Handy, Clark
Wright, Shane
Zimmer, Joe

EXCUSED:

Budig, Otto
Jacobs-Horton, Lydia
Marmer, Lynn
Williams, Tom

STAFF:

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

GUESTS:

Engel, Mark – Bricker & Eckler, LLP
Record, Rick – RL Record LLC

Ross, Cameron – Cincinnati Planning Department
Waidner, Susan – Hamilton County

II. APPROVAL OF MINUTES

Motion: Marty Dunn moved to adopt the minutes of the March 12, 2010 Board of Directors meeting. The motion was seconded by Shane Wright, and was approved unanimously.

Ms. Satzger stated that pursuant to the Board's direction during the March 12, 2010 Board Meeting, the format of meetings going forward will be that the Port Authority Directors will provide top-level summaries of significant activity since the prior Board meeting. The Port Authority Directors will continue to submit written reports and will provide the reports to Board members in advance of upcoming Board meetings. In the future, the minutes will reflect the Director's verbal and written reports. In addition, at the March 12th Board meeting, the Board asked to receive briefings on projects which are ongoing within the community. The Port Authority has made arrangements for such a briefing today – the Revive I-75 Corridor Study.

III. BROWNFIELD PROJECTS UPDATE

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

5025 Carthage Avenue, Norwood, OH (Linden Pointe) – All comments on the No Further Action (NFA) Letter and Operations and Maintenance (O&M) Plan have been resolved. Documentation to this effect was sent to Ohio EPA on March 12, 2010. The Port Authority continues to work with Ohio EPA to complete the Covenant Not to Sue (CNS) for the property.

320 South Anthony Wayne Avenue, Lockland, OH (Hamilton County Regional Business Park) – Remediation of this site is complete and the No Further Action Letter was submitted to Ohio EPA on February 26, 2009. On March 10, 2010, the Port Authority responded to some additional comments from Ohio EPA, and continues to work with Ohio EPA to complete the Covenant Not to Sue (CNS) for the property.

4101 Spring Grove Avenue, Cincinnati, OH (American Can Building) – The property owner continues to pursue two sources of financing – New Markets Tax Credits with a conventional bank loan and a HUD-insured loan. They are making progress on the HUD loan and met with HUD on April 7, 2010 to discuss the specifics of the loan application. The owner also signed the contract for the \$1.6 million in Federal stimulus money and plans to begin exterior improvements using this funding in April. The Port Authority has received a one-year extension of the Clean Ohio Fund grant to provide additional time to secure the financing and complete the environmental remediation.

3241 Spring Grove Avenue, Cincinnati, OH (Former Kahn's/Sara Lee Site) – The Integrating Committee reviewed the two applications from our district and sent their ranking recommendations to the Ohio Department of Development and the Clean Ohio Council. The Clean Ohio Council will make their final award decisions at a meeting on May 21, 2010.

105 West Fourth Street, Cincinnati, OH (Former Federal Reserve Building) – The Port Authority has been asked to submit a Clean Ohio Assistance Fund application to assist in the cleanup of the Former Federal Reserve Building at the corner of Fourth and Main. This mostly vacant office building will be converted into residential apartments, while the basements and first three floors will remain commercial space. The

Port Authority is working with the developer and the environmental consultant to prepare the application for submittal to the Ohio Department of Development.

IV. FINANCING PROJECTS UPDATE

Susan Thomas provided the Board with the following financing projects update.

Cincinnati Mills Mall, Forest Park and Fairfield, OH – In February 2004, the Port Authority issued \$18 million in Tax Increment Financing (TIF) and Special Assessment backed revenue bonds to acquire, construct, equip, and improve public infrastructure improvements to meet additional demands at the Cincinnati Mills Mall. The facilities owned by the Port Authority include a public parking garage, a public parking lot, a public ring road, and two detention ponds.

The Cities began collecting TIF service payments resulting from increases in the assessed valuation of the Mall in 2006. However, because the incremental value did not fully support the payments on the Bonds, the Cities have also certified Special Assessments for collection by the Counties in each of the last four years. The Special Assessments carry a tax lien and generally cannot be “primed” by a mortgage lender. The TIF service payments and Special Assessments through tax year 2007 (collection year 2008) were paid.

As previously discussed, the amount of TIF service payments due in 2009 and 2010 has been virtually eliminated as a result of the property owner’s challenges to valuation. The Special Assessments certified, if paid, should be sufficient to support required payments on the Bonds.

Deeds transferring the Mall property to the mortgage holder were recorded with Hamilton and Butler Counties. Counsel to the new owner has been in communication with counsel to the Port Authority and counsel to the Trustee. The new owner has advised the Trustee that it intends to provide funds to make the unpaid principal payment (and related interest), pay Administrative Expenses, and reinstate the Bond Reserve Fund. Efforts have been made through the Trustee and the Administrator to reach out to bondholders, but so far without success.

The Port Authority’s approval of a proposed subcontract under the Management Agreement relating to the operation of the Port Authority property is under discussion. The owner has accepted all of the Port Authority’s requested changes to the form of that agreement. Consistent with the existing Management Agreement, Port Authority staff intends to approve that subcontract upon receiving evidence of the required insurance and proof that the delinquent taxes and service payments relating to the Port Authority property have been paid.

As of March 31, 2010, taxes, service payments, and special assessments, including taxes owed as manager on the Port Authority property, remain delinquent. The Port Authority continues to work with its partners, including the cities of Forest Park and Fairfield, the Trustee, and the Administrator for the Bonds. Possible options include a workout or an enforcement action, but those steps and how to pay related costs are still under discussion.

Mr. Dunn asked for clarification regarding the unsuccessful attempt to contact the bondholders.

Ms. Thomas stated that the bondholder was identified in “street name”, however, the Trustee and the Administrator have been unsuccessful in obtaining the names of the actual investors. There have been a number of different approaches taken to obtain this information, but to no avail.

Mr. Dunn commented this was unusual.

Ms. Thomas affirmed that this was a unique situation.

4000 Red Bank Road, Fairfax, OH (Regency Centers – Red Bank Village) – On November 21, 2006, the Board approved Resolution No. 2006-15 which authorized, in cooperation with the Village of Fairfax, Ohio (“Village”), the issuance of Tax Increment Financing (TIF) revenue bonds to finance the costs of identified public infrastructure improvements (“Project”) in support of the redevelopment of the former Ford Transmission Plant site on Red Bank Road.

All aspects of the Project are now complete and in service. The final disbursement from the construction account to cover costs of the Project was paid on March 18, 2010. The Project Completion Certificate was submitted to the Trustee on March 19, 2010.

The retail superstore, retail strip, and two commercial office buildings have been completed. The owner and developer are required to construct and complete additional retail and outlot improvements by December 31, 2010.

V. ECONOMIC INCLUSION UPDATE

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

Queen City Square Tower, Cincinnati, OH: The overall project is approximately 65% complete. All concrete work is complete, as well as the precast erection on the Queen City Club side of the garage. The curtain wall erection is complete through level 35, and is progressing at a pace of a floor per week. The stone and glass work is continuing up Sycamore Street, and will do so until the end of April. Cladding of the Fourth Street elevation and the Rotunda will continue through August. The tiara fabrication is currently 70% complete. The first of a series of shipments of the tiara will begin to arrive in early April. Erection of the tiara is scheduled to begin around April 19, 2010, and will take approximately three months to complete. The temporary platform that will support the aerial lifts was erected the last week of March 2010.

The north luffing boom crane that was located on the Fourth Street side has been removed. The main hammerhead tower crane that will be used to erect the tiara jumped an additional 100 feet on April 3, 2010. The interior temporary hoist will be removed beginning April 26, 2010. This will allow construction of the two executive elevator cars to begin. The service elevators, 1 & 2, should be operational by August 1, 2010. Permanent power is being energized currently by Duke Energy on site. Complete transfer from temporary to permanent power should occur by the end of April 2010. The contract for stone in the interior lobby of the building has been awarded, and shop drawings are being prepared. The interior lobby bids have been received, and awards are currently in process. Bids for the first tenant pack were received on March 23, 2010. These bids are currently under evaluation.

The Project Team (Eagle Realty, Ellington Management Service, Turner Construction, and the Port Authority) continue to meet on a monthly basis to receive project updates, and to insure that companies are following the contracting guidelines that were established by the team. Progress on the project may be viewed at: www.queencitysquare.com/construction.htm. There is a webcam at the site that captures photos of the site on a daily basis.

Ms. Robb directed the Board to the Economic Inclusion Reports. The Completed Projects Report reflects results of 23% for Minority Business Enterprise (MBE) participation; 15% for Women Business Enterprise (WBE) participation; and 13% for Small Business Enterprise (SBE) participation against the goals of 25%, 7% and 30% respectively.

Mr. Dunn asked Ms. Robb to provide a sense of how inclusion is tracked for internal Port Authority operations.

Ms. Robb stated that internal Port Authority operations are not tracked monthly as external project-related inclusion efforts.

Ms. Satzger commented that the Port Authority budget is primarily spent on fixed costs for staff, rent, etc.

Mr. Dunn stated that he wanted to make sure that the Port Authority is tracking inclusion for internal operations as it is for external project-related inclusion.

Mr. Schafer commented that the Port Authority does take inclusion into consideration as the Port Authority looks to make an acquisition and provided an example of the Port Authority's office expansion.

Ms. Robb stated that the Port Authority used an SBE for the construction, resulting in approximately 98% inclusion for this project. This includes office furniture provided by an MBE, printing and stationary provided by a WBE, and the construction which was put out to bid.

Mr. Schafer stated that where the Port Authority has the opportunity for new expenditures or when revisiting optional resources for typical expenditures, SBE's, MBE's, and WBE's are considered in the process.

Mr. Greiwe asked that with regard to the tenant interior build out for the Queen City Square Tower project, does the Port Authority monitor inclusion efforts.

Ms. Robb affirmed this would be monitored as well.

Ms. Thomas commented that there is a distinction between tenant improvements that the Port Authority will own versus furniture, etc. not owned by the Port Authority

Mr. Greiwe asked if the Port Authority has offered or will offer resources to prospective tenants to help in their effort to consider SBE, MBE, and WBE contractors for office furniture, supplies, etc.

Ms. Robb stated that she has been in contact with a prospective tenants' (Frost Brown Todd) diversity representative regarding such matter.

VI. CHAIRMAN'S REPORT

Ms. Satzger asked Mr. Greiwe to provide the Board with an update on the Economic Development Working Group (EDWG).

Mr. Greiwe stated that the EDWG continues to build upon the work initiated by the Port Authority staff on Strategic Planning initiatives. The group will meet on April 12, 2010 with the assistance of some local economic development practitioners to further the development of a final plan. This effort includes a trip to Portland, Oregon to see how its economic development activities are undertaken.

Ms. Satzger provided an update regarding the field trip to Portland, Oregon. She stated that all Board members, as well as City and County elected officials, have been invited to participate in this economic development benchmarking trip. The trip is scheduled for May 2nd through May 4th. On May 3rd, day-long meetings are scheduled with representatives of the Portland Development Commission, the Port of Portland, and various Portland and Oregon economic development entities. Staff is working to finalize the itinerary and agenda. Once the travel itinerary and the agenda have been finalized, this information will be forwarded to those that will be taking the trip.

VII. PRESIDENT'S REPORT

Financial Report

Mr. Schafer provided the Board with the following financial report update.

The balance sheet reflects \$1.37 million in cash at the end of March. Revenues and expenses are in line with the budget through March. Professional Services are slightly above budget due to activities related to Strategic Planning. Mr. Schafer noted the Port Authority has still not received its budgeted annual fee from Cincinnati Mills in the amount of \$44,200.

Mr. Schafer stated that the Port Authority has received funding from both the City and County for 2010; however, the Port Authority has not received the County's funding for 2009.

TRAC Application

Ms. Satzger provided a status update on its application to the Transportation Review Advisory Council (TRAC) at the Ohio Department of Transportation (ODOT). The application requested \$1 million dollars to conduct the preliminary environmental and engineering work for the Fourth Main Rail project in order to ease rail congestion through the Mill Creek Corridor. The State provided its preliminary priority list of projects which it has selected for funding. The Cincinnati Fourth Main Rail project is currently recommended for funding. The next step is a two-month public comment period with a final decision scheduled for mid May 2010.

Revive I-75 Corridor Study

Ms. Satzger introduced Cameron Ross, Cincinnati Planning Department, and Rick Record, RL Record LLC, a consultant on the Revive I-75 Corridor Study project.

Mr. Ross provided a presentation on the Revive I-75 Corridor Study. This Study is in response to the Ohio Department of Transportation's (ODOT's) realignment and improvements to I-75 from the Mitchell Street exit south to the Ohio River. Mr. Ross stated that the project partners included the following team members: Urban Design Associates, Lead Firm, Architecture, Urban Design, and Public Process; RCL & Co., Market and Financial Analysis; RL Record LLC, Transportation Planning; Design Workshop, Sustainable Landscape Design; Wallace Futures, Sustainable Infrastructure; DNK Architects, Local Architecture Liaison; and Vehr Communications, Public Outreach, Media Relations.

The Revive I-75 Corridor Study will be looking at four study areas within the City of Cincinnati: 1) Mitchell Avenue Interchange; 2) Interstate 74 Interchange (Northside/South Cumminsville Neighborhoods); 3) Hopple Street Interchange (Camp Washington Neighborhood); and 4) Queensgate. The City of Cincinnati engaged this team to study these areas and develop a plan for future economic development, neighborhood revitalization, green infrastructure, and transportation improvements. The Study process began in October 2009 and expected to be finalized in May 2010.

Mr. Ross said that in each of the above study areas, the team looked at strengths and weaknesses of the area, as well as identified a vision for each area. He said that as the team has looked at possible implementation, they have contemplated the Port Authority's involvement. He said that they have been aware of the fact that the City and County have an interest in the Port Authority playing a role in advocating for freight infrastructure, as well as potentially playing a role in growing local freight

infrastructure, particularly as it pertains to a river-rail port facility on the Ohio River in the Queensgate area. With this in mind, he pointed out the fact that, in the Queensgate area, the I-75 Corridor Study seeks to capitalize on rail, river, and highway access for economic development purposes.

Mr. Greiwe reinforced that the freight infrastructure located in the Queensgate area is key to the growth and support of local business. He asked if the Queensgate area, consistent with the Go Cincinnati Plan, would be reserved for the leveraging of these key freight transportation assets, and the growth of industrial development around these assets.

Mr. Ross said yes, and that the Queensgate area is being designed to leverage its freight infrastructure.

Mr. Greiwe asked that the Port Authority's interest in the preservation of the Queensgate's freight infrastructure and its support of the Study recommendation that the City capitalize on rail, river, and highway access for economic development purposes be shared with the City and those compiling the Study.

Ms. Satzger thanked Mr. Ross for his presentation.

Ohio Logistics and Distribution Stimulus Program

Ms. Satzger shared with the Board that the State of Ohio has provided the region with an opportunity for Ohio Logistics and Distribution Stimulus Program dollars. The Port Authority is working with the City and County, and various terminal operators on the river, to take advantage of what is essentially a low-interest loan that can be converted to a grant in the future if program requirements are met. The application for this loan is April 15, 2010.

VIII. ADJOURNMENT

Ms. Satzger asked for a motion to adjourn the meeting.

Motion: Clark Handy made a motion to adjourn the meeting of the Board meeting at 8:32 AM. The motion was seconded by Shane Wright. The motion was approved unanimously.

Respectfully,

Kimberly Satzger
Secretary