What began with a bold vision for a renewed riverbank and reclaimed brownfields, finds us now reaching for the sky.

I am proud of the role we played in 2007 and 2008 to forever change Cincinnati’s skyline through our involvement in The Great American Tower at Queen City Square project.

Since we began our operations in 2001, I am just as proud of the more than 1.7 million tons of metal we have helped to recycle, the nearly 2 million square feet of office and retail space we have helped to develop, and the significant impact we have had in helping to include those who have been historically excluded.

Mostly, I am proud of the people with whom we have associated as members of the Port Authority Board. As the outgoing Chair, and with deep appreciation for the leadership and partnership of Vice Chair Steve Love, I extend our collective thanks to all those with whom we have served from 2001 through 2008. I offer special thanks and appreciation to Kim Satzger, our President, and the talented and dedicated staff she leads, who deserve substantial credit for the many impressive accomplishments of the Port Authority.

Inside this Bi-Annual Report, you will see the new members of the Port Authority Board recently seated by the City of Cincinnati and Hamilton County. We are excited for the leadership and ideas they will bring to this organization, all for our commongood.

We are confident about the future of the Port Authority to come. We express our most sincere appreciation for the opportunity to have been of service to this place we all call home.

Jack Rouse
Board Chair,
2001 through August 27, 2009
This 2007-2008 Bi-Annual Report reflects the remarkable growth and impact of the Port of Greater Cincinnati Development Authority since its inception in 2001. Looking at the past two years is appropriate as we progress through 2009 with a new structure, enhanced powers, and a new board of directors.

We intend the regional community by participating in public-private partnerships. Partnering is at the core of all that we do. Our past successes have been a catalyst for real economic growth, and projects in which we have participated are anticipated to deliver more than $3.75 billion in annual economic impact, and create or retain 30,162 jobs.

Whatever we have accomplished, we have accomplished with others. Past successes would not have been possible without the leadership and strong support of the City of Cincinnati and Hamilton County.

In this report, we offer highlights of our participation in about $440 million in bond financings in six different local municipalities. We discuss our role in cleaning up more than 155 acres of land. We report on how we established aggressive and appropriate goals for economic inclusion, and worked diligently with our project partners to achieve these goals.

Looking back at our growth and progress is a source of great pride as discussed in the past Chair’s letter. Our past provides a powerful foundation for an even more exciting future led by the recently appointed Board of Directors. Please visit our Web site (www.cincinnatiport.org) for more information about who we are, what we do, and how we can partner with you.

We look forward to continuing to serve our region through these very challenging economic times. We value our continued partnership with the City of Cincinnati and Hamilton County, and we are committed to working in partnership for continued growth and progress.
Growing Sustainably

Redeveloping abandoned, idle or underutilized industrial and commercial sites - also known as brownfields - makes an enduring contribution to a community's environment and economy. The Port Authority is finding ways to manage the environmental, financial, and legal challenges posed by remediation in order to encourage growth and progress in communities throughout Hamilton County.

The Port Authority has built a local, regional, and national reputation as a leader in brownfield cleanup and redevelopment. This expertise is brought to bear on each one of our projects, and directly contributes to our record of success. Through 2008, we created public-private partnerships on eight projects, using Clean Ohio funding to leverage significant private investments, and implement sustainable growth in five different Cincinnati and Hamilton County neighborhoods.

- Eight Clean Ohio grants received totaling $10,573,281
- 155 acres of contaminated property being cleaned up and returned to productive reuse
- Sustainable remediation practices resulted in:
  - 80,661 tons of contaminated soil excavated
  - 383,638 gallons of contaminated water captured
  - 164,231 tons of concrete recycled
  - 1,724,034 tons of metal recycled
- $1.35 billion annual economic impact and 13,793 jobs

Leveraging Investments for Growth and Progress

The Port Authority provides innovative financing options tailored to the distinctive needs of each project, and the development entity. We specialize in finding solutions to complex development financing challenges through the issuance of lease bonds and revenue bonds, including those backed by tax increment financing and special assessments. We also serve as a central point of contact for investigating and pursuing local, state, and federal incentives that can be instrumental in moving a project forward.

Through 2008, we completed nine financing projects totaling nearly $440 million. These projects leveraged significant private investment to achieve development growth and progress in Greater Cincinnati and Hamilton County.

- Nine bonds totaling $439,635,000, including $60.53 million for local 501(c)(3) nonprofit organizations
- Worked cooperatively with six local municipalities
- $2.4 billion anticipated annual economic impact and 16,369 jobs created or retained
- Expected development impact of more than 1.3 million square feet of office, nearly 538,000 square feet of retail, and 6,136 parking spaces
Economic Inclusion is important to all that we do. The Port Authority is diligent in its efforts to ensure that there is increased participation in all of its projects for Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), and Small Business Enterprises (SBEs).

- We developed a Memorandum of Understanding with National City Bank to provide creative and affordable gap-payment financing for MBE, WBE, and SBE companies working on Port Authority grant-funded brownfield projects.
- We received the 2007 Commercial Real Estate Women (CREW) Industry Innovator Award recognizing organizations that demonstrate an innovative approach to promoting diversity, and providing a proven track record with measures of success.
- The Port Authority’s Chair of Economic Inclusion received the 2008 South Central Ohio Minority Supplier Development Council Advocate of the Year Award, recognizing the accomplishments and contributions of those who have successfully advocated for minority supplier development.

The Port Authority systematically tracks performance in meeting its established goals of economic inclusion and considers economic inclusion results through 2008 are noted in the table on the right.

<table>
<thead>
<tr>
<th>AREA/GOALS</th>
<th>MBE (25%)</th>
<th>WBE (7%)</th>
<th>SBE (30%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brownfields</td>
<td>$1,453,066 (17.5%)</td>
<td>$1,275,406 (15.4%)</td>
<td>$2,633,815 (31.8%)</td>
</tr>
<tr>
<td>Financings</td>
<td>$17,425,963 (24.2%)</td>
<td>$1,628,902 (14.3%)</td>
<td>$25,638,756 (35.7%)</td>
</tr>
<tr>
<td>Total Projects</td>
<td>$18,879,029 (23.5%)</td>
<td>$2,904,308 (14.7%)</td>
<td>$28,272,571 (35.3%)</td>
</tr>
</tbody>
</table>

Together, Human Progress and Economic Growth
Port of Greater Cincinnati

Development Authority

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FINANCIALS

Statements of Revenues, Expenses, and Changes in Net Assets
Years ended December 31, 2007 and 2008

2008 Audited 2007 Audited

Operating Revenues
Public funding $695,000 $500,000
Changes for services 1,046,887 386,440
Total operating revenues 1,741,887 1,386,440

Operating Expenses
Administrative and general 347,916 246,746
Professional services 305,764 426,194
Consultancy 95,807 32,931
Travel 19,455 14,595
Repairs and maintenance 4,048,492 24,517
Depreciation and amortization 4,000,000 24,517
Interest 1,439,795 1,450,544
Other operating expenses 557,006 168,006
Total operating expenses 14,207,195 2,543,275

Operating Loss (2,302,313) (3,213,595)

Non-operating Income
Grant receipts 1,368,505 1,304,551
Less grant expenditures (1,368,505) (1,304,551)
Bond service payments 18,792,454 2,311,475
Investment income 356,957 216,442
Total non-operating income 19,048,813 2,558,117

Increase (Decrease) in Net Assets, See Note 16,746,500 (655,478)
Net Assets, Beginning of Year 1,134,461 1,789,939
Net Assets, End of Year $17,880,961 $1,134,461

PORT AUTHORITY REFORMATION

In late 2005, in a letter to the Mayor of Cincinnati and the President of the Hamilton County Board of Commissioners, Port Authority Board Chair Jack Rouse formally requested significant changes in the original agreement that created the Port Authority.

In late 2008, the Cincinnati City Council and Hamilton County Board of Commissioners, in an impressive demonstration of regional collaboration, agreed to each request of the Port Authority.

In addition to expanding the Port Authority’s geographic jurisdiction to include all of Hamilton County and the City of Cincinnati, and committing to a specific funding plan, the City and County agreed to:

“…grant the Port Authority substantially all powers permitted under the Port Act (Revised Code Section 4582.22) by the removal of substantially all of the limitations and restrictions on those powers contained in the Disputed Port Agreement…”

The Port Authority expresses its appreciation to the Mayor, members of Cincinnati City Council, and members of the Hamilton County Board of Commissioners, for their vision, commitment, and support in implementing these important changes.

Note:
Revenues and expenses result primarily from property ownership related to bond financings, and the related bond trust transactions. If the impact of property ownership and related transactions were excluded, the increase (decrease) in net assets from operations would be $717,798 in 2008 and ($266,543) in 2007.

FINANCIALS