

**PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY**  
**BOARD MEETING MINUTES**  
**Thursday, June 18, 2009**  
**7:30 a.m., 3CDC Conference Room, Suite 1440**  
**1014 Vine Street, Cincinnati OH 45202**

**I. PUBLIC HEARING**

Mr. Love called the Public Hearing on the Port of Greater Cincinnati Development Authority Plan, per Ohio Revised Code 4582.32, to order at 7:29 a.m. Mr. Love stated that the reason that he is chairing the hearing and that Mr. Jack Rouse has recused.

Mr. Love then asked Ms. Satzger to speak about the need for the hearing.

Ms. Satzger stated that a Notice of Public Hearing was published in accordance with state statutes and that the purpose of the Public Hearing is to review and take public comments on the Plan. Ms. Satzger stated that no written comments were received by the Secretary of the Board of Directors prior to the Public Hearing.

Ms. Satzger turned the Public Hearing over to Ms. Susan Thomas, Director of Public Finance.

Ms. Thomas stated there was a recent change in the Ohio Revised Code that requires port authorities to have a Plan in place for the future development of the port authority and its facilities. Additional legislation is pending with the State Legislature to further revise or limit this new section of the Code; however, in the interim, the Port Authority has a couple of projects that are coming through and, in order to take action on those activities, a Plan needs to be in place.

The Plan is designed to put the Port Authority in compliance with the recent changes in the Code, and outlines the history, purpose, and major activities of the Port Authority including financing, brownfield, and economic inclusion. Attachment 1 of the Plan describes two pending projects that require approval as a part of the Plan. Unless and until the revised legislation is approved and becomes effective, the Port Authority will need to amend the Plan by adding additional attachments to include any new projects or activities.

The first project listed in Attachment 1 of the Plan is a possible refinancing of the debt at Fountain Square for an affiliate of the Cincinnati Center City Development Corporation (3CDC). The second project is a potential Clean Ohio Assistance Fund grant application for the Crosley Building located at 1333 Arlington Avenue in Cincinnati, Ohio.

Ms. Thomas noted there was no additional action to be taken on these two projects presently.

Mr. Budig asked if there was a need for a Motion for approval of the Plan.

Ms. Thomas responded that there is a Resolution which will be presented to the Board for approval during the Board Meeting.

Ms. Satzger asked Mr. Jeff Bomberger, of Squire, Sanders & Dempsey, if he would like to add anything.

Mr. Bomberger asked if any written comments were received. Ms. Satzger replied no public comments had been received.

Ms. Hull asked how the public was notified.

Ms. Satzger stated that the Notice of the Public Hearing was published in the Enquirer 30 days prior to today's Public Hearing.

Ms. Satzger asked if there were any further questions or comments, to which there were none.

Mr. Love stated if there were no other comments then the Public Hearing is thereby closed.

## **CALL BOARD MEETING TO ORDER**

Chairman Rouse recused himself from the meeting and turned the meeting over to Vice Chairman Steve Love.

Mr. Love called the Port of Greater Cincinnati Development Authority Board of Directors meeting to order at 7:51 a.m.

### **BOARD MEMBERS PRESENT:**

Bailey, Clifford  
Budig, Otto  
George, Louis  
Hull, Betty  
Love, Steve  
Rouse, Jack  
Siebenburgen, David  
Zimmer, Joe

### **EXCUSED:**

Johnson-JioDucci, J.J.  
Muller, Paul  
Otto, Charlotte

### **STAFF:**

Karimi, Marjorie  
Robb, Deborah  
Russell, Christine (via phone)  
Satzger, Kim  
Schafer, Ray  
Thomas, Susan

### **GUESTS:**

Bomberger, Jeff – Squire, Sanders & Dempsey LLP  
Engel, Mark – Bricker & Eckler, LLP

Mr. Love stated the first item for discussion is the Resolution pertaining to the Port of Greater Cincinnati Development Authority Plan per Ohio Revised Code 4582.32. Mr. Love asked if there was a Motion to accept the Resolution.

**Motion:** Mr. Budig moved to accept the Resolution adopting the Plan of the Board of Directors of the Port of Greater Cincinnati Development Authority pursuant to the requirements of Ohio

Revised Code Section 4582.32. The motion was seconded by Mr. Siebenburgen. The motion was approved unanimously. Mr. Rouse was not present for the vote on this resolution.

## II. APPROVAL OF MINUTES

Mr. Rouse returned to the meeting and resumed his role as Chair. He asked for a motion to adopt the minutes.

**Motion:** Mr. Siebenburgen made a motion to adopt the minutes of the March 19, 2009 Board meeting. The motion was seconded by Ms. Hull. The motion was approved unanimously.

Mr. Rouse stated that a few agenda items would be moved out of order to ensure the Board maintained a quorum for the resolutions that need to be addressed. The next item to address is the Budget. Therefore, he asked the Board to skip over Agenda Items III, IV, V, and VI to begin with Agenda Item VII.

## VII. PRESIDENT'S REPORT

Ms. Satzger asked Mr. Schafer to review the requested budget amendment.

Mr. Schafer asked the Board to review the comparative statements of revenues and expenses, and capital expenditures for a proposed change to the December 31, 2009 Appropriations Budget. He stated that, in a similar format to the initially approved budget, information is included that requests an amendment to the budget. This request has been discussed with members of the Board. The initial budget was previously discussed in terms of how lean it was and that the Port Authority would be tracking expenditures closely. In review of expenditures to date, it was determined that the Board should give consideration to revising the budget at this time.

There are two line items up for discussion, salaries and benefits, and professional services. Salaries and benefits are under budget due to the Administrative Assistant position that was vacated in February 2009. This position will be filled later this year. The recommended reduction in salaries and wages is \$27,000. The offset is a \$56,000 increase in professional services which consists of \$20,000 for clerical services, \$24,000 in legal services that need to be increased due primarily to reformation, contracts and legislation; and, \$12,000 in public relations related to projects, primarily Kenwood and Cincinnati Mills.

If there are no questions, we propose that the Board accept the Resolution to amend the Appropriations Budget.

Mr. Rouse asked if there were any questions. There were none.

**Motion:** Mr. Siebenburgen moved to accept the Resolution to amend the Appropriations Budget. The motion was seconded by Mr. George. The motion was approved unanimously.

## III. Brownfield Projects Update

Mr. Rouse stated that the next item for discussion by the Board is the Resolution for the Kahn's Building.

Ms. Russell provided the Board with the following information on the Kahn's Building Resolution.

**Clean Ohio Revitalization Fund Application for 3241 Spring Grove Avenue, Cincinnati, OH (Kahn's)** – Hamilton County has indicated that it is potentially interested in the Port Authority submitting a Clean Ohio Revitalization Fund application for the Kahn's site this summer. Given the Board Meeting Schedule, and in order to preserve the option should the County want to move forward with a Clean Ohio Fund grant application, the staff is seeking Board approval for the submission of a joint Clean Ohio Fund application (Hamilton County and the Port Authority).

Ms. Russell said that the Kahn's site was donated by Kahn's to the County for potential use as a jail. Currently, a Clean Ohio funded Phase II assessment is being completed on the site. The results of the Phase II will determine the required level of cleanup for the site. The will provide the basis for applying for Clean Ohio funds to remediate the site.

Ms. Russell reiterated that the purpose for the Resolution is to preserve the option for a Clean Ohio Revitalization Fund application to submit later this summer.

Mr. George asked if there was any obligation on the part of the Port Authority.

Ms. Satzger clarified that the Port Authority has had discussions with the County. The Clean Ohio Fund grant agreements stipulate that if the subject property is not cleaned up to the satisfaction of the State, then the State can see repayment of the grant funds. Historically, the Port Authority flows those requirements down to the developer. In this case, the Port Authority has had discussions with the County about this fact. The County understands that the Port Authority is not in a position to enter into the grant agreement without the ability to seek the appropriate guarantees from our partner on the project.

Mr. George asked that, since we are contemplating providing approval early in the process, if the Port Authority becomes uneasy as more facts come up, does the Port Authority have an obligation to continue.

Ms. Satzger affirmed and stated that part of the discussion with the County was that, due to the Board Meeting schedule and the timetable for submitting the grant, and in order to preserve the opportunity to help the County, the Port Authority would request approval now; however, the Port Authority may or may not go forward depending on the details of the project.

Mr. George asked that since the obligation is for the future, please ensure the new Board is aware of this resolution.

Mr. Rouse asked if there were any additional questions or comments. There were none.

**Motion:** Mr. Budig moved to accept the Resolution authorizing the Port Authority to submit the Clean Ohio Revitalization Fund application and to enter into multiple agreements with the property owner or another party or both. The motion was seconded by Mr. Bailey. The motion was approved unanimously.

Ms. Russell continued the Brownfield Summary Report.

**5025 Carthage Avenue, Norwood, OH (Linden Pointe)** – Additional sampling has been conducted by Hull & Associates at the site to collect data that will be used to prepare an addendum to the No Further Action Letter that was submitted last year. The addendum will

address comments received from Ohio EPA on the NFA letter and it will also incorporate the new data that is being collected. The addendum is due by the end of July.

Additionally, the developer, Al. Neyer, Inc., was awarded a Clean Ohio Impact Award for the “Best Site Development in a Small Town or City” for Linden Pointe development. Ms. Russell accepted the award on their behalf at the Ohio Brownfield Conference that was held in Wilmington, Ohio last month. This is a great testament to the work that Al. Neyer, Inc. has done on that site.

**320 South Anthony Wayne Avenue, Lockland, OH (Hamilton County Regional Business Park)** – The Port Authority is currently in the paperwork process on this project. The No Further Action letter was submitted to Ohio EPA in February. Ohio EPA received a great amount of No Further Action letters in February due to pending changes in their cleanup standards. Projects wanted to get their documentation in before the cleanup standards changed. Therefore, we expected a backlog and a longer than usual time to review. We have not yet heard back from Ohio EPA on the NFA.

**4101 Spring Grove Avenue, Cincinnati, OH (American Can Building)** – The Port Authority submitted a Technical Memorandum in March that basically laid out the entire remedial action for the site. We had a follow-up meeting with Ohio EPA on May 8, 2009, and we have received some positive feedback; however, OEPA is still reviewing additional detail that they asked the team to provide. While we are waiting for additional feedback from Ohio EPA, there is work with which the Port Authority is proceeding that does not require feedback from the agency. That work includes groundwater sampling and tank removal at the site. We will continue to work closely with Ohio EPA to address any additional comments that they have on the plan.

Mr. Budig asked how the developer’s doing with regard to their cash position.

Ms. Russell responded that the developers are very close to finalizing their finances. From her understanding, there are term sheets being looked at on both sides. The developer has put together an incredibly complex financing package for this particular site. It includes New Market Tax Credits, Historic Tax Credits, conventional financing, and a Brownfield Revolving Loan Fund.

**1220 Harrison Avenue, Cincinnati, OH (Harrison Terminal Building)** – Since our last Board Meeting, the Port Authority has contracted with Keramida, which is a woman-owned environmental consulting company, to perform the Phase II assessment of that building. If you recall, this grant was for a Phase II Assessment, not the cleanup; therefore, this is the grant funded work. Fieldwork began the middle of last month and will be completed tomorrow (June 19). This project progressed very quickly. The next step is to wait for the laboratory results to come back, and when that happens Keramida will prepare the Phase II Report of which will be submitted to the Ohio Department of Development and the Ohio EPA. We are targeting to submit the report the end of August.

Mr. Rouse thanked Ms. Russell for her report.

#### **IV. FINANCING PROJECTS UPDATE**

Ms. Thomas provided the Board with the following project financing updates.

**225 Pictoria Drive, Springdale, OH (Pictoria Corporate Center)** – This \$10 million revenue bond was issued by the Port Authority in 2006, and was used to finance the public structure at

the site. The Bonds are backed by special assessment and tax increment financing payments. The interest rate on the Bonds is variable and resets annually. A Letter of Credit provides liquidity and credit support to the Bonds. The Letter of Credit is reimbursable and all reimbursement obligations to the bank are payable only from the funds in the Trust.

Earlier this year, the Letter of Credit bank notified the Port Authority that it was interested in seeking an increase in fees and rates on the Letter of Credit as a condition to extending it. At the February Board meeting, the Board took action and authorized the execution of various documents to implement those changes. Ms. Thomas reported that all the necessary documents to affect the revised Letter of Credit have been executed and the revised and reissued Letter of Credit on the Pictoria Bonds has been extended until February 15, 2011.

### **Post Issuance Compliance Monitoring Policy**

Ms. Thomas stated that an issuer has a host of responsibilities after the issuance of bonds with regard to monitoring. This is particularly true if the bonds are done with some type of tax credit or on a tax-exempt basis.

Ms. Thomas provided some background on the need for and timing of the Policy. She indicated that the Internal Revenue Service (IRS) recently sent a survey to a number of public finance issuers asking a series of questions about how they monitor compliance post issuance. One of the questions in the survey was whether or not the organization had written procedures or guidelines regarding post issuance compliance. The Port Authority did not receive the survey.

Ms. Thomas indicated that the Post Issuance Compliance Monitoring Policy will cover all bond issuances of the Port Authority and not just tax exempt debt. Some provisions in the Policy may not be applicable to all Bonds; however, those determinations will be made at or shortly after the time of the offering in consultation with legal counsel.

Ms. Thomas further stated that the Policy has been prepared and reviewed by both sets of the Port Authority's bond counsel, and if the Board so desires, they may adopt the Policy by a motion.

Mr. Rouse asked legal counsel if there was any reason why the Board should not pass the Policy.

Mr. Bomberger stated that he believed that it was important for the Port Authority to have a Policy. The Post Issuance Compliance Monitoring Policy essentially places the Vice President of the Port Authority, with assistance from counsel and other members of the staff, in charge of implementing the Policy

**Motion:** Mr. Love moved to approve the Post Issuance Compliance Monitoring Policy. The motion was seconded by Mr. Siebenburgen. The motion was approved unanimously.

## **V. ECONOMIC INCLUSION UPDATE**

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

**4000 Red Bank Road, Cincinnati, OH (Red Bank Village)** – The Police Substation, which is the final portion of that project that the Port Authority was financing, is complete. However, Regency Center is continuing to have inclusion on the additional portions of that project. They are currently working on retail lot 13, and they have asked the Port Authority for assistance to help them in their economic inclusion efforts. Ms. Robb attends the weekly construction team meetings and assists the contractors

with any additional efforts they may have. The Port Authority will not be reporting on that portion of the project since that portion is not being funded by the Port Authority.

**Queen City Square Tower, Cincinnati, OH** – Ms. Robb stated that there has been a lot of progress on this project. They are up to floor 14 of the concrete pour and are doing approximately a floor per week. The escalator has been installed that goes from Third Street to Fourth Street. They are working diligently to get the building complete.

Ms. Robb referred the Board to a web site to view progress on the site where a webcam is mounted and updates hourly. The web site is: [www.queencitysquare.com](http://www.queencitysquare.com).

The Project Team that is working on the inclusion aspect, which includes Eagle Realty, Ellington Management Service, Turner Construction, and the Port Authority, meets on a monthly basis to get an update on the project. The project is doing very well with regard to economic inclusion. The team is working on a communications plan to highlight some of the success stories that have occurred on this project.

Ms. Robb moved on to discuss the Economic Inclusion spreadsheet. The June "Projects- in- Process Report (without Kenwood Towne Place) includes the Harrison Terminal project with is being managed by Keramida, which is a woman-owned business. The numbers on that project are as follows: 33% MBE, 26% WBE, and 59% SBE participation. Keramida has been diligent in working with the Port Authority on contracting efforts. Overall, total projects, without Kenwood Town Place, are currently at 26% MBE, 17% WBE, and 6% SBE. Of the Projects- in- Process (with Kenwood), we are currently at 19% MBE, 15% WBE, and 6% SBE overall. Also included in the Board packet are the Completed Projects through 2008, 17.5% MBE, 15.4% WBE, and 31.8% SBE.

Mr. Love stated that the figures are outstanding. He said that as he works in other cities similar to Cincinnati, these other communities are struggling to have results such as these.

Mr. Rouse concurred with Mr. Love, and thanked Ms. Robb for her report.

Mr. Rouse stated that before the Board goes into Executive Session he asked that Mr. Schafer provide the Financial Report.

## **VII. PRESIDENT'S REPORT (cont'd).**

Mr. Schafer reported that the Port Authority has \$1.3 million of cash at the end of May 2009. The Port Authority projected at the beginning of the year that it would receive the City's grant monies in May. However, the Port Authority has not received these funds. This results in a negative variance. The detail of expenses was summarized in the earlier budget discussion. To reiterate, salaries and benefits are under budget due to the vacant Administrative Assistant position. The over budget change in professional services consists of clerical, legal, and public relations services.

Mr. Schafer asked if there were any questions.

Mr. Rouse asked if there were any additional questions or comments, noting that there were none.

## **VI. CHAIRMAN'S REPORT**

**Motion:** Mr. Love made the following motion, pursuant to Ohio Revised Code Section 121.22 G (3), to adjourn the meeting of the Board of Directors of the Port of Greater Cincinnati Development Authority to go into executive session for the sole purpose of a conference with an attorney or attorneys for the Port of Greater Cincinnati Development Authority concerning disputes involving the Port Authority that are the subject of pending or imminent court action. Upon conclusion of the Executive Session, the Board will reconvene this meeting of the Board of Directors. Mr. Siebenburgen seconded the motion. The motion was approved unanimously by roll call vote.

The Board adjourned into executive session at 7:58 a.m. The Board came out of Executive Session and reconvened its Board of Directors meeting at 8:15 a.m.

Upon reconvening from Executive Session, Mr. Rouse thanked the Board of Directors for their dedication and hard work. For the purposes of continuity, he thanked Messer's. Budig and Zimmer for continuing on the Board.

Ms. Satzger thanked the Board as well, and introduced Ms. Tiffany Laird who is currently a temporary working in the role of Administrative Assistant, but will be coming on staff soon.

Mr. Love thanked Mr. Rouse for his strong leadership role as Chairman of the Board. Looking back at the economic development progress that is due to the Port Authority, Mr. Rouse's leadership has been outstanding.

## **VIII. ADJOURNMENT**

Mr. Rouse adjourned the Board of Directors Meeting at 8:21 AM.

Respectfully,

Kimberly Satzger  
Secretary