



BOARD MEETING MINUTES
Monday, May 14, 2012, 11:00 AM
331 E. Fourth Street, Main Dining 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 11:05 a.m.

BOARD MEMBERS PRESENT:

Budig, Otto
Dunn, Marty
Greiwe, Rick
Handy, Clark
Marmer, Lynn
Smith, David
Williams, Tom
Wright, Shane

EXCUSED:

Jacobs-Horton, Lydia
Zimmer, Joe

STAFF:

Brunner, Laura
Chamlee, Jason
Johnson, Melissa
Karimi, Marjorie
Laird, Tiffany
Robb, Deborah
Schafer, Ray
Thomas, Susan

GUESTS:

Hall, Darin – Vice President of Real Estate Development, PGCD (eff. 6.4.12)
Hankinson, Holly – City of Cincinnati, Councilmember Yvette Simpson
Kane, Scott – Squire Sanders Dempsey
Paul, Gail – Media Consultant
Selak, Robert – Thompson Hine
Simpson, Yvette – City of Cincinnati Councilmember
Williams, Jason – Cincinnati Enquirer

2. WELCOME AND INTRODUCTIONS

Mr. Budig acknowledged and welcomed guests. Scott Kane will serve as general counsel as Paula Boggs Muething has been called to serve on jury duty.

Laura Brunner introduced Darin Hall, the Port Authority's new Vice President of Real Estate Development, who is scheduled to start June 1. Darin Hall is the former Director of Real Estate Development with Sustainable Neighborhood Development Strategies, Inc., which is under the auspices of The Annie E. Casey Foundation in Atlanta, GA.

Mr. Hall told the Board that he was excited about the opportunity of working with the Port Authority, as well as this being a perfect opportunity for him and his family. Mr. Hall's background is finance and real state and community development. He served as the leader on a large-scale community- development project that includes residential and commercial components. In this capacity, he worked with vendors, community leadership, the local housing authority and HUD.

Previously, Mr. Hall founded a company in his hometown of Baltimore, MD that was devoted to economic development. His biggest accomplishment was the ability to do a large-scale development by helping a local community development corporation (CDC) partner with a large developer to catalyze the development of West Baltimore. This project will be approximately \$200 million and Mr. Hall was able to negotiate a deal whereby the local CDC has equity in the project, and as the neighborhood changes, the people in the community will be able to benefit as well.

Mr. Hall has been in the real estate development cycle, including leading community development efforts, and being a master developer working with municipal and quasi-municipal organizations. This work experience is transferrable and will bring value to his new role with the Port Authority.

3. APPROVAL OF MINUTES

Mr. Budig asked Board members if there were any additions or modifications to the April 11, 2012 Board of Directors meeting minutes. Hearing none, he asked for a motion to adopt the meeting minutes.

Motion: Clark Handy moved to adopt the minutes of the April 11, 2012 Board of Directors meeting. The motion was seconded by Marty Dunn and was approved unanimously.

4. PRESIDENT'S REPORT

Job Site Development Fund

Laura Brunner reported the Port Authority received a check in the amount of \$2 million from the City of Cincinnati for the Job Site Development Fund. Odis Jones, Director of Economic Development at the City of Cincinnati, was instrumental in the facilitation of the funds being made available to the Port Authority, as this is a new activity for the City of Cincinnati. The request for these funds was specifically for the Corinthian site of which the Port Authority is negotiating.

The press release that is being crafted will focus on the cooperation the Port Authority has received from the City of Cincinnati from the very beginning.

Operational and Strategic Update – Organization Chart/Staffing

Laura Brunner presented an organizational chart to the Board which was presented during the Business Courier Commercial Real Estate Developers Power Breakfast on May 1.

The mission statement states the Port Authority is an “economic development force, partnering with the City and County, focusing on reutilization and redevelopment of property through catalytic investment.” The catalytic investment is one of the major focus areas of what the Port Authority does and should bring private investment along with it. The reutilization and redevelopment encompasses the activities of the HCLRC, and focus on the partnership with the City of Cincinnati and Hamilton County.

Susan Thomas, Vice President of Public Finance has returned to the Port Authority on a part-time basis and will transition back to full-time from her leave in the next five to six weeks. The Port Authority is proactively seeking projects. This will be a third-party activity and will be one of the tools used across all projects.

Darin Hall as the Port Authority’s new Vice President of Real Estate Development will enable the Port Authority to manage multiple development projects at a time.

As reported to the Board previously, Paula Boggs Muething is the Vice President of Real Estate Reutilization and General Counsel, and is determining staffing needs for both the landbank and general counsel needs.

Melissa Johnson has taken on the role of Director of Transportation and Logistics. The title and role were given much consideration and it was determined that this best represents not only the transportation initiatives, but also real estate in the Queensgate area which ties in integrally with river and rail.

Deborah Robb’s responsibilities have been broadened to Inclusion and Community Relations; this expands her past role and creates an anchor in the communities in which the Port Authority is working, which reflects all of the Port Authority’s work. There are a few areas where this anchor will be of major significance, including the landbank. This role is a key partnering tool, active in community-based activities which to date includes landbank activities and the Bond Hill project.

Plans are being developed for these four strategic areas of focus; however, there is no numeric scorecard as yet to determine measures of success. There has been an increasing amount of clarity surrounding these four areas of focus.

Gail Paul, Media Consultant, is the Port Authority’s public relations and strategic communications consultant.

Chief Financial Officer

As reported to the Board during the last Board of Director’s meeting, Ray Schafer is retiring from the Port Authority and his role and responsibilities have been delegated to other staff members. Maria Barrett, Port Authority Finance Consultant, is meeting with Ray Schafer on a weekly basis learning the Port Authority’s financial aspects. Maria Barrett will attend the next Board meeting in June.

Marjorie Karimi has moved into the office management role and has assumed some of those responsibilities; Tiffany Laird has been promoted into the daily accounting role and will support the daily accounting responsibilities for the Port Authority and landbank. There will be an additional administrative support hire that will take on the receptionist role, as well as administrative support as assigned.

Ray Schafer’s retirement will be considered a “soft retirement” as there a few projects that need to continue to ensure a clean conclusion.

Office Space

As reported to the Board during the last Board meeting, the Port Authority will have additional staff coming on board as early as the following week. The Port Authority is actively seeking new office space of which three options are under consideration.

Formal Action Requested – Before the Board today is a proposed resolution approving new office space lease agreement. The title is:

**RESOLUTION AUTHORIZING THE PRESIDENT OF THE PORT OF GREATER
CINCINNATI DEVELOPMENT AUTHORITY TO ENTER INTO A LEASE AGREEMENT
FOR NEW OFFICE SPACE**

Motion: Clark Handy moved to approve Resolution No. 2012-02 authorizing the President of the Port Authority to enter into a lease agreement for new office space. The motion was seconded by Marty Dunn, and was approved unanimously.

5. PUBLIC FINANCE

Susan Thomas reported the Port Authority will continue working on externally-driven projects whereby the Port Authority will issue bonds primarily as part of development projects that are being driven by other developers, and the Port Authority's involvement is at the request of the municipality. The Port Authority will also continue to work to serve as a conduit-issuer for local 501(c)(3) organizations who need a government issuer.

The Port Authority anticipates bringing a resolution before the Board next month pertaining to final documents for Oakley Station. Another anticipated resolution to be brought before the Board next month will be for the Port Authority to serve as a conduit-issuer for financing for UC Health.

Public Finance will work across the four strategic areas of focus as previously mentioned, as the Port Authority looks at real estate development, landbank and transportation and logistics. The Port Authority is expanding its toolkit to provide additional resources for developers to come to and work with the Port Authority.

There was continued discussion on what the expanded tools would look like and other outreach efforts.

6. TRANSPORTATION AND LOGISTICS

Melissa Johnson reported that the expectation of the Port Authority's role in the area of transportation is monumental; as such, the Port Authority's definition of an inland port is that it is "a combination of assets which makes a region an attractive distribution hub, consolidation point and destination for imported and exported goods."

The Port Authority will take a three-phased process approach with the first phase being an assets audit, which will include an evaluation of what those assets are and what are the combination of those assets within Queensgate, the City and Hamilton County and beyond in order to define where there appears to be limitless borders of transportation for the region.

The second step will be a SWOT analysis-type perspective identifying strengths and weaknesses within the transportation system, evaluating where in the region goods are going and coming from, and if there is opportunity within a certain mile radius to pull more goods into the Cincinnati market.

The final phase will be to present some manageable, achievable and doable action steps. The goal is to have these processes completed by the end of the year. There is collaborative effort by working with the Transportation Working Group (TWG), as well as other supply chain and logistical resources.

As previously reported, the Port Authority is engaged with the U.S. Army Corp of Engineers (USACE) to study the re-designation of the Port of Cincinnati's 26 miles on the Ohio River to expand to a 200 mile river reach, which is primarily an exercise in marketing and statistics. By increasing the river reach, the Port of Cincinnati will be elevated to a marketability of goods traveling through the region.

The Port Authority is also engaged in conversation with the Northern Kentucky Port Authority and other entities discussing their interest as there is a financial obligation with regard to the USACE's participation. The Port Authority hopes to gain some type of financial support or buy-in for what will be a great accomplishment for the region. The Port Authority anticipates having a resolution for consideration and approval at the June Board meeting for this effort.

There are three additional TWG meetings scheduled for the remainder of the year. We are in the process of organizing milestones for the transportation effort and will present those milestones to the Board at the June Board meeting.

The Board continued conversation regarding other proactive opportunities the Port Authority could possibly undertake that would be significant for the region.

7. REAL ESTATE DEVELOPMENT

Corinthian Site

Laura Brunner reported the Port Authority is entering into a development services agreement with Corinthian Baptist Church (CBC). Currently, there are 30 additional days remaining under an Exclusive Negotiating Agreement for approximately 30 acres on the site owned by CBC.

The Port Authority intends to purchase the acreage that the church will not use. It is anticipated there will be a shared parking arrangement with the church which will likely reduce the acreage of which the CBC will keep.

It is the goal of the Port Authority to be the sole developer of the site to a pad-ready level, with vertical development rights given to multiple developers. Several meetings have been scheduled with interested developers as early as today, and marketing outreach efforts to the brokerage community will be scheduled.

The ROI for the Port Authority will be the ground lease payments making it an attractive investment.

Formal Action Requested – Before the Board today is a proposed resolution authorizing the Port Authority to enter into an option agreement with CBC. The formal title reads:

**RESOLUTION AUTHORIZING THE PORT OF GREATER CINCINNATI DEVELOPMENT
AUTHORITY TO ENTER INTO AN OPTION AGREEMENT FOR THE ACQUISITION OF
THE SITE LOCATED AT 1788 TENNESSEE AVENUE, CINCINNATI, OHIO**

Motion: Rick Greiwe moved to approve Resolution No. 2012-03 authorizing the Port Authority to enter into an option agreement for the acquisition of the site located at 1788 Tennessee Avenue. The motion was seconded by Tom Williams, and was approved unanimously.

As this project is located in one of the GO Cincinnati areas, Vice Mayor Qualls is convening the first meeting of the Tax Review Commission, of which Laura Brunner will serve, to evaluate changes in the City's income tax structure with one of the potential opportunities to have favorable income tax treatment for residents and employees within the GO Cincinnati communities. This is a potential significant tool for incentives offered for the Port Authority's real estate plans.

8. REAL ESTATE REUTILIZATION

The Hamilton County Land Reutilization Corporation (HCLRC) Board is scheduled to meet May 16, 2012 whereby policies and procedures developed thus far for management of the landbank will be considered for adoption.

The Attorney General has allocated \$75 million of the \$300 million the State of Ohio received for the foreclosure settlement for the use of demolition of residential properties in blighted areas to improve the valuation of those properties. The Port Authority lobbied to expand the definition to include commercial properties, and broadened to include acquisition and improvements. However, the end result is that these funds are to be used for residential or former residential properties. Of the \$5.8 million allocated to Hamilton County, \$500K is awarded without match, and there is an opportunity through pledges for an additional \$5.3 million.

As the landbank is the vehicle for management of this fund, the Port Authority has been proactive in reaching out to a number of organizations and planned county-wide community outreach seeking pledges for this matching fund effort.

There are three properties located in Over-the-Rhine that have been identified and initiated for the landbank, representing great collaboration with other development organizations with whom the landbank wishes to partner with.

9. FINANCIAL REPORT

Salary and benefits have increased due to new personnel in April, as well as an increase in other expenditures to support these employees, primarily new hardware and software. The anticipated \$500,000 initial funding from the HCLRC for operations of the landbank has not yet been received, but will be adequate to cover related expenditures.

10. CHAIRMAN'S REPORT

Appointment of Assistant Secretary

As Ray Schafer is resigning his position from the Port Authority, the Board is requested to appoint Paula Boggs Muething as the new Assistant Secretary for the Board of Directors.

Formal Action Requested – Before the Board today is a proposed resolution to remove an assistant secretary and appoint a new assistant secretary to the Port Authority Board. The formal title reads:

**RESOLUTION REMOVING AN ASSISTANT SECRETARY OF THE PORT OF GREATER
CINCINNATI DEVELOPMENT AUTHORITY AND APPOINTMENG A NEW ASSISTANT
SECRETARY OF THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY**

Motion: Lynn Marmer moved to approve Resolution No. 2012-04 removing an assistant secretary and appoint a new assistant secretary to the Port Authority Board. The motion was seconded by Shane Wright, and was approved unanimously.

Board Working Groups

The Risk Management Working Group was eliminated as it was determined that “risk” will be addressed whether it be in finance, real estate or transportation resulting in a consolidation of the Finance Working Group, Real Estate Working Group and Transportation Working Group.

Meetings for the all three working groups have been scheduled for the remainder of the year.

Executive Session

Motion: Lynn Marmer made a Motion pursuant to Ohio Revised code 121.22 (G)(3) to adjourn the meeting of the Board of Directors of the Port of Greater Cincinnati Development Authority and 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 its meeting of the Board of Directors. The motion was approved unanimously by roll call vote.

The Board adjourned into executive session at 11:53 a.m. The Board came out of executive session and reconvened its Board of Directors meeting at 12:12 p.m.

11. ADJOURNMENT

Motion: Rick Greiwe moved to adjourn the Board of Directors meeting at 12:12 p.m. The motion was seconded by Clark Handy, and was approved unanimously.

Respectfully,



Laura N. Brunner
Secretary