

**THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY
BOARD MEETING
THURSDAY, DECEMBER 6, 2001
5:00 p.m. at the Office of the Port Authority**

I. CALL TO ORDER

Jack Rouse called the December meeting of the Port of Greater Cincinnati Development Authority to order at 5:12 p.m.

II. BOARD MEMBERS PRESENT:

Bailey, Clifford
Corathers, Robin
Fonner, John
George, Lou
Hale, Joe
Humes, Tom
Kearney, Eric
Love, Steve
Martin, Greg
Miller, Norman
Muller, Paul
Reid, Janet
Rouse, Jack
Siebenburgen, Dave
Vehr, Nick

ABSENT:

Byrd, Stephanie
Kull, Ron
Otto, Charlotte

STAFF:

Sharp, Tim
Satzger, Kim

GUESTS:

Dober, Phillip F.	Arthur Andersen
Fischer, Bill	City of Cincinnati Economic Development Department
Hammersmith, Dick	Councilman Chris Monzel's Office
Hansbauer, Joe	Accenture
Hekler, Jodi	Dan Pinger Public Relations
Navicov, Howard	EAI
Norman, Mark	Vorys, Sater, Seymour & Pease, LLP
Osborne, Kevin	Cincinnati Post
Phillips, Bonnie	City of Cincinnati Office of Environmental Services
Portune, Todd	Hamilton County Commissioner

Ratterman, Ed
Richardson, Bob
Schultz, Susan
Trammel, Todd
Williams, John

City of Cincinnati Economic Development Department
City of Cincinnati Architect's Office
Mill Creek Restoration Project
Gonzalez, Saggio, & Harlan, LLP

III. APPROVAL OF MINUTES

MOTION: Norm Miller moved that the minutes of the Thursday, November 8, 2001 meeting be approved. John Fonner seconded the motion. The motion was carried unanimously.

IV. ORDER OF BUSINESS

A. Organizational Update

Board Appointments – Jack Rouse stated that Port Authority Board members were originally appointed for staggered terms. The terms were for one, two, or three years. Six board members have terms that expire after one year including Stephanie Byrd, Lou George, Ronald Kull, Norm Miller, David Siebenburgen, and Nick Vehr. Stephanie Byrd and Norm Miller, due to previous commitments, are not available for re-appointment. However, Lou George, Ron Kull, Dave Siebenburgen, and Nick Vehr are available and therefore will be re-appointed to serve on the Board.

Finance Report – Phil Dober reviewed the Finance Report with the Board and reported that the Port Authority currently has net assets of \$673,000. He further noted that the organization started the year with \$317,000 in net assets.

MOTION: Eric Kearney made a motion to approve the Finance Report. Joe Hale seconded the motion. The motion was carried unanimously.

Modifications to Appropriations Resolution – Tim Sharp reported that the Board had passed a budget appropriations resolution in early 2001. However, it is necessary to approve a modification to the former appropriations resolution.

Eric Kearney asked if a budget for 2002 would be reviewed and approved by the Board. He further inquired as to when the Board members would receive the draft budget for review. Tim Sharp responded that he and the Port Authority's financial consultants have been working on the 2002 and 2003 budgets. Upon the finalization of these budgets, each will be forwarded to Board members for review and approval.

MOTION: Greg Martin made a motion to approve the modifications to the former appropriations resolution. Eric Kearney seconded the motion. The motion was carried unanimously.

Political Contribution Recommendation – Jack Rouse reviewed the fact that at a previous Board meeting, Nick Vehr had suggested that the Board adopt a policy that encourages Port Authority Board members not to make political contributions in order to avoid the appearance of impropriety. Then he opened the topic for discussion.

Nick Vehr said that the resolution before the Board would help to establish a guideline for the Board. It does not forbid Board members from making political contributions but rather discourages this practice.

Greg Martin stated that he is opposed to this as a Board recommendation.

MOTION: Nick Vehr made a motion to approve the written recommendation that Port Authority Board members not make political contributions. Eric Kearney seconded the motion. The motion passed with a vote of seven (7) in support of the resolution and six (6) opposing the resolution. Norm Miller abstained from voting.

Greg Martin asked that the minutes reflect that the Chairman, Jack Rouse, broke the tie vote.

Staffing Update – Tim Sharp explained that Kim Satzger had officially joined the staff of the Port Authority as its Director of Brownfield Redevelopment and Planning. He reviewed her accomplishments, explained her areas of responsibility, and welcomed her. Her responsibilities include the implementation of the Port Authority’s brownfield activities throughout Hamilton County as well as oversight of the planning of activities for both of the Port Authority’s missions - The Banks and Brownfields.

Professional Services Partnering – Tim Sharp reported that the Board of the Port Authority has established within its economic inclusion policy that its professional service agreements should identify strategic partners in order to achieve the economic inclusion goals of the Port Authority. He continued that an example of this is the strategic partnership between the W. Bernard Kyles Company and Arthur Andersen, as well as the partnership between Squire, Sanders, & Dempsey LLP and Gonzalez, Saggio, & Harlan LLP.

Jack Rouse said that he feels that this initiative is important and The Banks developers will be expected to participate in similar practices.

Steve Love stated that regular reports should be made on the Port Authority’s economic inclusion strategic partnering initiative. Jack Rouse suggested that quarterly reports be made.

Steve Love mentioned that he had talked with Kim Satzger to review the status of the Dan Pinger Public Relations strategic partnership. He said that he had learned that the Port Authority staff, accompanied by representatives of Dan Pinger Public Relations, met with two minority owned public relations firms. The Port Authority has received proposals from both firms and is currently reviewing the documents.

B. Brownfield Update

Amendment and Reinstatement of Mill Creek Restoration Project (MCRP) Agreement – Tim Sharp explained that the Port Authority has been engaged in discussions with the Mill Creek Restoration Project to continue the activities that the former Brownfield Port Authority had performed for the MCRP.

John Fonner then described that the former Port Authority had contractual arrangements with the Mill Creek Restoration Project. He said that the former Port Authority had contracted with the Payne Firm, on behalf of the MCRP, to perform Phase I environmental analyses for properties located along the Mill Creek. The Phase I analyses are complete and the MCRP wishes to continue this arrangement in order to conduct Phase II environmental analyses of these same properties.

Susan Schultz of MCRP then reviewed the previous contractual arrangement between her agency and the former Port Authority. She further explained that environmental analyses had been conducted related to the following properties: Caldwell Seymour, Queen City Center Salway, and South Mill Creek. Each of these project areas consist of multiple properties. She said that the Phase II environmental analyses will bring the projects one step closer to completion. This work is necessary in order to assess the degree of required environmental remediation activities, conduct the clean-up of the properties, and put the properties back into productive reuse.

Robin Corathers explained that she is the Executive Director of the MCRP. She said that the MCRP is a 501c (3) non-profit agency. Its mission is to foster environmental restoration along the Mill Creek watershed. The agency implements three major activities: Mill Creek Greenway community-based activities, environmental education programs for 1,000 students per year, and the implementation of the Mill Creek Watershed Action Plan. The MCRP has a three person staff and is governed by a Board of Directors. She further explained that the Port Authority will earn a fee for continuing to contract for environmental services on behalf of the MCRP. The Brownfield Community Advisory Committee has approved the proposed agreements for both the MCRP and the Payne Firm.

Robin Corathers stated that she will not vote on either of the agreements (Mill Creek Restoration Project or the Payne Firm) presented to the Board today.

Mark Norman stated that the first agreement had been executed in August 1999. The Board has before it a resolution to update and reinstate the previous agreement. Mark Norman continued that the resolution will allow for an expanded scope of work as under the conditions of this agreement the MCRP will complete its Phase II environmental assessments (through the Port Authority) on Mill Creek properties.

MOTION: John Fonner made a motion to approve the resolution amending and reinstating the agreement between the Port Authority and the Mill Creek Restoration Project and that Port staff will complete the agreement negotiations and finalize the agreement. Greg Martin seconded the motion. The motion was carried unanimously.

Jack Rouse asked that the minutes reflect that Robin Corathers abstained from voting.

Amendment and Reinstatement of Payne Firm Agreement – Mark Norman explained that the MCRP and the former Port Authority conducted a Request for Proposals (RFP) process which resulted in the selection of the Payne Firm to conduct environmental assessment work.

Eric Kearney asked if the Payne Firm could partner with a minority or woman owned business in order to meet the Board's economic inclusion initiative.

Steve Love stated that the Port Authority should look for woman-owned, minority-owned or small business on all of its contracts.

Tim Sharp stated that the Port Authority is currently looking into opportunities for establishing a strategic partnership related to the Payne Firm.

Norm Miller asked on what basis the Payne Firm was selected.

Mark Norman said that each firm that responded to the RFP was screened based on its qualifications.

MOTION: John Fonner made a motion to approve the resolution amending and reinstating the agreement between the Port Authority and the Payne Firm and that staff will complete the agreement negotiations and finalize the agreement. Dave Siebenburgen seconded the motion. The motion was carried unanimously. Robin Corathers abstained from voting.

Brownfield Strategic Plan Update – John Fonner reported that the BCAC has been meeting biweekly to discuss the Implementation Plan (the second step in the two step planning process for brownfield redevelopment). The committee is making good progress and plans to finalize the plan during the first quarter of 2002.

Clean Ohio Funds Update – John Fonner stated that the District 2 Integrating Committee will host an Open House on December 13, 2001 at the Lockland Business Park to review the Clean Ohio application process. John Fonner said that the Port Authority will participate in the Open House and that the public is welcome.

Cincinnati Bar Association Presentation – John Fonner reported that Kim Satzger participated in a panel presentation on November 27, 2001 at the Cincinnati Bar Association. The topic of the panel presentation was the Clean Ohio Fund including the types of eligible projects and the grant application process.

Kemper Road Project Update – John Fonner stated that the Port Authority and Neyer Properties, Inc. have started to work through its schedule as prescribed by the November 15, 2001 agreement between both parties. During the last several weeks, the Port Authority and Neyer Properties have worked through due diligence issues with regard to the title of the property.

C. The Banks Update

Tom Humes thanked those on the Request for Qualifications (RFQ) Review Working Group for their participation and significant time commitment. The RFQ Working Group included Clifford Bailey, Lou George, Ron Kull, Laura Long, Norm Miller, Paul Muller, Janet Reid, and Dave Siebenburgen. He also thanked Steve Love for his assistance and thanked Tim Sharp and Kim Satzger for staff support of the Working Groups' activities. (Tom Humes served as the Chairman of this Working Group).

Tom Humes explained that twelve (12) development teams submitted proposals for all or portions of The Banks project area. The RFQ Working Group reviewed the submissions and listened to presentations made by each team. The RFQ Working Group carefully evaluated the qualifications of each team. He said that a special thank you is owed to Paul Muller and Ron Kull for their guidance in this area as they have been through similar selection processes in the past.

Jack Rouse stated that he had received comments from around the country as to the exceptional quality of the RFQ document.

Tom Humes commented that the RFQ document was a very thorough and detailed document.

Tom Humes explained that the choice was difficult due to the fact that there were several highly qualified firms. But he said that it was the responsibility of the Working Group to narrow the field to a very competitive number due to the time commitment and costs associated with responding to the Request for Proposals (RFP). He estimated that it could cost up to \$200,000 to respond to the RFP. Tom Humes said that the RFQ Working Group wanted to invite only the teams that could play the master developer role.

Tom Humes said that the RFQ was structured so that development teams could respond to a portion or all of The Banks Development Area. However, all development teams recommended that master developer approach.

Review of North of Third Street Eligible Developers – Tom Humes explained that the Working Group decided to identify those development teams that are considered “eligible” for the North of Third Street Area. This course was decided because the Port Authority does not have control of property in the North of Third Street Development Area. Those development teams identified as eligible North of Third Street Developers include:

- Broadacre Management Co.
- Duke Realty Corporation
- Eagle Realty Group
- Lincoln Property Company
- Madison Marquette
- McCormack Baron & Associates, Inc.
- North American Properties
- Staubach-Towne and Partners
- Urban 1 Development Team

Central Riverfront Development Area – Tom Humes reported that the Working Group selected three development teams to move forward through the Request for Proposals phase of this two step developer selection process. The Lincoln Property Company, Madison Marquette, and Staubach-Towne teams will be invited to respond to the RFP. All firms that responded to the RFQ were notified of these results earlier today. It is important to note that this does not preclude the members of the development teams that were not selected to proceed in the Port Authority’s process for selecting a master development for the redevelopment of Cincinnati’s riverfront. The teams that were “short-listed” were not entirely complete and may be augmented during the RFP process. However, it will be up to the development teams to change the make-up of the teams.

Mr. Humes then reviewed the composition of each development as he reviewed the press kit that will be released after the Board meeting. He said that we have invited the firms to come to Cincinnati for a series of meetings to learn more about the project as well as meet with small, minority and woman owned businesses. When Port Authority representatives meet with the teams, each team will receive comments on the importance of the design, quality of construction, and economic inclusion. Economic Inclusion is important and it is the Port Authority’s desire to design an economic inclusion strategy that is achievable and strong.

Clifford Bailey suggested that a networking forum be conducted when the developers come to town. This would provide an opportunity for small, minority and women owned businesses to meet. He suggested that the ideal time for such a forum would be late January or early February.

Tom Humes stated that it is important to move forward swiftly in order to solidify the future of the City’s riverfront area. The intent is to achieve the best project in all of the following categories: design, quality of construction, economic inclusion, and economic development.

MOTION: Greg Martin made a motion to approve the recommendation of the RFQ Working Group for the North of Third Street “Eligible” Developers and the Central Riverfront Development Area Developers. Norm Miller seconded the motion. The motion was carried unanimously.

Nick Vehr thanked all those that served on the Working Group. Nick Vehr thanked Tom Humes and Lou George for their leadership on the proposal that was submitted to Hamilton County for funding the riverfront parking.

Tom Humes thanked Firststar and PNC Bank for the commitment, in concept, of \$38 million for the construction of the parking garages located on the riverfront. The Port Authority's proposal to the County also included \$30 million in State Infrastructure Bank (SIB) loan funds from the State of Ohio. Tom Humes thanked the State of Ohio for its support and belief in the project.

Tom Humes further explained that this Financing Proposal represents a public-private partnership for the funding of the parking garages which serve as the platform for The Banks project. The County did not want to pledge its full faith and credit and therefore the proposal only includes the 1/2% sales tax to repay both of the banks which have committed to provide gap financing. This will allow the project to move forward now while there is momentum. The lenders have agreed to repayment after County obligations have been met.

John Fonner stated that the commitment is higher than the typical SIB loan. The typical loan is for \$1-10 million for a period of 10 years. The commitment that the Port Authority received from the State was for \$30 million for 20 years.

V. ADJOURNMENT

MOTION: Greg Martin made a motion to adjourn the meeting at 6:50 p.m. Steve Love seconded the motion. The motion was carried unanimously.

Respectfully submitted,

Kimberly A. Satzger
Assistant Secretary