

THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY
BOARD MEETING MINUTES
Thursday, May 5, 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.

BOARD MEMBERS PRESENT:

Bailey, Clifford
Budig, Otto
George, Lou
Hale, Joe
Hull, Betty
Humes, Tom
Johnson-JioDucci, J.J.
Kearney, Eric
Kull, Ron
Love, Steve
Muller, Paul
Peraza, Robert
Reid, Janet
Rouse, Jack
Siebenburgen, David
Vehr, Nick
Zimmer, Joe

EXCUSED:

Otto, Charlotte

STAFF:

Ciampone, Kathy
Robb, Deborah
Satzger, Kim

GUESTS:

Cundiff, Jim – Hamilton County
Greiwe, Ron – Greiwe Development Group
Hine, Doug – Miller-Valentine
Jones, Bruce – Squire, Sanders & Dempsey
Norman, Mark – Vorys, Sater, Seymour & Pease
Osborne, Kevin – Cincinnati Post
Peale, Cliff – Cincinnati Enquirer
Phillips, Bonnie – City of Cincinnati
Williams, John – Gonzalez, Saggio & Harlan, LLP

II. APPROVAL OF MINUTES

MOTION: Joe Hale made a motion that the minutes of the April 7, 2005 Board Meeting be approved. Ron Kull seconded the motion. The motion was passed unanimously.

III. BROWNFIELD PROJECT UPDATE

Review of Summary Table of Environmental Benefits of Brownfield Projects – Kim Satzger noted that the Brownfield Summary Table, under Tab III of the Board binders, has been updated. It was noted at the last Board meeting that the grant dollar amounts for the 4000 Red Bank Road project and the 400 Pike Street project had been switched. The table has been corrected to reflect the correct grant amount for all of the brownfield projects.

3603 East Kemper Road – Kim Satzger reported that in the Purchase and Sale Agreement with Neyra Properties, the inspection contingency expired on April 13, 2005. During the inspection contingency period, Mr. Neyra engaged Civil and Environmental Consultants (CEC) to review the environmental documents for the property. CEC stated that additional environmental work was not required and recommended that Mr. Neyra request a Reliance Letter from Hull and Associates. Hull provided Mr. Neyra a Reliance Letter with regard to the environmental documentation for the site.

The Purchase and Sale Agreement stipulates that the closing occur between May 13, 2005 and May 31, 2005. The Port Authority is currently working with the Ohio EPA on both the Covenant Not to Sue (CNS) and the Environmental Covenant (EC). We anticipate have those documents will be in place by the end of May. However, there is a chance that Ohio EPA will not have their review completed in time to meet the closing date stipulated in our agreement with Neyra Properties. Therefore, Kim Satzger requested that the Board give her permission to amend the current Purchase and Sale Agreement to extend the closing date from May 31, 2005 to June 30, 2005. This will only be done if the CNS and the EC are not received prior to the May 31, 2005 closing deadline.

Kim Satzger introduced Mark Norman, Vorys, Sater, Seymour & Pease, to further explain. Mr. Norman stated that the agreement does not required that these documents be completed prior to closing. However, these documents will need to be recorded with the deed once received. It will be more expensive to undertake this legal work after the closing. Therefore, it makes sense to delay the closing to file all of the documents at one time.

Jack Rouse asked if this was normal procedure and Mr. Norman said yes.

MOTION: Robert Peraza made a motion to give Kim Satzger permission to extend the closing date for the 3603 Kemper Road sale from May 31, 2005 to June 30, 2005, if necessary. Ron Kull seconded the motion. The motion was passed unanimously.

4000 Red Bank Road – Kim Satzger reported that all of the structures at the site are down except the nearly 200' smoke stack. The smoke stack will be brought down on May 12, 2005 at noon. The demolition company has still not decided if they will pull the stack down or implode it. During the stack demolition, the parking lot of the adjoining business will be closed to prevent personal injury or property damage (auto) from stray smoke stack pieces. There will be a viewing area for the demolition and the press will be invited. Kim Satzger invited the members of the Board to attend.

The main building and the outbuildings are all down. The foundations are currently being excavated. A significant portion of the foundations will be ground up on site and used on site for fill. During the demolition of the foundation slab, substructures were discovered. Currently, site work is being conducted to fully determine the scope of the additional site work and potential remediation. In addition to the substructures, additional environmental contamination was discovered including tanks and barrels.

Dave Steenburgen asked if we know what the original of the substructures.

Kim Satzger said that the Port Authority's consultants are currently investigating the origin of the substructures.

Jack Rouse asked if we will have to have an archeological study done on the structures.

Mark Norman said that that will not be required. There does, however, seem to be more contamination and there is discussion as to who will be responsibility for the cost to remove the contaminated areas.

5025 Carthage Avenue – Kim Satzger reported that the grant agreement has changed since the last Clean Ohio Fund grant that the Port Authority received. The Port Authority has been working closely with Al Neyer, Inc as to the process to work through the new contract requirements.

Jack Rouse noted that between these three sites (Kemper Rd., Red Bank Road & Carthage Avenue) the Port Authority has cleaned up three of the most blighted properties in the region.

400 Pike St. – Kim Satzger introduced Doug Hine of Miller-Valentine and Rich Griewe of Griewe Developers Group to provide an update on the 400 Pike Street (former Polk Building) project. She explained that the remediation and interior demolition work conducted by the Port Authority is complete. The building renovation is now underway. The building is being converted to residential condo units.

Doug Hine said that they call the project "Park Place at Lytle." There are 113 units in the building. Unit sales have gone well. They are averaging 7 units per month in sales. They plan to have the units ready for occupancy in the fall of this year. The quality of the units has been increased by the request of the buyers. They had projected to sell the units at \$200 per square foot but have actually been selling the units for \$225 per square foot.

Mr. Hine explained that they had been approved for a \$850,000 grant; however, the work came in under budget at approximately \$650,000. With regard to economic inclusion, Mr. Hine said that the project work had 25% Minority Business Enterprise (MBE) participation. On the professional side, the certified professional was an Small Business Enterprise (SBE) firm; therefore, they had 100% SBE participation.

Jack Rouse asked the value of the units.

Doug Hine stated that the price range is from \$250,000 to \$1.5M.

Rick Griewe said that the buyers represent a wide range of demographics. He said that about 65% of the buyers are 50-60 year olds looking for lifestyle changes, 25% are professionals who work downtown, 5% are retirees, and 5% have school age children.

Jack Rouse thanked them for the update and noted that their project demonstrates the interest in living downtown.

IV. BANKS PROJECT UPDATE

Jack Rouse asked Kim Satzger to give an update on the Banks project.

EDA Funding for the Freedom Way Improvement Project – Ms. Satzger said that at the last Board meeting she reported that the Port Authority and the City of Cincinnati had signed the grant amendment. However, the County had not as yet signed the amendment. Hamilton County has now signed the grant amendment and it has been sent back to the Economic Development Administration (EDA). As previously discussed with the Board, this is the request 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 and Vine Streets which was originally identified in the grant award.

The EDA grant agreement indicates that to begin the Freedom Way project, the Port Authority, as lead applicant, and the City of Cincinnati and Hamilton County, as co-applicants, must now determine who will be the lead on the project, work with the State Historic Preservation Officer (SHPO) to coordinate the required approvals, and select and engineering firm to do the design. The City of Cincinnati has already started the selection process for the engineering firm.

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

ODOT/FHWA Response to Phase I Proposal – Kim Satzger and Steve Leeper met with Dennis Decker, Herman Rodrigo, and Stew Sonnenberg of the Federal Highways (FHWA) in April when they were in town. They went over the powerpoint presentation that was presented to ODOT in January. Ms. Satzger said that she believed that it was a good meeting and the FHWA representatives understood the project and were seemed generally positive. ODOT had originally recommended that all of the CMAQ/TRAK dollars get transferred to the Federal Transit Administration (FTA) with the \$3.5M in FTA funds for distribution. However, FHWA stated that they will now recommend to ODOT that the funds stay with ODOT so that the project can move forward more quickly.

Walker Parking Study – The study is due in May. Walker is studying the parking revenues for Blocks 4 & 8 and will determine the dollar amount of the parking revenues that the Reds, Bengals, and County will need to commit to forego if the intermodal facility (garage) is built with federal funds. They will also be looking to see if there is demand for a 1000 space garage. The final report will include a pro forma that will be used to secure the financing that will be required to construct the streetgrid improvements.

Jack Rouse noted that we got approval to do the study at a prior board meeting.

Kim Satzger said that both ODOT and FHWA have stated that the Port Authority will need to secure, in writing, commitments from the Reds, Bengals, and County that they will forego the parking revenues before they will approve the project to move forward.

Riverfront Park – Kim Satzger said that 3CDC and the Port Authority have worked with Cincinnati Parks to coordinate the park improvements with the Banks project. We have had ongoing meetings to confirm that the schedule for the first phase of the park improvements coincide with the schedule for the Banks Intermodal Facility project.

Jack Rouse noted that the park board has been incredibly cooperative. There are a series of meetings next week that Cincinnati Parks is hosting due to the fact that their design firm is in town.

Kim Satzger noted that anyone who would like to attend the public meeting may attend. She said that the meeting is on May 12, 2005 at 5:00 p.m. at Friendship Park. She will forward the information to the Board.

Tom Humes asked if the funding for the park is in place.

Jack Rouse said that Cincinnati Parks is in the process of securing the funding for the park improvements. The funds for the design are in place through the Corps of Engineers.

FTA Grant – The Port Authority will begin the grant application process to finalize the federal budget appropriation that the Port Authority received for the Banks Intermodal Facility. This grant application may begin after the Port Authority enters into a cooperative agreement with SORTA.

SORTA Agreement – The Port Authority is working with SORTA to secure the required approvals to enable the Port Authority to receive the FTA grant funds. Under the FTA funding system, SORTA is the approved designee in Cincinnati to receive transit dollars. Through a cooperative agreement with SORTA, the Port Authority will be able to receive the FTA grant funds for the Banks Intermodal Facility. SORTA has briefed it board that this request will

be forthcoming. Therefore, in the upcoming months, the Port Authority will be working with SORTA on the agreement.

Banks Project Management Firm: Kim Satzger said that both FHWA and ODOT have told the Port Authority that the firm that is selected for the project design and management for the Banks Intermodal Facility must be an approved ODOT firm. In the April meeting with FHWA, they recommended that the Port Authority start the RFQ/P process. FHWA recommended that OKI coordinate the selection process because OKI has an ODOT approved process in place. Ms. Satzger said that OKI has indicated that the cost for it to prepare the RFQ/P is estimated at \$6,000.

Jack Rouse thinks this is a small investment in order for the Port Authority to complete this task and move the project forward.

Nick Vehr asked if our role will be to sit on the selection committee.

Kim Satzger said yes.

Mr. Vehr also asked if there are other resources in the community that could prepare the RFQ/P.

Kim Satzger said that FHWA stated that OKI had an approved process. Therefore, it makes sense to use OKI. Also OKI is less expensive than a consulting firm.

Dave Siebenburgen asked if we needed to vote to approve OKI.

Kim Satzger said that, per the Port Authority's bylaws, a vote is not required for this dollar amount.

V. CHAIRMAN'S REPORT

Jack Rouse noted that interest from developers is ramping up. We will need to get a selection committee to review the status of the developer selection process. We are entering a "reality" and not "what if" phase now.

Banks Director: Jack Rouse said that he had forwarded the job description for the Banks Director to the Board members in advance of the meeting. This position will require someone with extensive experience. Kim Satzger met with Steve Leeper to get input on the job description.

Bob Peraza asked if this person will report to Ms. Satzger.

Ms. Satzger said yes.

Eric Kearney asked what the person would cost. Kim Satzger said in the area of \$125K.

Lou George asked if this role could be outsourced.

Ron Kull said that he thinks that this person needs to be on staff.

Clifford Bailey asked if 3CDC staffed for this position.

Kim Satzger answered no.

Steve Love wants to know where this will put us financially with the budget.

Jack Rouse answered that we may need to use the proceeds from the Kemper sale to pay for this position.

Ron Kull asked if this hire will be made within the next 6 months to a year.

Jack Rouse said yes.

Dave Siebenburgen said that he thinks it is an appropriate investment and thinks we should use the Kemper proceeds to pay for this position.

Clifford Bailey wants to know if 3CDC will have a similar position or if they plan to.

Jack Rouse said no. This is a Port Authority project and will require the management by a Port Authority person.

Eric Kearney asked if the Port Authority will use a search firm.

Jack Rouse said we will look locally first and if that search does not produce a candidate then we may need to use a search firm. This position will take a person with a very specialized experience. The Banks Director will have enormous responsibility and it is crucial to hire the right person.

Nick Vehr said that hiring a search firm will likely add an additional \$40,000-\$50,000 to the cost of the position.

Jack Rouse said this search may be time consuming and this would be appropriate to have a search firm.

Tom Humes said we probably need to have a search firm. He expressed concerns that salary of the person may need to be higher. He thinks using the money from the Kemper sale is fine but suggested that perhaps the money could be paid back to the Kemper fund from the Banks project fund once established.

Dave Siebenburgen said that 3CDC fronted funds for the Banks project last year and we did not want to go to them again this year.

Nick Vehr said that a description for the Banks project should be added to the job description. He said that we should also add a description of the relationship with 3CDC. We need to sell the position.

Eric Kearney asked do we need a staff of 5 or 6 people in order to do everything that needs to be done.

Kim Satzger said yes. These are positions that we have talked about since the beginning of the Port Authority.

J.J. Johnson JioDucci asked if there will be enough support staff to support these new hires.

Jack Rouse said we may need to do something in regards to support and shared services between 3CDC and Port Authority.

John Williams said that the Banks Director job description calls for an architectural/engineering background. He asked if someone that was not an architect or an engineer would be considered.

Ron Kull and Tom Humes concurred that the Port Authority will need someone with either an architecture or engineering degree.

Steve Love noted that this is a draft for us to review. What actions are needed by the Board.

Jack Rouse asked Board members to get back to Kim Satzger within the next week with any edits of the job description.

MOTION: Eric Kearney moved that Kim Satzger be able to move forward with the hiring of the Banks Director. Clifford Bailey seconded the motion. The motion passed unanimously.

Tom Humes suggested contacting local architectural/engineering firms to find a candidate. Perhaps Kim Satzger should draft a letter to key resources and attach the job description as part of the local search process.

Jack Rouse said this is an excellent idea. Further, Mr. Rouse indicated that a search firm was used to find Tony Brown for the Uptown Consortium.

Tom Humes asked if it was correct to assume that the stage was being set for the Port Authority to own and operate the garages and also work with the developer on items above the garage.

Jack Rouse said that, per our enabling legislation, the Port Authority is responsible for the ownership and development of the Banks.

Tom Humes asked if the grant funds will allow the developers to develop the area above the garages.

Kim Satzger said that ODOT has indicated that the air rights above the garage may be privately held.

Tom Humes said that the developers that were initially short listed had concerns about the involvement of multiple public entities (City/County/Port). They thought that this would adversely impact the timing and ultimately the cost of the development.

Nick Vehr said this was the reason for the creation of the Port Authority, to have a single point of contact.

Kim Satzger concurred that the site developer will need a single point of contact. Also, a single point of contact will likely result in a cost savings for both the public and private improvements.

Paul Muller said that he is taking responsibility for working with Kentucky on the new color of the Roebling Suspension Bridge so that it coordinates with the Banks.

VI. PRESIDENT'S REPORT

Audit Report: Kim Satzger gave a brief update on the audit report and the media article last week. She explained that the Port Authority received an "unqualified clean" audit. Therefore, the article was not accurate as it did not provide the complete perspective as to the Port Authority's audit. She indicated that she and Jack Rouse each sent letters to the County in response to their comments in the article.

Lou George said this is standard wording that is seen in most audits. An unqualified clean audit is as good as it gets.

Steve Love applauded Kim Satzger for her quick response to the County with regard to the article.

Eric Kearney said we should make sure everyone knows the audit was an unqualified clean audit.

Port Authority/Hamilton County Funding Agreement – Kim Satzger said that the County has not approved the funding for the Port Authority due to the fact that they had questions about the audit. We will continue to work with the County to answer their questions.

Schedule for Staff Hiring – Kim Satzger reported that, to date, we have received 47 responses for the Director of Finance position and 23 responses for the Director of Brownfield Development. The Finance Working Group is meeting after the Board meeting to review the Director of Finance resumes. We plan to begin the initial screening process during the week of May 9, 2005. Notification to candidates we feel will best meet our requirements will be given during the week of May 16, 2005. We will conduct first and second

interviews and reference checking beginning the week of May 23, 2005. It is our desire to make the final selection and employment offer the week of May 30, 2005.

Nick Vehr said the Brownfield position is key as we have so many brownfield projects moving forward.

Eric Kearney asked how long will this take to hire for the two positions.

Kim Satzger said that she hopes to have offers made by the end of the month and have the persons on staff by mid June.

Financial Report – Kim Satzger gave an update on the financials. We are under budget due to the fact that we do not have a CFO in place. She said that Mike Cheney is providing accounting services on a contract basis. However, he is doing work on a limited basis due to the fact that he has taken a new position. This is the reason for needing to get the Finance Director in place quickly.

Economic Inclusion Reports – Deborah Robb reported on the two projects currently underway that she is monitoring – the 4000 Red Bank Road project and the 303 Broadway at Queen City Square project. Ms. Robb stated that the numbers are essentially the same as last month. She said that Squire, Sanders & Dempsey (SSD) had reviewed the draft Economic Inclusion Plan and provided comments to her. She said that SSD did not indicate that a lot of changes to the document were required. She has made the recommended changes to the document.

Bruce Jones noted that based on his experience the document that Ms. Robb wrote was very well written. In regards to potential legal issues, it is not very common to have so few changes to this type of document. Mr. Jones commended Ms. Robb on her hard work.

Ms. Robb reported that the MBE/WBE/SBE database has been updated with all of the names and addresses confirmed. To date, there are over 380 names included in this database. Ms. Robb said that she will now begin working on getting this database added to our website.

Ms. Robb welcomed Robert Peraza to the Economic Inclusion workgroup.

VII. ADJOURNMENT

MOTION: Jack Rouse made a motion to adjourn the Board of Directors meeting. David Siebenburgen seconded the motion. The motion was passed unanimously.

The meeting was adjourned at 8:43 a.m.

Respectfully,

Kimberly Satzger
Secretary