

**THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY
BOARD MEETING MINUTES
Thursday, May 13, 2004
7:30 AM at the Port Authority Offices**

I. CALL TO ORDER

Jack Rouse called the May meeting of the Port of Greater Cincinnati Development Authority Board of Directors to order at 7:43 A.M.

II. BOARD MEMBERS PRESENT

Bailey, Clifford
Budig, Otto
George, Louis
Hale, Joe
Hull, Betty
JioDucci, JJ Johnson-
Kearney, Eric
Kull, Ron
Love, Steve
Rouse, Jack
Vehr, Nick

EXCUSED:

Fonner, John
Humes, Tom
Muller, Paul
Otto, Charlotte
Reid, Janet
Siebenburgen, David
Zimmer, Joe

STAFF:

Cheney, Mike
Satzger, Kim

GUESTS:

Cundiff, Jim	Hamilton County
Jackson, Jim	JP Morgan
Jones, Bruce	Squire, Sanders & Dempsey
Leeper, Steve	3CDC
Osborne, Kevin	The Post
Phillips, Bonnie	City of Cincinnati
Ratterman, Ed	City of Cincinnati
Schmidt, Robert	JP Morgan
Williams, John J.	Gonzalez, Saggio & Harlan

III. APPROVAL OF MINUTES

MOTION: Nick Vehr moved that the minutes of Thursday, March 11, 2004 be approved. Ron Kull seconded the motion. The motion was passed unanimously.

IV. BROWNFIELD PROJECTS UPDATE

4000 Red Bank Road Project (former Fairfax Ford Plant): Kim Satzger reported that the Clean Ohio Fund grant agreement for this project has many provisions that the Port Authority must flow through to its development partner, Red Bank Road LLC. Therefore, the Port Authority has negotiated an agreement with Red Bank Road LLC entitled *CORF Grant Indemnity Agreement*. This agreement protects the Port Authority from liability if the Clean Ohio Fund sponsored work is not completed to the satisfaction of the Ohio Department of Development. The agreement between the Port Authority and Red Bank Road LLC confirms certain representations and obligations of Red Bank Road LLC and limits the obligations of the Port Authority with respect to the grant agreement form, creates certain indemnification obligations from Red Bank Road LLC to the Port Authority, and creates a guaranty of the indemnification obligations from Red Bank Road LLC by its sole member, W. P. Carey & Co.

Clifford Bailey asked if the Port Authority's Economic Inclusion Policy was reflected in the Grant Indemnity Agreement.

Kim Satzger responded that the Development Agreement relating to this project included the language on the Port Authority's Economic Inclusion Policy. This particular agreement did not include a reference to the Port Authority's Economic Inclusion Policy. The *CORF Grant Indemnity Agreement* was drafted in response to the Port Authority's contractual obligation to the Ohio Department of Development (ODOD) under the Clean Ohio Revitalization Fund grant agreement. For instance, the grant agreement with ODOD stipulates that the site remediation must be completed within 30 months. Further, the grant agreement states that if the remediation work is not completed to the satisfaction of ODOD, the grant funds may need to be refunded to the State of Ohio. The *CORF Grant Indemnity Agreement* protects the Port Authority from these types of obligations as under the indemnity agreement, Red Bank Road LLC would be responsible for the obligation.

Clifford Bailey asked if the site owner/developer were to stop the site work, would this agreement stipulate that remediation work must begin again within a certain number of days.

Kim Satzger explained that the property owner/developer is highly motivated to get the remediation work completed because there is an end-user for the site. This end-user, Regency Centers, will reuse the site once the remediation activities are completed.

Steve Love confirmed that the implementation of the Port Authority's inclusion policy is important for this project and all of the Port Authority's current and future projects. Therefore, he would recommend that a group be formed to look into the Port Authority's Economic Inclusion Policy and how it is incorporated into Port Authority projects.

Mr. Love also stated that he knew that Kim Satzger, Mark Norman, and John Williams had worked with ODOD to get amended language inserted into the grant agreement as the new grant agreement included language on the topic of subcontracting. This new language would have made it difficult to implement the Port Authority's Economic Inclusion Policy. He said that he and John Fonner had participated in discussions on this topic during the negotiations for the amended language.

Kim Satzger added that this language will benefit the 4000 Red Bank Road project, as well as all other Clean Ohio Fund projects within the State of Ohio as the amended language would be incorporated into future Clean Ohio Fund grant agreements.

MOTION: Lou George moved to adopt the Resolution in support of the *CORF Grant Indemnity Agreement*. Ron Kull seconded the motion. The motion was passed unanimously.

V. THE BANKS PROJECT UPDATE

Jack Rouse stated that, in keeping with the Memorandum of Understanding between 3CDC and the Port Authority regarding The Banks project, the Port Authority is working very closely with 3CDC. Since the Port Authority's last Board meeting, Steve Leeper has joined 3CDC as its President. Mr. Leeper comes to 3CDC from the Pittsburgh area where he was the Executive Director of the Sports & Exhibition Authority, an organization that was responsible for the redevelopment of Pittsburgh's riverfront including two new stadia.

Mr. Rouse then introduced Mr. Leeper.

Mr. Leeper said he is a native of Pittsburgh; however, he spent four years at Ohio University followed by two years at Ohio State University. Following college, he worked for the U.S. Department of Housing and Urban Development in Washington, D.C. He then began working for the City of Pittsburgh where he worked as Housing Director and Development Director. He comes to Cincinnati from the Sports & Exhibition Authority, the public entity charged with the redevelopment of Pittsburgh's riverfront.

In his role at the Sports & Exhibition Authority, his organization acquired riverfront property, razed existing structures, cleared the land, and constructed the riverfront improvements. The Sports & Exhibition Authority oversaw the development of two sports stadia, a convention center, and a riverfront park. He said that Pittsburgh today is very similar to Cincinnati's plans for its riverfront. Parking was also a large component of Pittsburgh's riverfront.

Mr. Leeper said that the Sports & Exhibition Authority in Pittsburgh had similar powers to the Port Authority. He said that having a Port Authority to facilitate the development of The Banks is critical and in fact influenced his decision to come to Cincinnati to join 3CDC as 3CDC could not execute its mission without the powers of the Port Authority. The Port Authority is critical due to its ability to own and finance property.

Mr. Leeper indicated that 3CDC had just received \$50 million in tax credits through the New Market Tax Credits program. This would be helpful in 3CDC's efforts to revitalize the community.

Steve Love asked if the New Market Tax Credits could be used in The Banks.

Mr. Leeper said no.

J.J. Johnson-JioDucci explained that the credits are available for Low and Moderate Income (LMI) neighborhoods in order to promote economic development in distressed communities.

Otto Budig asked Mr. Leeper what he thinks about the proposed mix of uses for Cincinnati's riverfront.

Mr. Leeper stated that he believed that the mix of uses was appropriate as it was good to have both office and residential uses on the riverfront.

Mr. Leeper stated that, in terms of phasing, it makes sense to start the improvements for The Banks by the Great American Ball Park.

J.J. Johnson-JioDucci asked if Mr. Leeper was looking at a housing mix on The Banks so that The Banks would offer market rate housing with some elements of economic inclusion.

Eric Kearney asked Mr. Leeper if he has had experience with Small Business Enterprise (SBE), Minority Business Enterprise (MBE), and Woman Business Enterprise (WBE) with regard to riverfront development.

Mr. Leeper said that the Sports & Exhibition Authority did not do as well as he had hoped with regard to inclusion on Pittsburgh's riverfront project - but that they did quite well. He said that he learned from his experiences while implementing Pittsburgh's riverfront improvements.

Ron Kull said that he met with Tony Brown. Mr. Brown is the President of the newly formed Uptown Consortium - a private, nonprofit group created by the five largest employers in the Uptown Area around the University of Cincinnati. The employers are the University of Cincinnati, Cincinnati Children's Hospital Medical Center, Cincinnati Zoo & Botanical Garden, The Health Alliance of Greater Cincinnati and TriHealth Inc. Mr. Kull stated that the Uptown Consortium is focused on the revitalization of the Uptown Area of the City of Cincinnati and that the efforts of the Uptown Consortium should be coordinated with the efforts of 3CDC.

VI. OTHER PROJECTS

Ms. Satzger reported the 303 Broadway at Queen City Square project financing would be coming to the Board at its May meeting. This is a project in which the Port Authority is providing project financing through both a TIF bond and a Lease bond.

VI. CHAIRMAN'S REPORT

Mr. Rouse said that two Port Authority Board members, Otto Budig and Joe Hale, are working on the riverfront park project. In particular, they are working on raising the funds required to develop the park.

Mr. Rouse further stated that the TRAK grant request made by the Port Authority recently received its final approval. The request was for \$11 million for The Banks Intermodal Facility. This approval means that The Banks Intermodal Facility has received \$21 million as CMAQ funds in the amount of \$10 million were already approved for the project.

VIII. PRESIDENT'S REPORT

Kim Satzger stated that the Port Authority had hired Kathy Ciampone as Executive Assistant and Mike Cheney as Director of Finance. She said that Ms. Ciampone was not able to attend the meeting; however, she introduced Mr. Cheney.

Mr. Cheney indicated that he is working with the auditors on the 2003 audit. Once he is familiar with the Port Authority's accounts and systems, he will provide detailed financial reporting to the Board.

Ms. Satzger mentioned that last year's annual report won a graphic design award. She said that work had begun for this year's annual report.

IX. EXECUTIVE SESSION

Executive Session

At 8:20 a.m. Nick Vehr made a motion to move into executive session as follows:

“Motion pursuant to Section 121.22(G)(2) of the Ohio Revised Code to adjourn the meeting of the Board of Directors of the Port of Greater Cincinnati Development Authority and go into executive session to consider the purchase of property for public purposes.

Upon conclusion of the executive session, the Board will reconvene its meeting of the Board of Directors.”

The Board meeting reconvened at 8:50 a.m.

VII. ADJOURNMENT

MOTION: Nick Vehr made a motion to adjourn the meeting at 8:51 A.M. Steve Love seconded the motion. The motion carried unanimously.

Respectfully,

Kim Satzger
Assistant Secretary