

**THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY
BOARD MEETING MINUTES**

**Thursday, October 7, 2004
7:30 AM at the Port Authority Offices**

I. CALL TO ORDER

Steve Love called the Port of Greater Cincinnati Development Authority Board of Directors meeting to order at 7:38 A.M. Mr. Love indicated that Mr. Rouse sends his regards as well as his apologies for missing the meeting; however, Mr. Rouse was called out of town. Mr. Love welcomed Robert Peraza to the meeting and indicated that Mr. Peraza was the President of the Hispanic Chamber of Commerce and was recommended to fill the empty Board seat pending approval by Hamilton County.

II. BOARD MEMBERS PRESENT:

Budig, Otto
George, Louis
Hull, Betty
Humes, Tom
Johnson-JioDucci, J.J.
Kull, Ron
Love, Steve
Muller, Paul
Siebenburgen, David

EXCUSED:

Bailey, Clifford
Hale, Joe
Kearney, Eric
Otto, Charlotte
Reid, Janet
Rouse, Jack
Vehr, Nick
Zimmer, Joe

STAFF:

Ciampone, Kathy
Cheney, Mike
Satzger, Kim

GUESTS:

Ellington, Gene - Ellington Management Services
Evans, Terry - Hamilton County
Norman, Mark - Vorys, Sater, Seymour & Pease LLP
Peraza, Bob - Hispanic Chamber of Commerce
Phillips, Bonnie - City of Cincinnati
Ratterman, Ed - City of Cincinnati

III. APPROVAL OF MINUTES

MOTION: Otto Budig made a motion that the minutes of the September 9, 2004 Board Meeting be approved. Ron Kull seconded the motion. The motion was passed unanimously.

IV. BROWNFIELD PROJECT UPDATE

4000 Red Bank Road Project – Kim Satzger explained that the Port Authority had been making preparations to bid the environmental remediation and demolition activities to be completed at the 4000 Red Bank Road project site. She reminded the Board that this site is located in Fairfax, Ohio and is commonly referred to as the “Fairfax Ford Plant”. Ms. Satzger indicated that the Port Authority had engaged Gene Ellington of Ellington Management Services (EMS) to work with the Port Authority and Hull & Associates (the project manager) on the outreach to minority, women, and small business enterprises for contracting for the remediation and demolition activities. Ms. Satzger then introduced Gene Ellington to explain the outreach efforts.

Mr. Ellington explained that he had begun working with the Port Authority and Hull & Associates to identify the specific areas of contracting that were required for the project. He had collected the description of the scope of work and the project budget. After meeting with Allied Construction Industries, he then developed a list of minority, women, and small business enterprises that were available in the specified areas of contracting. Mr. Ellington noted that there are not the numbers of contractors available as are typically available in the general construction trades. This is due to the fact that the identified contracting areas are restricted to environmental remediation and demolition. This made it difficult to find the minority, women, and small business enterprises for the work. During this process, Mr. Ellington talked with the South Central Ohio Minority Business Council, the Hispanic Chamber of Commerce, and the African American Chamber to make these organizations aware of the upcoming bid process.

On October 4, 2004, a Pre-Bid Meeting was held at the project site. Mr. Ellington was in attendance at the meeting. He explained to the potential bidders that he had been engaged by the Port Authority as a resource for minority, women, and small business enterprise. He further explained that Ms. Satzger was also at the meeting and she explained that the Port Authority’s Economic Inclusion Policy was an important aspect to contracting for the Port Authority. She strongly encouraged those that planned on bidding on the project to attend the upcoming community outreach meeting to be held at the Urban League of Greater Cincinnati.

Mr. Ellington continued to explain that he told the bidders that they would receive a list of identified minority, women, and small business enterprises that were potential subcontractors. He also said that he told the bidders that, as Kim Satzger had stated, he had made arrangements for a community outreach meeting. The event would be held from 5:30 to 7:30 p.m. on October 5, 2004 at the office of the Urban League of Greater Cincinnati.

Ms. Satzger indicated that the flyer for the outreach meeting and the meeting agenda were included in the Board packet.

Mr. Ellington indicated that three Board members were in attendance at the community outreach meeting on October 5, 2004. He said that this event was very well attended and he believed successful. He said that at that meeting he identified the prime contractors and then introduced the subcontractors to the prime contractors. He referred to this as a “matchmaking” event. Mr. Ellington said that he had prepared a written report of his activities that he was submitting to the Port Authority for its files.

Otto Budig asked if Mr. Ellington was working under a timeline. Kim Satzger responded that the bids were due October 18th. Mr. Ellington said that because the project was on a fast track, he quickly identified companies that have the capability to perform in the areas of contracting that are required.

Steve Love said that he wanted to recognize Kim Satzger for her work and dedication to the Economic Inclusion Policy on this project. He also thanked Jack Rouse and Clifford Bailey for their efforts in working to implement the Board’s Economic Inclusion Policy and for their attendance at the October 5, 2004 community outreach meeting. Mr. Love suggested that the full Board be notified of future community outreach meetings in order to afford Board members the opportunity to attend.

Betty Hull asked if local public officials were aware of the outreach efforts for this project. J.J. Johnson-JioDucci suggested a broadcast e-mail to public officials to notify them of future community outreach meetings in order to afford them the opportunity to attend.

Mr. Ellington said that he would notify public officials when he was engaged to work on future events.

3603 East Kemper Road – Kim Satzger reported that the Resource Conservation and Recovery Act (RCRA) closure plan to Ohio EPA should be accepted by October 30th and then the Port Authority will be able to file the No Further Action (NFA) letter certifying that all of the environmental remediation is complete. The Port Authority is currently in the process of terminating the Purchase and Sale Agreement with Neyer Properties, Inc. as Neyer Properties has withdrawn its interest in the property.

Dave Siebenburgen asked why Neyer changed their mind. Ms. Satzger explained that the original Development Agreement was executed in 2001. During the last three years, the Port Authority applied for and received Clean Ohio Funds to remediate that site and has worked through the environmental cleanup for both the Voluntary Action Program (VAP) and the Resource Conservation and Recovery Act (RCRA) regulated areas of the property. Ms. Satzger further explained that Neyer properties is currently working mainly on retail, residential, and upscale office projects and is working less and less on office flex projects. Therefore, Neyer does not believe that this project is a fit for the types of projects on which they are currently focusing.

Otto Budig asked if there was any other interest in the property at this time. Ms. Satzger said that the Port Authority had received several inquiries about the property. She added that the property is in a great location as it is in close proximity to the major interstates.

Tom Humes gave Kim Satzger and Mark Norman (the Port Authority’s environmental legal counsel) credit for handling a difficult situation very well. He said that the negotiations with Neyer had lingered and it had become clear that Neyer’s interest in the property was waning. He said that the Port Authority went above and beyond what was needed in order to attempt to make the sale of the property to Neyer Properties work per the Development Agreement. Mr. Humes indicated that Ms. Satzger

showed leadership by bringing the negotiations to an end in order to put the Port Authority in a position to move forward in marketing the property.

Kim Satzger said that she would prepare options for the Board to review with regard to the disposition of this property.

Paul Muller asked if the Sharonville school board has any restrictions as to whom the Port Authority can sell the property. Mr. Norman explained that there had been an agreement with the school district that the Port Authority would not offer tax abatement on the property under the Community Reinvestment Act.

5025 Carthage Ave. – Kim Satzger explained that the Port Authority has placed an application for Clean Ohio Assistance Funds on file at the Norwood Public Library for a 45-day public review and comment per the Clean Ohio Fund requirements. On November 15, 2004, the Port Authority, along with the City of Norwood (co-applicant), will hold a public meeting on the project. On November 17, 2004, the application will be forwarded to the Ohio Department of Development. The grant request is for site remediation in the amount of \$750,000. Ms. Satzger said that this property is owned by Al Neyer Inc. and is commonly referred to as the “GM-Globe” site.

Betty Hull asked if this project was connected to the American Laundry site. Ms Satzger said that the GM-Globe property and the American Laundry property are immediately adjacent to one another. However, the American Laundry property is owned by Neyer Properties, Inc. Al Neyer Inc. and Neyer Properties are two separate companies.

V. BANKS PROJECT UPDATE

Steve Love indicated that in Mr. Rouse’s absence, Tom Humes would provide the update for The Banks project.

Mr. Humes reported that, coordinated by 3CDC and the Port Authority, The Banks project was moving forward in preparation for the activities to be funded by the Federal and State monies that were received this year. He said that Beyer Blendner Bell has made refinements to the original plan. He said that it is important to focus on the details with regard to how the Port Authority and its public partners should move forward on these publicly funded projects so the deadlines are met as stipulated by the public entities. The first phase will include blocks 4 and 8.

Tom Humes explained that the first phase requires a \$15M in local funds as a match to the Federal and State funds. He said that, at this point, commitments have not been made as to the source of the matching funds.

VI. CHAIRMAN’S REPORT

Steve Love said that Mr. Rouse had provided the Board members with an e-mail which describes the status of the 2004 operational funding to be provided by the City of Cincinnati and Hamilton County. He said that last year the Port Authority had made funding requests to both the City of Cincinnati and Hamilton County in which it requested \$350,000 from each entity for a total of \$700,000. In December

of 2003, both the City and the County approved the request and placed the requested amount in their respective 2004 budgets.

Mr. Love further reported that, to date, the Port Authority has received a partial payment from Hamilton County (\$200,000) and that the Port Authority had not, as yet, received funding from the City of Cincinnati. Steve Love noted that the Port Authority has made substantial progress in looking for the Director of Economic Inclusion. He recognized Kim Satzger, Clifford Bailey, J. J. Johnson-JioDucci, Eric Kearney, and Janet Reid for making this progress possible.

VII. PRESIDENT'S REPORT

Kim Satzger said that Mike Cheney had prepared financial reports that had been transmitted with the Board packets and included a Balance Sheet, Income Statement, and Budget Report-Operating Fund. She thanked Mr. Cheney for his efforts in bringing the accounting function "in-house" and his development of the standardized financial reporting that will be provided to the Board at its future meetings. Ms. Satzger then introduced Mike Cheney to review the Port Authority's financial reports.

Mike Cheney stated that he had prepared a PowerPoint presentation in order to review with the Board the financial documents that he had prepared.

Mr. Cheney first reviewed the financial documents that had been included in the Board packet. He stated that cash is down to approximately \$222,700. He noted that the Board should look at expenditures for legal services as that line item had exceeded initial budget projections. However, he noted that to offset these expenses, Port Authority staff have kept supply inventory and travel expenditures to a minimum. He further explained that, due to the fact that City and County funding had been delayed, staff hires had not been made as originally planned and therefore, this had further offset current expenditures. Mr. Cheney said that the major operational expenses are from salaries & benefits (44%) and professional fees (40%, including legal fees at 15%).

Lou George asked if the Port Authority believes that it will get 100% of the 2004 operational support from the City and the County. And if these funds are received, will the Port Authority be O.K. through the rest of the year.

Dave Siebenburgen said that he thinks that the Port Authority will receive all of the dollars.

Lou George asked if we believed that operational support from the City and the County would be available next year. He said that the Port Authority cannot have another year when it does not receive its operational support until the end of the year. This year the Port Authority was fortunate to have reserves from the first three years off which it could operate. However, the Port Authority has used its reserves and therefore does not have reserve funds for next year if the City and the County do not provide the operational support until late in the year again. He said that the Port Authority cannot continue to operate this way. It is important to be able to plan financially for two years into the future.

Tom Humes asked how the sale of the Kemper Road property would affect cash flow.

Dave Siebenburgen said that the Port Authority had not intended the sale proceeds from Kemper to be used for operations. It was thought that these funds would be held as reserves.

Mr. Cheney then reviewed the Income Sources Report. He said that the Port Authority has received nearly \$4 million since its inception in 2001. Of that amount, \$2.7 million had been used for operations and \$1.2 million for brownfield projects. Of the \$2.7 million of operational support, the City of Cincinnati and Hamilton County had each provided operational support in the amount of \$1.05 million. The Port Authority has five Clean Ohio Fund grants.

Mr. Cheney then reviewed the Financial Impact Report. He said that the Port Authority used the \$2.1 million of City/County operational support to leverage \$156.5 million of direct impact for the community. Private investment from the same projects amounts to \$345 million.

Dave Siebenburgen said that the Port Authority should look for another way to reflect the direct impact as the Port Authority could not accurately state that the Port Authority's involvement was directly responsible for the project. For instance, in the case of the National Underground Railroad Freedom Center, that project would have happened anyway. He suggested that we look for another format in which to reflect the impact of Port Authority projects on the local community and the Port Authority's affect on (or role) in that project.

Mr. Cheney said that the Port Authority has completed financings in support of the National Underground Railroad Freedom Center, 303 Broadway at Queen City Square, Cincinnati Mills, and the Cincinnati Zoo. Mr. Cheney explained that the Port Authority is working on The Banks project and five brownfield projects including: 3603 East Kemper Road, Center Hill Landfill, 4000 Red Bank Road, 400 Pike Street (Polk Building), and 3333 Vine Street (Cincinnati Zoo).

Mr. Cheney then reviewed the Economic Inclusion Reports. The Port Authority strives to achieve its economic inclusion goals (MBE 25%, WBE 7%, SBE 30%) while facing some challenges in meeting these goals. One of the main challenges faced is the limited number of certified MBE, WBE or SBE professionals in required contracting areas like environmental remediation services.

Mr. Cheney stated that Port Authority's economic inclusion participation on projects and financings has been comparable to like participation in operational activity. In general, the Port Authority has fallen short of its MBE goal, met its WBE goal, and met or exceeded its SBE goal.

J.J. Johnson-JioDucci noticed on the economic inclusion reports that there had been some double counting. For instance, if there was a minority woman owned business, it would be counted under all three categories: minority, women, and small business. She said she did not recommend that companies be counted under multiple categories.

Dave Siebenburgen said that we should resolve how we will track the companies with which we contract.

Steve Love said that we do not need to revisit this subject as the Economic Inclusion Policy contemplates that we will count companies with which the Port Authority contracts in multiple categories.

J.J. Johnson-JioDucci suggested that the Port Authority's reports document that companies may be counted in multiple categories.

Tom Humes read a motion entitled Motion Pursuant to O.R.C. 121.22(G), “To adjourn the meeting of the Board of Directors of the Port of Greater Cincinnati Development Authority and to go into executive session to consider the appointment, employment and compensation of a public employee. Upon conclusion of the executive session, the Board will reconvene its meeting of the Board of Directors”.

Tom Humes made the motion detailed above. Paul Muller seconded the motion. The motion was passed unanimously by roll call vote.

The Board of Directors adjourned into executive session at 8:30 a.m.

The Board of Directors came out of executive session at 9:12 a.m.

MOTION: Dave Siebenburgen made a motion to accept the financial reports. Tom Humes seconded the motion. The motion was passed unanimously.

VIII. ADJOURNMENT

Steve Love stated that, as the Board meeting was running long, the resolution in support of establishing a Deferred Compensation Plan (457 Plan) for pre-tax retirement savings be held until next months Board meeting.

MOTION: Otto Budig made a motion to adjourn the Board of Directors meeting. Lou George seconded the motion. The motion was passed unanimously.

The meeting was adjourned at 9:15 A.M.

Respectfully,

Kimberly Satzger
Secretary