



BOARD MEETING MINUTES
Wednesday, February 13, 2013, 8:00 AM
299 E. Sixth Street, SY-101 Conference Room, Cincinnati, OH 45202

1. CALL TO ORDER

Mr. Budig called the Port of Greater Cincinnati Development Authority Board of Directors meeting to order at 8:01 a.m.

BOARD MEMBERS PRESENT:

Budig, Otto	Dunn, Marty
Greiwe, Rick	Jacobs-Horton, Lydia
Marmer, Lynn	Smith, David
Williams, Tom	Wright, Shane

EXCUSED:

Handy, Clark

STAFF:

Boggs Muething, Paula	Brunner, Laura
Cargile, Kim	Hall, Darin
Johnson, Melissa	Karimi, Marjorie
Paul, Gail	Robb, Deborah
Thomas, Susan	

GUESTS:

Barrett, Maria – PGCD, Financial Consultant	Glynn, Meghan – Calfee Strategic Solutions
Kane, Scott – Squire Sanders Dempsey	Schulte, Skip – private citizen
Wallace, Jeff – Parsons Brinckerhoff	

2. WELCOME AND INTRODUCTIONS

Mr. Budig acknowledged and welcomed guests and introduced Kim Cargile the Port Authority’s new accounting manager. A copy of Ms. Cargile’s resume was provided to the Board.

3. APPROVAL OF MINUTES

Mr. Budig asked Board members if there were any additions or modifications to the January 9, 2013 Board of Directors meeting minutes. Hearing none, he asked for a motion to adopt the meeting minutes.

Motion: Marty Dunn moved to adopt the minutes of the January 9, 2013 Board of Directors meeting. The motion was seconded by Lydia Jacobs-Horton and was approved unanimously.

4. COMMUNITY REVITALIZATION

Paula Boggs Muething, VP of Community Revitalization and General Counsel

Hamilton County Land Reutilization Corporation – ANNUAL MEETING

On January 17, 2013, the Hamilton County Land Reutilization Corporation (“Landbank”) Board held its annual meeting at which it approved the annual budget, appointed Board officers, adopted the 2013 meeting schedule, and discussed program updates. The following documents were distributed at the Landbank annual meeting:

- (1) The approved 2013 appropriations budget
- (2) Moving Ohio Forward demolition chart
- (3) Focus Neighborhoods spreadsheet
- (4) Community Building Institute – Short-term neighborhoods preliminary assessment

Focus Neighborhoods Strategy - AVONDALE WORKING GROUP

As previously discussed, Avondale was awarded a \$29.5 million HUD Choice Neighborhoods Initiative grant. On Friday, February 1st a meeting of community partners was convened to discuss how to leverage Port Authority tools and resources and coordinate the activities of individual organizations to maximize the positive outcomes in Avondale. The focus of this first meeting was to share projects and initiatives that each entity is working on within Avondale and to discuss an ongoing communication strategy to keep one another apprised of individual efforts as part of an Avondale Working Group. In addition to the Port Authority team, the following partners participated:

Avondale Community Council	Avondale Comprehensive Development Corporation
Community Building Institute	Local Initiatives Support Coalition
Reds Community Fund	STRIVE Partnership
Uptown Consortium	

Historic Structure Stabilization Program – ADVISORY BOARD

On January 23rd, a first meeting of the Historic Structure Stabilization Program Advisory Board was convened. Board members are:

Tom Croft	Paul Muller
Caroline Statkus	Margo Warminski

The board met to consider 17 properties for the first round of properties eligible for stabilization pursuant to the Historic Structure Stabilization Program, funded by the Landbank Board at \$250,000.00. The board members will rank the individual properties utilizing a rating sheet in order to develop a prioritization of properties. The board will meet on a quarterly basis.

A project currently being worked on is a church located in Loveland, Ohio. Chris Recht attended the Loveland City Council meeting last evening and talked about how the Landbank will support the stabilization of this structure.

5. REAL ESTATE DEVELOPMENT

Darin Hall, VP of Real Estate Development

U.C. Market Study

The Port Authority recently received the final Seymour/Reading Road Market Analysis from the U.C. Economics Center. This document is a critical tool to overcoming the negative market

perception of Bond Hill, and rebranding the Jordan Crossing site. An internal meeting was held on February 7th, to develop a public relations strategy and timetable to release the document.

The study is an analysis of a five-mile radius/five minute driving trip from the intersection of the Seymour/Reading Road corridor. The analysis shows the relative strengths of four established and connected communities (Bond Hill, Roselawn, Golf Manor and Elmwood Place). The report highlights over \$250 million of investment from public and private sources that have resulted in new commercial, residential and civic development in the area over the past ten years. The study analyzes the traffic patterns and centrality of this corridor to the rest of the city. Most importantly, the study shows there is \$100 million of unmet retail demand of which the Port Authority believes this is critical to successfully attract developers and retailers to the site.

This study will be shared around the city and will be utilized for the land use plan that MKSK is working on.

Jordan Crossing Closing Approaches

The Port Authority has successfully relocated the businesses within in the shopping center. Fifth Third Bank has agreed to release its lien on two acres of the church's property that will be sold to the Port Authority to improve Reading/ Seymour entrance to the site. All of the other known impediments to closing have been addressed. The Port Authority is preparing the closing package as requested by the city to receive the funding to close. A tentative closing date of February 19th has been set.

A media event is being planned when the Jordan Crossing and Burger King signs will be taken down. This event will be the beginning of a series of rollout events as the demolition process moves forward.

MKSK Land Use Plan

On February 5th MKSK presented an initial planning study for the Jordan Crossing site. Three development concepts were presented that envisioned varying levels of office, retail, hotel, and residential components for discussion. MKSK will use comments from the meeting to revise the site plans and present them at the next meeting scheduled February 20th.

The Port Authority will ensure that form-based coding will be built into the planning for this site.

Seymour Plaza

The Port Authority has negotiated a Letter of Intent to acquire the 22 acre Seymour Plaza site. The acquisition of this property will allow the Port Authority to pursue advanced manufacturing similar to the TechSolve development further west on Seymour Road. This site has been a troubled property for many years, and was the home of the former Aqua and Ritz nightclubs.

Total acquisition consideration for this site is \$1,150,000 with an additional cost for demolition. Purchase is contingent upon funds availability and environmental due diligence.

Formal Action - Proposed resolution 2013-01 was brought before the Board for approval for the Port Authority to acquire the site known as Seymour Plaza located in Bond Hill, Cincinnati, Ohio:

RESOLUTION AUTHORIZING THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY TO ACQUIRE THE SITE KNOWN AS SEYMOUR PLAZA, LOCATED IN THE BOND HILL NEIGHBORHOOD OF CINCINNATI, OHIO.

After some discussion of the matter, Mr. Budig asked for a motion to approve Resolution No. 2013-01.

Motion: Tom Williams moved to approve Resolution No. 2013-01 authorizing the Port of Greater Cincinnati Development Authority to acquire the site known as Seymour Plaza, located in the Bond Hill neighborhood of Cincinnati, Ohio under the contingency of funds availability and environmental due diligence. The motion was seconded by Rick Greiwe and was approved unanimously.

Queensgate

The Port Authority has negotiated Letters of Intent to acquire two strategic parcels in Queensgate. The first property is the vacant Hudepohl Property (1.6 acres) and the second property is located immediately west of the Hudepohl property at 840 West 5th Street (1.07 acres). Together both sites total approximately 2.7 acres of assembled property that is contiguous to the abandoned Hamilton County Jail. Board Resolutions are attached for your consideration.

While the Port Authority awaits the Martin Associates cargo market and economic impact study that was approved by the Board at its December 12 Board meeting and will address the greater use for the Queensgate neighborhood, the Port Authority is assembling property that can support future industry and job creation. The Port Authority is also conducting its due diligence and depending on the outcome, will decide how and if the Port Authority moves forward.

Total acquisition consideration for the Hudepohl and West Fifth Street Lofts sites is \$650,000 with an additional cost for demolition. Purchase is contingent upon funds availability and environmental due diligence.

Formal Action - Proposed resolution 2013-02 was brought before the Board for approval for the Port Authority to acquire the site known as Hudepohl located in the Queensgate area of Cincinnati, Ohio:

RESOLUTION AUTHORIZING THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY TO ACQUIRE THE SITE KNOWN AS HUDEPOHL, LOCATED IN THE QUEENSGATE AREA OF CINCINNATI, OHIO.

After some discussion of the matter, Mr. Budig asked for a motion to approve Resolution No. 2013-02.

Motion: David Smith moved to approve Resolution No. 2013-02 authorizing the Port of Greater Cincinnati Development Authority to acquire the site known as Hudepohl located in the Queensgate area of Cincinnati, Ohio under the contingency of funds availability and

environmental due diligence. The motion was seconded by Marty Dunn and was approved unanimously.

Formal Action - Proposed resolution 2013-03 was brought before the Board for approval for the Port Authority to acquire the site known as West Fifth Lofts, located in the Queensgate area of Cincinnati, Ohio:

**RESOLUTION AUTHORIZING THE PORT OF GREATER CINCINNATI
DEVELOPMENT AUTHORITY TO ACQUIRE THE SITE KNOWN AS WEST
FIFTH LOFTS, LOCATED IN THE QUEENSGATE AREA OF CINCINNATI, OHIO.**

After some discussion of the matter, Mr. Budig asked for a motion to approve Resolution No. 2013-03.

Motion: Marty Dunn moved to approve Resolution No. 2013-03 authorizing the Port of Greater Cincinnati Development Authority to acquire the site known as West Fifth Lofts located in the Queensgate area of Cincinnati, Ohio under the contingency of funds availability and environmental due diligence. The motion was seconded by Tom Williams and was approved unanimously.

6. PUBLIC FINANCE

Susan Thomas, VP of Public Finance

Kenwood Towne Place Update

The Port Authority and subcontractors have reached an agreed order submitted to the court regarding the disposition of funds that remain in the trust. The Port Authority will receive \$1.25 million to complete the public garage. With the signing of the agreed order, this issue is resolved and the Port Authority is no longer in litigation in Hamilton County.

7. TRANSPORTATION AND LOGISTICS

Melissa Johnson, Director of Transportation and Logistics

Martin Associates Cargo Market and Economic Impact Study

A kick-off meeting with Martin Associates was held on January 10th with consultant representative, Jeff Sweeney. Conversations centered on the existing rail assets located in the Queensgate area and connectivity into the Commonwealth of Kentucky, review of potential long-term real estate development initiatives and a tour of river terminal operations.

The first phase of the Martin Associates study will focus on economic impact study. This portion is expected to be completed the end of February. The start of the cargo assessment portion will include private industry interviews of which a list has been compiled with recommended manufacturing private industry, in addition to railroad industry and terminal operators to reach out to.

Members of the cargo market and economic impact steering committee met for the first time on January 22nd. The group reviewed the Port Authority's recently adopted strategic plan and benchmarking information. This group will serve as a resource to Martin Associates in gaining

industry information and access to market trends. The next meeting of the steering committee is scheduled for March 4, 2013.

Port of Cincinnati Re-Designation

The Port of Greater Cincinnati Development Authority and Northern Kentucky Port Authority are in receipt of the draft Planning Assistance to States (PAS) Agreement from the USACE. This document has been reviewed and edited by the respective agencies and comments have been returned to the USACE. The Northern Kentucky Port Authority passed a resolution authorizing their organization to execute the PAS agreement. The Port Authority is already positioned to execute the document. All parties are working to fully execute the PAS on or before March 1st.

A general communications strategy has been developed to initiate the process for requesting the required legislative enactments from the 20-affected counties. This process is expected to take 8-9 months.

8. INCLUSION AND COMMUNITY RELATIONS

Deborah Robb, Director of Inclusion and Community Relations

Moving Ohio Forward Demolition Grant Program

To date, the HCLRC has demolished six houses. Contracts to demolish an additional 24 houses in various communities in the county are in place. One of these contracts has been awarded to Building Value to demolish a house in Wyoming. Building Value is deconstructing the house by hand and will salvage and sell the deconstructed items in their store located in Northside. It is estimated that 70% of this structure will be able to be either salvaged for re-sell or recycled. This deconstruction was also covered by both Channel 5 and Channel 19 news media outlets. Future plans include utilizing Building Value’s services for select houses throughout the county.

Economic Inclusion results for this program which includes asbestos surveys, abatement and demolition is as follows:

	<u>Actual</u>	<u>Goal</u>
MBE	38%	25%
WBE	3%	7%
SBE	54%	30%

The percentage for WBE participation is expected to increase once all environmental abatements are completed. The company that has been selected to provide abatement is a women-owned business; this company will provide all environmental abatements for these houses.

Community Engagement

The Port Authority met with Woodward Career Technical High School regarding the Student Ambassador Program. A pre-established group of students – Men of Woodward and Women of Woodward – will be utilized to act as ambassadors for developments in the Reading

Road/Seymour Avenue corridor. This group of hand selected students are highly regarded and respected by the staff, faculty and student body.

Preliminary discussions are also underway with the Construction Technology Program (Woodward Career Technical H.S.) to utilize students in this program to secure the Jordan Crossing site by boarding up the storefront windows. This work would be performed by this entity as part of the programs' class work. A proposal will be provided that will include insurance coverage and liability.

9. **COMUNICATIONS STRATEGY**

Gail Paul, Director of Communication Strategy

Projects:

- Port Progress monthly newsletter – working with Calfee Government Affairs to position content to state and local government officials, as well as Hamilton County audience of lenders, brokers, community leaders, economic development groups, corporate real estate, etc.
- Jordan Crossing media plan + rebrand
- Website
 - Plans are for new tabs and homepage design to be live in March
 - Added “mini-annual report” of 2012 achievements
- In February, Gail Paul will attend a two-day workshop in Los Angeles, CA presented by the American Association of Port Authorities (AAPA) of which the Port Authority is a member. The workshop will focus on crisis communications and management to ensure proficient and quick response communication to issues that can impact the organization.

Media:

- Understanding new potential of wcpo.com as news vehicle – Scripps funding and launching digital newspaper to compete directly with Enquirer online. WCPO hired veteran reporters Dan Monk & Lucy May for news team.

Event:

- Jan 30 press event with Building Value at Wyoming, Ohio, home demoed via Moving Ohio Forward Grant program funding
- Working with NAIOP real estate professional association on July 2013 Transportation & Logistics event

10. **FINANCIAL REPORT**

Maria Barrett, CPA/Financial Consultant

Independent Audit Contract

On January 18th, the Auditor of State awarded a five year contract for the Port Authority's independent audit to Plante Moran, PLLC, whose local office is on Pete Rose Way. Plante Moran has specific expertise with port authorities and landbanking activities. Their clients include the Toledo Lucas Port Authority, the Genesee County (Michigan) Land Bank, and the Columbus-Franklin County Finance Authority.

The contract is for the fiscal periods beginning January 1, 2012 through December 31, 2016. The total cumulative contract amount for the financial statement audits is \$127,336, plus another \$5,000 for the 2012 Federal A-133 audit related to the USEPA grant.

The Port Authority is currently working out the timing of the audit, with the goal of having final audited financial statements ready for the June Board meeting. Financial statements are due to the State by June 30. The next step is to meet with the auditors later this month to assist in formulating their audit strategy and to finalize timing of the work.

Formal Action – Proposed resolution 2013-04 authorizing the Port Authority to enter into a three-way contract with the Auditor of State and Plante Moran, PLLC, for the audit of the Port Authority's financial statements for fiscal years 2012-2016:

**RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES CONTRACT
BETWEEN THE PORT OF GREATER CINCINNATI DEVELOPMENT
AUTHORITY AND PLANTE MORAN, PLLC**

After some discussion of the matter, Mr. Budig asked for a motion to approve Resolution No. 2013-04.

Motion: Shane Wright moved to approve Resolution No. 2013-04 authorizing the Port of Greater Cincinnati Development Authority professional services contract between the Port Authority and Plante Moran PLLC. The motion was seconded by David Smith and was approved unanimously.

December Financial Statements

The preliminary 2012 financial statements have been prepared on an accrual basis but without the 2012 bond financing trust activity. The trust statements are still being reviewed for accuracy. Unrestricted cash balances totaled \$1,183,000 as of December 31, 2012, compared to \$749,000 at the end of 2011.

On the revenue side, the Brownfield Grants Revenue was significantly higher than budget due to draws on the USEPA cost-reimbursement grant. Financing fees were lower than budget due to not recording a receivable for the Cincinnati Mills 2012 administrative fee. The 2011 administrative fee is still outstanding, however, is included in the reserve for doubtful accounts.

Operating expenses were lower than budget in each of the six budget categories. Payroll and related expenses were lower due to the delay in filling two positions (moved from fourth quarter into 2013). Rent was lower than budget due to the change in timing of the office relocation. Professional services were lower in part due to hiring in-house legal counsel.

As of December 31, the amount of expenditures related to the Jordan Crossing project totaled \$139,000 and is included as an asset on the balance sheet. All expenditures to date are within the budget approved by City Council and will be reimbursed by the City at closing.

A full discussion and analysis of the Port Authority's financial performance is required as part of the audited financial statements, and will be shared with the Board when it is completed.

After some discussion, the Port Authority will provide a more user-friendly spreadsheet to capture a better illustration of the financials with regard to Profit and Loss

January Financial Statements

The Finance Working Group (FWG) has a conference call scheduled February 27 to discuss the January financial statements. These statements will be provided following the call.

11. PRESIDENT'S REPORT

Laura Brunner, President/CEO

Port Authority Benchmarking Schedule

A port authority benchmarking schedule has been established (subject to change):

Scheduled Board Meeting	Authority	Presenter
March 7	Atlanta Development Authority	Darin Hall
April 10	Toledo-Lucas County Port Authority	Jason Chamlee
May 8	The Port Authority of New York & New Jersey	Susan Thomas
June 12	Ports of Indiana	Melissa Johnson
September 11	Albany Port District Commission	Gail Paul
October 9	St. Louis County Economic Council/Port Authority	Deborah Robb
November 13	Pittsburgh/Allegheny County Port Authority	Chris Recht

Port Authority Benchmarking

Port of Cleveland Milestones *(Laura Brunner)*

As requested in the January Board meeting, significant milestones of the Port of Cleveland were provided to the Board.

Detroit/Wayne County Port Authority *(Paula Boggs Muething)*

- Detroit is 139 square miles as compared to Cincinnati which is 77 square miles
- Detroit has 40 square miles of vacant land, which does not include all buildings that need to be demolished

- Faced with financial difficulties, the governor will decide this month if Detroit is in financial emergency which means a manager appointed by the state would take over the city and take steps to deal with the financial issues
- A 10% across the board pay cut for all state employees
- Missed opportunity for significant infusion of cash from the state in exchange for Bell Isle (a park located across the river)
- Significant distrust between council and mayor and council and state government
- A 50-year plan for the city of Detroit was recently released that includes decommissioning sections of the city and turning them into green space if which their port authority is not a critical piece of the plan

Mission of Detroit/Wayne County Port Authority

- Focus is on maritime activity and transportation; expanded to economic development, particularly public finance
- They do not have the types of power that are afforded the port authorities in the state of Ohio to do bond issuances (revenue bonds)
- Seeking legislation mirroring Ohio's port authority legislation
- Plan to diversify their revenue strength; currently no finance fees – rely on grants
- No significant relationship with the Detroit landbank
- Not a positive public perception

Ambassador Bridge

- A private toll-bridge and the only bridge that spans the waterway between Detroit and Windsor, Canada
- The Canadian government planned to build a new free bridge
- A \$9 million campaign conducted by Manuel Moroun, private owner of the Ambassador Bridge, resulted in the state legislator stopping the efforts of building a new bridge in Detroit
- Manuel Moroun's organization entered into a 90 year deal with the Detroit/Wayne County Port Authority whereby they paid off the \$2.8 million property debt on 34 acres of land adjacent to the Ambassador Bridge on the Detroit side on behalf of the port authority in exchange for the 34 acres and retain 97.5% of revenues generated from these properties.
- The remaining 2.5% went to the port authority, less any interest and any private dollars put into the port facility, which is considered a loan. The loan would then be serviced by the 2.5% of revenues
- Additionally, the Moroun organization has an exclusive right to operate any transportation facility developed by the port authority.

Detroit/Wayne County Port Authority – Key Take Aways

- This benchmarking exercise points largely to the Port of Greater Cincinnati Development Authority's Strategic Plan 2014, part three public relations and branding, and part four governance issues
- The Detroit/Wayne County Port Authority did identify an opportunity in the cruise ship industry of which they have marketed themselves and have a foothold in this existing industry. There are several cruises that originate from the Port of Detroit cruise terminal which was built in 2011.

After some in-depth discussion, Board members requested that future benchmarking include key learnings in the initial report that is distributed prior to the scheduled board meeting in which it will be discussed. The Board also requested consideration of a governance working group in addition to the current Working Groups that are in place (Finance, Transportation & Logistics, and Real Estate Development).

Port Authority Operations

Board Meetings

Since the Port Authority staff is much larger now, vice presidents and directors will continue to attend all board meetings; other Port Authority staff will rotate their attendance depending upon the meeting agenda.

Jordan Crossing

Ms. Brunner expressed her appreciation and acknowledged Darin Hall's hard work and tenacity as the complexity of the Jordan Crossing deal can be difficult to appreciate. She also expressed her gratitude to Deborah Robb and Jason Chamlee for their role in the deal as well.

Calfee Strategic Solutions/State-Wide Opportunities

Ms. Brunner also acknowledged Meghan Glynn, Director of Government Relations and Public Relations. Calfee is on retainer with the Port Authority as its government affairs representative. Currently, Ms. Glynn is looking at state-wide level opportunities, per a January meeting Ms. Brunner attended with the Toledo and Cleveland port authorities. Both Ms. Glynn and Ms. Brunner will attend a meeting with these two port authorities in Toledo in April to shape a maritime approach to the governor for state support along the lines of what has been done for the Ohio Rail Commission.

12. CHAIRMAN'S REPORT

Otto Budig, Jr., Board Chair

No report at this time.

13. ADJOURNMENT

Motion: Marty Dunn made a motion to adjourn the Board of Directors meeting. The motion was seconded by Lydia Jacobs-Horton. The motion was approved unanimously and the meeting adjourned at 9:23 a.m.

Respectfully,



Laura N. Brunner
Secretary