



**June 11, 2014 Board of Directors Meeting**

The Taft Center at Fountain Square, 425 Walnut Street, Cincinnati, OH 45202

**1. CALL TO ORDER**

Lynn Marmer called the Port of Greater Cincinnati Development Authority Board of Directors meeting to order at 8:00 a.m.

**Board Members Present:**

Lynn Marmer	Smith, David
Budig, Otto	Dunn, Marty
Jacobs-Horton, Lydia	Williams, Tom
Greiwe, Rick	Jackson, Ed
Robertson, Scott	

**Staff Present:**

Brunner, Laura	Hall, Darin
Johnson, Melissa	Paul, Gail
Robb, Deborah	Hudson, Rick
Boggs Muething, Paula	Recht, Chris
Chamlee, Jason	

**Guests:**

Barrett, Maria – Port Financial Consultant	Glynn, Megan - Calfee
Schulte, Skip – private citizen	Spoor, Dick – KMK
Williams, Jason – Cincinnati Enquirer	Kane, Scott – Squire Sanders
Crouley, Patrick Strategic Advisor	

**2. WELCOME AND INTRODUCTIONS**

Lynn Marmer welcomed and introduced guests.

**3. APPROVAL OF MINUTES –May 14**

Lynn Marmer asked Board members if there were any additions or modifications to the May 14, 2014 Board of Directors meeting minutes. Hearing none, she asked for a motion to adopt the meeting minutes.

**Motion:** Otto Budig, Jr. moved to adopt the minutes of the May 14, 2014 Board of Directors meeting. The motion was seconded by Marty Dunn and was approved unanimously.

**4. PRESIDENT'S REPORT**

*Laura Brunner*

Ms. Brunner called attention to the passage of the City's budget, and how encouraging it was to have the support of all the City Council members. The Port Authority was included in the budget for \$700,000 for operating funds. This amount is to be matched by the County. For capital funding, Council has instructed the administration to enter into a long term lease for the

Fountain Square South Garage. There have been conversations with the Assistant City Manager and the City's outside counsel to negotiate this agreement. It is the Port Authority's current understanding that the key terms of this agreement will be a 30-year lease in which the Port Authority will have a 100% interest in the asset during the term of the lease. The Port Authority will have the authority from the City to borrow money to establish reserve funds, to make the necessary capital improvements initially, and to make capital funds available to the Port Authority for its work for the duration of the services agreement.

Mr. Budig, Jr. asked if it was made clear that there no offset to the \$700,000.

Ms. Brunner replied that it was clear.

Ms. Brunner stated the Port Authority was in conversations with several potential lenders. The net proceeds from this transaction are anticipated to be in the 6 to 8 million dollar range. There will be calls with the finance working group over the summer as the financing options are narrowed. If the closing happens before the regularly scheduled September board meeting, a special meeting will be held over the summer.

Ms. Brunner stated the Port Authority was encouraged by the Mayor's comments when the budget was announced that included his hope that in next year's capital budget there would be more room for the Port Authority.

Mr. Greiwe asked if there were any adjustments to the work plan or performance measurements.

Ms. Brunner replied that the amount of money the Port Authority will have through the financing of the garage will be at least \$6,000,000. As the transaction is being closed over the next few months, on a parallel basis work will be done on the disposition of the funds and the timing of it. The Port Authority will be looking at work in the areas of Queengate and Bond Hill, including the Army Reserve property.

Mr. Greiwe asked if there would be a bond for future revenue of the garage.

Ms. Brunner replied that yes, several financing options are being considered, including issuing bonds and borrowing debt to make a purchase of a leasehold interest. This is similar to the structure 3CDC used with the Fountain Square North garage.

Ms. Jacobs Horton asked if there was a typical operating agreement the Port Authority would be entering into or if this is an area of negotiation.

Ms. Brunner replied it's the City's lease agreement and then the Port Authority will have an agreement with the operator to manage the garage. The terms of the lease agreement will include, among other items, rates, service quality, and maintenance.

Ms. Brunner called attention to Deborah Robb being awarded the Merlin Pope award; the dinner had just been held and was a terrific event.

Ms. Brunner mentioned that the previous day, Paula Boggs Muething was at the Community Development Corporation Association of Greater Cincinnati's Annual Awards Luncheon to

deliver the keynote speech and was given the award for the 2014 Most Outstanding Government Staffer.

Ms. Brunner stated a copy of Ms. Boggs Muething's speech and Ms. Brunner's recent speech to CREW luncheon would be circulated to the board.

Ms. Brunner called attention to the updated Strategic Goals before the board, highlighting the work being done over the summer. All of the projects are continuous and none of the resolutions are new concepts, but each activity is being brought further along from previous conversations.

**5. FINANCIAL REPORT**

*Rick Hudson*

**Budget Update**

Mr. Hudson stated the month of April did not have a lot of new activity. There was a \$40,000 private grant, details of which were included in the board packet.

Additionally there was the first acquisition in Queensgate of \$250,000 for a property at 840 West Fifth Street. A second one will occur in the month of May for Hudepohl for \$400,000. Both are being purchased with unrestricted cash. Even with these acquisitions, the available funds are 2.2 million as of the end of April, which represents nine months of operating funds.

The audit is going to be completed and submitted by June 30<sup>th</sup>.

Ms. Jacobs-Horton asked about the South Mill Creek properties. When the approval was made for the acquisitions, it was contemplated there would be more funds for demolition and remediation. When would the board see what that might look like and any approval for those next steps?

Mr. Hall responded the Port Authority was identifying those next steps. Currently the properties are under control. The Port Authority has met with the City and Fire department to make sure the properties are being managed in a way that makes everyone happy.

**6. PUBLIC FINANCE**

*Laura Brunner & Susan Thomas*

Ms. Brunner called attention to the EB-5 relationship and corresponding slides presented. There have been further conversations with the Cleveland International Fund. As previously mentioned, this will be marketed locally with a name that does not include the word Cleveland.

Ms. Brunner reminded the Board of the mechanics of the program and reviewed the specifics of the program and how the Port Authority could benefit from it. It was suggested the Port Authority enter into a two year exclusive agreement with the Cleveland International Fund.

Mr. Greiwe asked how this benefits the developer.

Ms. Brunner replied the higher loan value ratio is popular. In particular it's been very popular in the last couple of years in hotels, where debt financing has been difficult to get. In some cases there are better terms as well.

Ms. Brunner stated there were several projects locally at the moment considering this program.

Mr. Smith asked who tracks the ongoing commitments.

Ms. Brunner replied this is done based on the construction expenditures and project expenses. There are two accepted models that could be used, RIMS II or IMPLAN. This is done by the Cleveland International Fund.

Mr. Smith asked to confirm the Cleveland International Fund is a Regional Center.

Ms. Brunner replied yes, that is has completed over 20 projects with half a billion dollars.

Ms. Thomas confirms this is correct.

Mr. Budig, Jr. asked to confirm that our identity will be separate from the Cleveland International Fund.

Ms. Brunner confirmed.

Ms. Jacobs Horton asked why it takes 12 to 18 months to fund.

Ms. Thomas replied the time line is largely driven by the amount of time it takes for the individual investor diligence through Homeland Security to do their work, and for the project to get underway.

Ms. Marmer asked how long has this been in existence, and particularly the Cleveland International Fund.

Ms. Brunner replied the EB5 program has been in existence since 1990 and the Cleveland International Fund has been in place for ten years, with a much higher level of activity in the last five years.

**Formal Action Requested** – Before the Board today is proposed resolution 2014-09 entitled:

**RESOLUTION AUTHORIZING THE PRESIDENT OF THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY TO ENTER INTO THE COOPERATIVE SERVICES AGREEMENT BETWEEN THE PORT AUTHORITY AND THE CLEVELAND INTERNATIONAL FUND**

**Motion:** Scott Robertson moved to approve Resolution No. 2014-09. The motion was seconded by Rick Greiwe and was approved.

Ms. Brunner called attention to the next resolution for PACE financing and the partnership with Energy Alliance. This is related to the special improvement district approved by City Council. In this SID, the Port Authority has the ability to appoint two board members to the special

improvement district. Additionally, the first property in the SID is a property owned by the Port Authority, 1682 Seymour. The Port Authority also has an appointment due to the fact that the Port Authority represents ownership in the SID.

This resolution will give Ms. Brunner the authority, in consultation with the chair, to appoint these board members. These will not be Port Authority staff or Board Members, due to potential conflicts of interest, but members of the community with expertise and interest in this area.

Mr. Robertson asked what the terms were; were they two years or re-elected each year.

Ms. Thomas replied there were not specific terms and appointments serve at the Port Authority's pleasure.

**Formal Action Requested** – Before the Board today is proposed resolution 2014-10 entitled:

**A RESOLUTION AUTHORIZING THE PRESIDENT OF THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY TO APPOINT CERTAIN MEMBERS TO THE BOARD OF THE CITY OF CINCINNATI, OHIO ENERGY SPECIAL IMPROVEMENT DISTRICT AND ESTABLISHING THE PROCEDURES FOR SUCH APPOINTMENTS.**

**Motion:** Marty Dunn moved to approve Resolution No. 2014-10. The motion was seconded by Ed Jackson and was approved.

Ms. Brunner called attention to the resolution for amendments to Port Authority issued bonds for Fountain Square debt. Ms. Brunner pointed out Mr. Spoor, counsel for 3CDC, was there to answer any questions related to this.

**Formal Action Requested** – Before the Board today is proposed resolution 2014-11 entitled:

**A RESOLUTION AUTHORIZING SUPPLEMENTS AND AMENDMENTS TO CERTAIN DOCUMENTS AUTHORIZED BY RESOLUTION NOS. 2009-10 AND 2011-11 OF THIS BOARD, AND AUTHORIZING AND APPROVING RELATED ACTIONS AND MATTERS.**

**Motion:** David Smith moved to approve Resolution No. 2014-11. The motion was seconded by Lydia Jacobs-Horton and was approved.

Ms. Brunner called attention to resolution for a resolution related to the PACE program and the Energy Alliance. Software has been developed to market to other Port Authorities. The Port Authority has been asked to be a grant requestor on the Energy Alliance's behalf to help them fund their investment in this software program.

Mr. Robertson asked why the Port Authority is needed for this.

Ms. Brunner responded because the Port Authority is a public agency. This process is similar to many of the Brownfield programs. Many times the Port Authority is a conduit for State and Federal grants.

Ms. Jacobs-Horton asked why this needed board approval.

Ms. Thomas responded that this is a State program designed to help local government to save money by partnering with other local governments. Because of that, approval of the board supporting the effort is required as part of the application.

Mr. Jackson asked what the anticipated grant amount will be.

Ms. Thomas replied it would be \$50,000.

**Formal Action Requested** – Before the Board today is proposed resolution 2014-12 entitled:

**A RESOLUTION AUTHORIZING SUPPLEMENTS AND AMENDMENTS TO CERTAIN DOCUMENTS AUTHORIZED BY RESOLUTION NOS. 2009-10 AND 2011-11 OF THIS BOARD, AND AUTHORIZING AND APPROVING RELATED ACTIONS AND MATTERS.**

**Motion:** Marty Dunn moved to approve Resolution No. 2014-12. The motion was seconded by Rick Greive and was approved.

Ms. Boggs Muething called attention to a resolution requesting approval for the Port Authority to make loans to the Landbank on specific properties the will be part of the Neighborhood Initiative Program. The loans will be capped at \$100; the Port Authority will receive the money back when the Landbank receives the funding from Neighborhood Initiatives Program with a \$500 fee. This is an opportunity for the Port Authority to make \$500 per loan. 200 loans are anticipated.

The Neighborhood Initiatives Program is part of the Ohio Housing Finance agency. The Landbank has received a \$5,000,000 allocation. The reason for the loans is to comply with the guidelines the Federal Government has established; every property on which the funds are used must have a mortgage that is then forgiven.

The HCLRC is following the example of the Cuyahoga Landbank.

**Formal Action Requested** – Before the Board today is proposed resolution 2014-08 entitled:

**RESOLUTION AUTHORIZING THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY TO ISSUE LOANS TO THE HAMILTON COUNTY LAND REUTILIZATION CORPORATION FOR PURPOSES OF COMPLIANCE WITH THE REQUIREMENTS OF THE NEIGHBORHOOD INIATIATIVE PROGRAM.**

**Motion:** Marty Dunn moved to approve Resolution No. 2014-08. The motion was seconded by David Smith and was approved.

Executive Session

Lynn Marmer stated that the Board would go into Executive Session.

**Motion:** Marty Dunn made a Motion pursuant to Ohio Revised Code 4582.58 (b) 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 discussing information related to the relocation of an employer.

The motion was approved unanimously by roll call vote.

The Board adjourned into executive session at 8:45 a.m. The Board exited executive session and reconvened its Board of Directors meeting at 9:00 a.m.

Roll call to come out of executive session occurred.

A new vote was taken for Resolution 2014-11 with Lynn Marmer and Tom Williams abstaining.

**Motion:** Rick Greiwe moved to approve Resolution No. 2014-11. The motion was seconded by Scott Roberson and was approved.

Mr. Hall brought attention to a resolution to sign an exchange agreement related to the Army reserve base. Diligence will be started, a team selected, and the Port Authority will be able to start the legal negotiation of the exchange agreement.

**Formal Action Requested** – Before the Board today is proposed resolution 2014-13 entitled:

**RESOLUTION AUTHORIZING THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY TO RESPOND TO THE NOTICE OF AVAILABILITY FOR UNITED STATES ARMY RESERVE REAL PROPERTY EXCHANGE.**

**Motion:** Scott Robertson moved to approve Resolution No. 2014-13. The motion was seconded by Ed Jackson and was approved.

**7. ADJOURNMENT**

The June 11, 2014 Board of Directors meeting adjourned at 9:07 a.m.

Respectfully,



Laura N. Brunner  
Secretary

