

BOARD MEETING MINUTES
Wednesday, September 12, 2012, 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 8:03 a.m.

BOARD MEMBERS PRESENT:

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

EXCUSED:

Handy, Clark
Williams, Tom

STAFF:

Brunner, Laura
Boggs Muething, Paula
Chamlee, Jason
Hall, Darin
Johnson, Melissa
Karimi, Marjorie
Recht, Chris
Robb, Deborah
Thomas, Susan

GUESTS:

Anderson, Lisa – Hamilton County, BSI
Barrett, Maria – PGCD, Financial Consultant
Bradford, Danielle – PGCD, Co-Op, University of Cincinnati, DAAP
Dean, Michael – PGCD, Intern, University of Cincinnati College of Law
Hall, Joseph – PGCD Temp Administrative Assistant
Patrick, Ashleigh – City of Cincinnati, Councilmember Quinlivan
Paul, Gail – PGCD, Media Consultant
Wallace, Jeff – Parsons Brinkerhoff
Weber, William – PGCD Law Clerk, University of Cincinnati College of Law
Williams, Jason – The Cincinnati Enquirer

2. WELCOME AND INTRODUCTIONS

Mr. Budig acknowledged and welcomed guests.

3. APPROVAL OF MINUTES

Mr. Budig asked Board members if there were any additions or modifications to the June 13, 2012 Board of Directors meeting minutes. Hearing none, he asked for a motion to adopt the meeting minutes.

Motion: Lydia Jacobs-Horton moved to adopt the minutes of the June 13, 2012 Board of Directors meeting. The motion was seconded by Lynn Marmer and was approved unanimously.

4. TRANSPORTATION & LOGISTICS

Melissa Johnson, Director of Transportation & Logistics

Port of Cincinnati Re-Designation: On August 7th, the Port of Greater Cincinnati Development Authority (Port Authority), in partnership with the Northern Kentucky Port Authority (NKPA) submitted a non-binding Letter of Intent to the U.S. Army Corp of Engineers (USACE) to initiate the process of re-designating the Ohio River reach boundaries of the Port of Cincinnati. This geospatial exercise will expand the Port of Cincinnati river reach up to 200-miles upon a jurisdictional review by the USACE.

The required 50% financial commitment of this project will be shared equally between the Port Authority and NKPA; the USACE anticipates securing internal funding by early December 2012. The two entities will jointly negotiate a Planning Assistance to States Agreement (PAS) which will contemplate in-kind contributions. Evaluation of the re-designation request will take approximately 12 months.

The Port Authority and the NKPA will coordinate community outreach efforts to the estimated 20 counties potentially affected by the river reach re-designation.

Shawnee State University Intermodal Conference: On August 30th, Shawnee State University hosted a one-day conference dedicated to intermodal issues. Outcomes of this event included proposed, successful collaboration between the Port of Cincinnati, Port of Portsmouth and Port of Huntington. Several elements of discussion pointed to the benefits of the expanded Port of Cincinnati river reach effort, validation of securing shipper surveys and continued commodity research that supports the exploration of container-on-barge activities along the Ohio River.

Discussion was also given to multi-state transportation authority models, including the example of Huntington which incorporates Ohio, Kentucky and West Virginia.

River Commodity and Terminal Operation Assessment: A draft inventory of existing terminal operations along the Ohio River from Madison, Indiana to the Meldahl Locks and Dam has been completed. This exercise is part of the "audit" phase of our assessment of the current transportation river assets in the region. This project has yielded approximately 100 terminal operations (public and private) within this evaluation area. These terminal operators deal in approximately 25 common commodities. This supplemental commodity data has been further extrapolated to identify suppliers and/or manufacturers of these materials in Ohio, Kentucky and Indiana. The intended result is to identify potential supply chain sources. Larger, more specialized, niche users will be researched as well.

Bluegrass Farms of Ohio, Inc.: In June, the Port Authority visited Bluegrass Farms of Ohio, Inc. (Bluegrass Farms) located in Jeffersonville, Ohio, to learn more about their operations and container-on-barge potential. Bluegrass Farms owned and operated by David Martin, is a leading Ohio exporter of Identity Preserved grain. Bluegrass Farms operate and/or control approximately 40,000 acres of soybeans; of which 90% are exported to Asian markets. They currently ship products via truck and/or rail to coastal ports. In an effort to reduce transportation costs, Bluegrass Farms has made substantial investment into their facility, including rail trackage with direct connection to Cincinnati.

The Port Authority will continue to explore ways to assist Bluegrass Farms of Ohio, Inc. with lowering their transportation costs.

5. REAL ESTATE REUTILIZATION

Paula Boggs Muething, VP of Real Estate Reutilization and General Counsel

Focus Neighborhoods Strategy: The Hamilton County Land Reutilization Corporation (Landbank) has developed a strategy that will allow focus on a smaller number of neighborhoods in which strong community support and action has created a foundation for redevelopment. Working with community partners, the Landbank has identified a number of neighborhoods/jurisdictions that have positive redevelopment and growth potential. These neighborhoods have been divided into short-term and long-term focus groups.

Short-term focus neighborhoods will allow the landbank to partner with organizations currently engaged in redevelopment work and can provide immediate assistance in the areas of demolition, re-use/housing strategy implementation, site-assembly and stabilization. Those neighborhoods are Walnut Hills, Evanston, Madisonville, Avondale, Norwood, St. Bernard and Fairfax.

Long-term focus neighborhoods are those in which the foreclosure and vacancy rates are considerably higher, requiring a longer term strategy to achieve a meaningful reduction in blighted conditions. The Landbank has partnered with the Community Building Institute at Xavier University to conduct a phased analysis of each neighborhood/jurisdiction, including preliminary market assessments. This data will be used to structure a particularized strategy for each neighborhood with an emphasis on community goals. The long-term focus neighborhoods are Price Hill, Northside, South Cumminsville, College Hill, North College Hill, Mount Healthy and Colerain Township.

The Landbank anticipates an 18-month commitment in the short term and a 30-month commitment in the long term neighborhoods. Timeframes will be adjusted as more data is gathered.

The Vice Mayor is holding a press conference in Evanston on September 13 to kick off that neighborhoods housing strategy and redevelopment work that is occurring. The following Tuesday in Price Hill, a press conference with the Ohio Attorney General will be held to kickoff the Landbank's demolition work of the Moving Ohio Forward Grant program of which there is a redevelopment strategy for two vacant lots. After the Landbank gains control of these properties, they will be sold to Block Ministries who will use the two parcels for play space.

Partnerships: The Landbank is developing a partnership with STRIVE in both the short and long-term neighborhoods within the city for education resources. Details are currently being worked out, but the Port Authority believes this will be a beneficial partnership. Proposed plans in focus neighborhoods are taking away waiting lists for top-tier preschools and the Every Child Succeeds program.

There is opportunity for partnership between Citirama and the Landbank in the redevelopment of lots as a result of demolition.

Moving Ohio Forward Demolition Grant Program: In preparation for administering the approximately \$11.1 million in demolition grant/matching dollars, Port Authority staff have met with individuals from jurisdictions across the County to ensure clarity on the program requirements and lawful condemnation processes. In addition, the staff has been in communication with demolition contractors and environmental consultants to ensure inclusive participation in the grant work. The Port Authority has created a workflow to intake properties for demolition, evaluate them pursuant to the grant requirements, demolish the properties in accordance with grant requirements, and communicate with the affected communities regarding a redevelopment strategy.

In mid-August, the Port Authority coordinated a working trip to Detroit, Michigan with staff from the City of Cincinnati and Hamilton County, to learn about Detroit's 10,000 building demolition initiative. The group met with individuals with wide-ranging perspectives on the demolition program and its relative successes and shortcomings. This working trip continues to resonate with the Port Authority's efforts in working with communities and stakeholders to develop our demolition and redevelopment strategies.

Landbank Programs: The Landbank has developed the following programs through which entities and individuals can take advantage of Landbank tools. To date, those programs include:

Lot-to-Yard: This program is for individuals/organizations who currently own land adjacent to a Landbank-owned parcel or land in which the Landbank could acquire through the tax foreclosure process.

Gardens and Green: The Gardens and Green Program is an open call to county residents who have a vacant, unimproved parcel in their community and have an idea to improve the space.

Historic Structure Stabilization Program: Through the Historic Structure Stabilization Grant Program the Landbank provides opportunities for individuals/entities to apply for assistance in stabilization efforts of important, vacated historic buildings in order to preserve these structures for future redevelopment.

HCLRC Rehabilitation Partnership Program: The Landbank will work with homebuilders and others interested in rehabilitation of existing structures to obtain access to vacant parcels and/or improved parcels.

6. **REAL ESTATE DEVELOPMENT**

Darin Hall, VP of Real Estate Development

Various meetings held with brokerage and developers have indicated that the optimal way for the Port Authority to catalyze economic development and job growth is to employ a horizontal development model. The Port Authority's strategy going forward will be to assemble parcels in target areas, develop the preliminary site plans, provide the necessary infrastructure, and aggressively market pad-ready sites to developers.

The Port Authority is refining a decision matrix that will provide a method of prioritizing projects based on the Port Authority's comprehensive values.

Bond Hill Market Study: The Port Authority has engaged the University of Cincinnati's Economics Center to perform a Market Study for the Bond Hill Community. The study will include the Roselawn Business District given its proximity to the Bond Hill/Reading Road corridor. The goal of the study is to develop a document that highlights the strengths of the Bond Hill corridor. This document will be a key element in the Port Authority's strategy to attract developers, retailers, and investors to Bond Hill in the future. The study will also provide a "deep dive" into the neighborhood's residential and employment demographics. Recent real estate developments and crime statistics will also be thoroughly analyzed.

Status – An internal kick-off meeting was held August 8 and an interim progress meeting is scheduled for the week of September 17. On August 23 the Port Authority received a \$5,000 grant from Duke Energy to offset the \$21,000 cost of the market study. The anticipated completion date for the report is November 5.

Strategic vs. Opportunistic Projects: The Port Authority is cultivating strategic relationships to stay abreast of market development trends. In the last 90 days the Port Authority has met with the economic development leadership from the City of Cincinnati, Hamilton County, Blue Ash, Springdale, Evendale, and Springfield Township. These meetings provide opportunities to explain the Port Authority's areas of focus and unique tools to spur economic development.

Summary of Pipeline Report: A detailed project pipeline report was provided to the Board which reflects projects the Port Authority is pursuing that can be acquired for infrastructure and demolition when appropriate. This report is another tool to utilize in discussions with the overall impact of the Port Authority's work. The Port Authority is working closely with the City's Economic Development Department to ensure identified opportunities are consistent with what the City wants the Port Authority to do.

Jordan Crossing (formerly Swifton Commons): *Formal action* - Proposed resolution 2012-10 was brought before the Board for authorization to enter into an Option Agreement. The title is:

RESOLUTION AUTHORIZING THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY TO ENTER INTO AN OPTION AGREEMENT FOR THE ACQUISITION OF THE SITE FORMERLY KNOWN AS SWIFTON COMMONS, LOCATED IN THE BOND HILL NEIGHBORHOOD OF CINCINNATI, OHIO

Following discussion, Mr. Budig asked for a motion to approve Resolution No. 2012-10.

Motion: Lynn Marmer moved to approve Resolution No. 2012-10 authorizing the Port Authority to issue to enter into an option agreement for the acquisition of the site formerly known as Swifton Commons. The motion was seconded by Rick Greiwe, and was approved with one abstention.

7. PUBLIC FINANCE

Susan Thomas, VP of Public Finance

Oakley Station: The \$6,835,000 million tax increment financing and special assessment bonds to fund infrastructure associated with the Oakley Station development closed on August 8, 2012. The Port Authority received a \$58,350 contracting agent fee and a pro-rata annual administrative fee of \$8,212. The Port Authority will also receive an annual fee of 25 bps of the outstanding principal amount. These amounts are exclusive of the \$20,000 application fee paid in 2011.

UC Health and Drake Center, Inc.: The \$24,200,000 Economic Development Revenue Bonds for the Drake Center Project closed on June 29, 2012. The Port Authority received \$26,400 to serve as issuer of the bonds. There is no annual fee for this transaction.

Kenwood Towne Place: The private development was sold to Bank of America, the mortgage holder, at a mortgage foreclosure sale on July 12, 2012. Bank of America subsequently assigned its bid to Spyder Station LLC, an affiliate of Phillips Edison. Both the assignment and the order confirming the foreclosure sale have been approved by the court and a form of deed has been filed with the court.

The parties will file a proposed order of distribution with the court and assuming the distribution is acceptable to the court, the sale proceeds should be distributed later this month and the deed to the property should also transfer to Spyder Station LLC. The Port Authority understands that Phillips Edison has an option to purchase all of the outstanding Port Authority issued bonds upon the transfer of the deed.

The Port Authority will continue to work with the new owner of the property and the bonds to restructure certain aspects of the transaction and make arrangements for the completion, management, and maintenance of the public parking garage owned by the Port Authority

Formal Action - Proposed resolution 2012-12 was brought before the Board for authorizations and approvals as to matters pertaining to outstanding Port Authority revenue bonds. The title is:

A RESOLUTION PROVIDING AUTHORIZATIONS AND APPROVALS AS TO MATTERS PERTAINING TO OUTSTANDING PORT AUTHORITY REVENUE BONDS, THE PROJECT FINANCED AND RELATED AGREEMENTS, INCLUDING EXECUTION AND DELIVERY OF ANY RELATED INSTRUMENTS, AGREEMENTS, AMENDMENTS, SUPPLEMENTS AND OTHER DOCUMENTS AND THE TAKING OF ALL RELATED ACTIONS, ON BEHALF OF THE PORT AUTHORITY.

After some discussion of the matter, Mr. Budig asked for a motion to approve Resolution No. 2012-12.

Motion: Shane Wright moved to approve Resolution No. 2012-12 authorizing the Port Authority to provide authorizations and approvals to matters related to outstanding Port Authority revenue bonds. The motion was seconded by David Smith, and was approved unanimously.

Laura Brunner brought to the Board's attention that David Birdsall of Phillips Edison sent a letter and verbally expounded on the tremendous work done by Susan Thomas that was instrumental in making the outcome of this project happen.

Capital Funding: There was discussion surrounding the Port Authority's development services agreement with the City of Cincinnati, and potential implications of a proposal introduced by Odis Jones, Economic Director for the City of Cincinnati, whereby the City would issue a bond to fund a number of the City's economic development priorities, including the Port Authority's development work and inland port work. This proposal would require council approval. The impact of this proposal would be that the Port Authority would receive a significant amount of money upfront as opposed to being spread out over the five-year period.

The development services agreement reflects funding of \$6 million each year for five years starting in 2013 and potential implications. These funds are subject to annual appropriation.

8. INCLUSION & COMMUNITY RELATIONS

*Laura Brunner, President/CEO and
Deborah Robb, Director of Inclusion & Community Relations*

Community Engagement: The Port Authority has been active in targeted communities promoting awareness of the business lines and tools of the Port Authority and the Hamilton County Land Reutilization Corporation (HCLRC). The purpose of this engagement is to create positive relationships within these communities as the Port Authority anticipates having active projects in these areas. As a result of this engagement, we have been contacted by various communities who have an active interest in economic development. The Port Authority has been able to either assist them with their projects or refer them to organizations that may be able to help.

GO Cincinnati Communities: The Port Authority has been actively involved in the Bond Hill Community by interacting with the business association, community council and neighborhood enhancement team meetings. By working with these organizations, the Port Authority has been able to communicate progress related to real estate development and landbank activities.

Moving Ohio Forward Demolition Grant Program: The Port Authority has developed contract documents to procure services for demolition, environmental assessments and remediation, and demolition project management.

Economic Inclusion: The contract with the African American Chamber to provide consulting services for the Cincinnati Horseshoe Casino project expired August 31, 2012. The team is currently in the process of negotiating renewal of this contract to end December 31, 2012 in order to continue the tracking and monitoring component of the project.



9. FINANCIAL REPORT

Maria Barrett, CPA/Financial Consultant

August Financial Summary: Since the last Board meeting in June, the Port Authority has collected over \$137,000 in financing fees, approximately \$93,000 from two new bond deals and \$44,000 from Cincinnati Mills previously written off. The Port Authority has also started billing the landbank for management fees, of which \$300,000 was due as of August 31st and is reflected on the balance sheet in Accounts Receivable. Monthly operating expenses are running at approximately \$175,000, in line with the revised budget. The current month results include \$25,000 in due diligence costs related to the Norwood Lateral (CBC) project. The total spent on this project was approximately \$44,000.

The Port Authority is working on changes to its accounting system and a software upgrade that will support the strategic initiatives and provide better information for management. Another fall project will be the search for a new audit firm to replace BKD due to mandatory firm rotation.

10. COMMUNICATION

*Laura Brunner, President/CEO and
Gail Paul, Media Consultant*

Strategic Communication Plan: The Port Authority is currently working on a strategic communication plan that establishes and reinforces the Port Authority's position in regional economic development leadership. Elements of this plan will address proactive public and community relations.

Public Speaking Engagements: Updates to the president's core speech and PowerPoint presentation will highlight the role, contribution and leadership of the Port Authority, and will provide more details of Port Authority business lines and toolkit.

Projects:

Transportation & Logistics – A new communication piece focused on Transportation & Logistics is currently being crafted.

Marketing Collateral – Design standards are being created for reports and studies, website and presentations, as well as project-specific materials.

Database – The Port Authority database is being updated to include all partners and stakeholders.

Website – Structural changes will be made to the website that will reflect Port Authority areas of operational focus, promotes Port Authority expertise and how to do work the Port Authority, and website content will build increased awareness of Port Authority projects and competencies, and promote discourse of issues that have direct impact on regional prosperity.

Thought leadership – Content will be developed that demonstrates Port Authority expertise in community development, inclusion, marketing of regional transportation assets and arranging complex financing structures for real estate development deals.

Public relations – The Port Authority will continue to work in open, transparent manner with press and community groups.

11. **PRESIDENT'S REPORT**

Laura Brunner, President/CEO

Port Authority Administrative Updates

The Port Authority, having its new team in place, is committed to collaborative teamwork to carry out its mission, including cross-over in the five key lines of business. Other administrative updates include:

- The office relocated during the early part of August and staff is enjoying its new facilities and open environment.
- The employee handbook was updated to reflect its new compensation and benefits plan, including update of job descriptions in anticipation annual reviews to take place the end of the year.
- A holiday open house is planned for December 13th and will extend invites to past Board of Directors and Port Authority staff

Summary of Financial Information

A summary of financial information report was distributed to the Board capturing data from 2001 to present that includes operating revenues and expenses, non-operating receipts and expenditures, net assets and MBE/WBE/SBE participation, as well as bond financing.

This information will be referred to when the Board meets to discuss the draft strategic plan for the next 30 months.

Draft Strategic Plan Communication Schedule

- Presentation to the Board, 10/3
- Meet with the City Manager and Economic Development Director 10/23
- Meet with the County Administrator and Assistant County Administrator, 10/24
- Port Authority executive team to present to the Strategic Growth Committee, 10/30
- Community Outreach Sessions, 10/25 and 10/31
- Port Authority executive team present to County Commissioner staff, 11/5
- Final strategic plan presented to Board for approval, 11/14

Ms. Brunner is also conducting a round of update sessions with councilmembers and commissioners and will apprise them of what the Port Authority has been working on.

Hamilton County Funding: Formal Action - Proposed resolution 2012-11 was brought before the Board to request fiscal support for 2013. The title is:

RESOLUTION REQUESTING THE FISCAL SUPPORT OF HAMILTON COUNTY TO FURTHER THE MISSION AND PURPOSES OF THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY.

Upon discussing the matter, Mr. Budig asked for a motion to approve Resolution No. 2012-11.

Motion: Shane Wright moved to approve Resolution No. 2012-11 authorizing the Port Authority to provide authorizations and approvals to matters related to outstanding Port Authority revenue bonds. The motion was seconded by David Smith, and was approved unanimously.

12. CHAIRMAN'S REPORT

Otto Budig, Jr., Board Chair

Proposed 2013 Board Meeting Schedule: The proposed 2013 Board meeting schedule continues to be the 2nd Wednesday of each month with the exception of July and August, beginning at 8:00 a.m.

13. ADJOURNMENT

The Board of Directors meeting adjourned at 9:26 a.m.

Respectfully,



Laura N. Brunner
Secretary