

PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY
BOARD MEETING MINUTES
Wednesday, January 11, 2012, 8:00 AM
DCI Conference Room
35 E. Seventh Street, Room 209, Cincinnati, OH 45202

I. CALL TO ORDER

Mr. Budig called the Port of Greater Cincinnati Development Authority Board of Directors meeting to order at 8:35 a.m.

BOARD MEMBERS PRESENT:

Budig, Otto
Dunn, Marty
Greive, Rick
Marmer, Lynn
Smith, David
Wright, Shane

EXCUSED:

Handy, Clark
Jacobs-Horton, Lydia
Williams, Tom
Zimmer, Joe

STAFF:

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

GUESTS:

Hankinson, Holly – Representative, Councilwoman Yvette Simpson
Laug, Connie – SW Ohio District Director, Sen. Rob Portman
Martin, Shannon – Bricker & Eckler LLP, Port Authority general counsel
Van Benschoten, Amanda – The Cincinnati Enquirer

Mr. Budig acknowledged and welcomed guests.

Mr. Budig stated that the order of the agenda would be slightly altered during the meeting.

II. APPROVAL OF MINUTES

Mr. Budig asked Board members if there were any additions or modifications to the December 14, 2011 Board of Directors meeting minutes and December 16, 2011 Special Board of Directors meeting. Hearing none, he asked for a motion to adopt the meeting minutes.

Motion: Marty Dunn moved to adopt the minutes of the December 14, 2011 Board of Directors meeting and the December 16, 2011 Special Board of Directors meeting. The motion was seconded by Shane Wright and was approved unanimously.

III. BROWNFIELD REPORT

Melissa Johnson provided the Board with the following brownfield projects update.

3241 Spring Grove Avenue, Cincinnati, OH (Former Kahn's/Sara Lee Site)

General Information – The Clean Ohio Council awarded \$3 million to the former Kahn's/Sara Lee project on May 27, 2010. The lead applicant is Hamilton County, and the Port Authority is the co-applicant.

Status – Several outstanding change orders are being evaluated by the project team. A resolution to these change orders is currently under review by Hamilton County. Demolition of the timber building is nearly complete. Demolition of building #7 is underway. Above grade demolition is expected to continue over the next couple of months.

200 Shepherd Avenue, Lockland, OH (Former Stearns & Foster Site)

General Information – The Clean Ohio Council awarded \$1.8 million to the former Stearns & Foster project on January 21, 2011. The lead applicant is Hamilton County, and the Port Authority is the co-applicant.

Status – Below grade demolition is underway and is expected to be complete in January. Soil remediation efforts are ongoing.

105 West Fourth Street, Cincinnati, OH (Former Federal Reserve Building)

General Information – The Clean Ohio Council awarded \$750,000 to the former Federal Reserve project on December 17, 2010. The lead applicant is the Port Authority.

Status – Asbestos abatement at the Federal Reserve is complete with the exception of floors 7 and 8. It is anticipated that the asbestos contractor will remobilize onto the site to finish floors 7 and 8 in March 2012. The project is waiting to reconvene.

U.S. EPA Brownfield Assessment Program

General Information – The United States Environmental Protection Agency (USEPA) awarded the Port Authority a \$1 million coalition grant to fund hazardous substance and petroleum environmental Phase I and II studies, and remedial action plans. The coalition partners are Hamilton County and the City of Cincinnati.

Status – Work on the eighteen approved applications from the first five rounds continues. The sixth round of applications is due on February 1st.

IV. FINANCING PROJECTS UPDATE

Susan Thomas provided the Board with the following financing project update.

Fountain Square Project, Downtown, Cincinnati, OH

General Information – In 2005, Fountain Square, LLC, a subsidiary of the Cincinnati Center City Development Corporation (3CDC), leased (the "Facilities Lease") the underground parking garage at Fountain Square and a portion of the area above the garage from the City of Cincinnati. To finance the acquisition of the Facilities Lease and the subsequent improvements, Fountain Square, LLC issued its Adjustable Rate Taxable Securities (the "Series 2006 Bonds") and also entered into loan agreements with the Cincinnati Equity Fund, the Cincinnati New Markets Fund (CNMF), and the State of Ohio (collectively, the "Subordinated Debt").

In 2009, the Port Authority served as a conduit issuer for the refinancing of the Series 2006 Bonds. The refunding bonds (the "2009 Bonds") were issued in two series: A tax-exempt Series 2009A Bonds and a taxable Series 2009B Bonds.

In the fall of 2011, Fountain Square, LLC approached the Port Authority about a number of items related to Fountain Square and the 2009 Bonds. Specifically, the Port Authority was asked to re-issue and refund the existing 2009 Bonds to allow for a lower interest rate for the period from August 1, 2014 to August 1, 2016. The Port Authority was also asked to issue up to \$9,100,000 of Bank Qualified Facilities Revenue Bonds (the "2011 Bonds") to refinance a portion of Fountain Square LLC's Subordinated Debt, specifically a portion of the obligations owed to the CNMF.

Status – The Board of Directors of the Port Authority approved a resolution authorizing the issuance of the 2011 Bonds and the re-issuance of the 2009 Bonds at a special meeting on December 16, 2011. The 2011 Bonds in the principal amount of \$8,928,000 were issued on December 28, 2011. The 2009 Bonds were also re-issued on that date.

12th and Vine Parking Lot, Over the Rhine, Cincinnati, OH

General Information – CCCP, LLC, (CCCP) a subsidiary of the Cincinnati Center City Development Corporation (3CDC) purchased and developed a public parking facility at the northeast corner of 12th & Vine Streets in Over the Rhine. The redevelopment of the lot was funded, in part, by a loan from the Cincinnati New Markets Fund (CNMF).

CCCP asked the Port Authority to issue up to \$900,000 of its Bank Qualified Facilities Revenue Bonds (Bonds) to refinance the existing loan from the CNMF. The proceeds of the Bonds will be loaned to CCCP and used in financing the costs of refunding the CNMF loan and related expenses. The existing facility is and will continue to be operated by CCCP for the purpose of providing public parking.

Status – The Board of Directors of the Port Authority approved a resolution authorizing the issuance of the Bonds at a special meeting on December 16, 2011. The Bonds in a principal amount of \$820,000 were issued and closed on December 28, 2011.

V. HAMILTON COUNTY LAND REUTILIZATION CORPORATION (HCLRC)

General Information – In 2010, the Ohio General Assembly authorized the formation of a County Land Reutilization Corporation (CLRC or "Landbank") as a means of more efficiently allowing foreclosed, vacant, and abandoned properties to be acquired and returned to productive community use.

A CLRC functions as a non-profit corporation with a public purpose and is organized as an independent legal entity separate and apart from the local government.

Status – Hamilton County established the Hamilton County Land Reutilization Corporation (HCLRC) in late 2011. The Board of the HCLRC met for the first time on Monday, January 9, 2012. The HCLRC Board members are:

County Treasurer Robert Goering,
County Commissioner Greg Hartmann,
County Commissioner Chris Monzel,
County Commissioner Todd Portune,
Vice Mayor Roxanne Qualls (City of Cincinnati),
Township Trustee Joe Honerlaw (Springfield Township),
Councilmember Mark Quarry (City of Silverton),
Township Trustee Tom Weidman (Sycamore Township), and
Carolyn Rolfes (real estate expert)

The HCLRC Board adopted a Code of Regulations to govern the operation of the HCLRC and the form of an Agreement and Plan which outlines the relationship between Hamilton County and the HCLRC.

The HCLRC Board also directed the County Administration to draft an agreement between the HCLRC and the Port Authority regarding the Port Authority serving in the executive role for the HCLRC.

The next HCLRC meeting is scheduled for February 15th. The HCLRC Board is expected to consider the contract with the Port Authority and the preliminary budget at that meeting.

The specific goals and official policies and procedures of the HCLRC have not been defined. It is expected that these will be developed over the next few months in consultation with the HCLRC Board and community stakeholders.

VI. CHAIRMAN'S REPORT

Appointment of Port Authority Officers

Formal Action Requested – Before the Board today is a proposed resolution appointing officers of the Port Authority, appointing Laura N. Brunner, President and Secretary; Raymond E. Schafer, Senior Vice President and Assistant Secretary; and Susan E. Thomas, Vice President of Public Finance. The title is:

RESOLUTION APPOINTING OFFICERS OF THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY AND APPROVING RELATED MATTERS

Motion: Lynn Marmer moved to approve Resolution No. 2012-01 Appointing Officers of the Port of Greater Cincinnati Development Authority. The motion was seconded by Rick Greiwe, and was approved unanimously.

Mr. Budig stated that on behalf of the entire Board, he formally welcomed Ms. Brunner to the organization. He said that, regarding the "Growing a City" article featuring Ms. Brunner that ran in the December 25, 2011 issue of the Cincinnati Enquirer, he noted and was very pleased that the article was universally positive.

VII. ECONOMIC INCLUSION UPDATE

Deborah Robb provided the Board with the following economic inclusion update.

Economic Inclusion Report

Under the Total Projects report, the Port Authority is meeting or exceeding its inclusion goals for Minority Business Enterprise (MBEs) and Women Business Enterprise (WBEs). The goal for Small Business Enterprise (SBEs) is below target; however, this is due to the Queen City Square Tower building whereby the Port Authority acknowledged at the outset that the goals could not be met due to the size of the bid packages.

Ms. Robb stated that going forward Economic Inclusion results will be reported quarterly.

Horseshoe Casino, Cincinnati, OH

Mr. Budig asked Ms. Robb to restate the Port Authority's role with regard to economic inclusion on the Casino project.

Ms. Robb stated that the Port Authority is contracted with the African American Chamber to consult on the Casino project's economic inclusion efforts, which is currently at 35% MBE and WBE inclusion. However, since the Port Authority is not financing the project, those economic inclusion numbers will not be reported through the Port Authority.

Mr. Budig stated that this is a major project and having the Port Authority involved, despite the fact that it is not officially the Port Authority's responsibility, is a great accomplishment.

Mr. Greiwe suggested that, since the Port Authority will be doing more contract/consulting type work, the Port Authority should report on its economic inclusion consulting work outcomes, as well as financing projects.

Mr. Budig stated that as a consulting service it would be a good idea, and the results could be defined differently from those projects whereby the Port Authority is specifically involved in financing.

Ms. Robb stated that since the Casino project is a private project, the owners prefer to have the economic inclusion results relayed in a private setting.

Ms. Brunner stated that in the online version of the Cincinnati Enquirer, Ms. Robb was credited for assisting the Casino and helping them achieve their positive results. The Port Authority is receiving recognition and credit in the public settings.

Ms. Brunner said that this is one of the strategic issues that will be addressed, regarding the focus of Ms. Robb's time and how much of it is specifically focused on inclusion efforts helping other projects, versus diversifying her impact on the Port Authority, especially as we move forward with GO Cincinnati.

VIII. FINANCIAL REPORT

Ray Schafer provided the Board with the following financial report update.

Mr. Schafer reported that December's cash balance is \$749,000. Expenditures for the month are \$157,000, which includes an amount provided by the Board for Mr. Schafer's services as Interim President for the past 14 months. The year-to-date actual expenses are \$337,000 under budget.

Mr. Budig pointed out the estimated net income of \$240,000 against the annual budget of \$198,000.

Mr. Schafer stated that those numbers are correct and rely on our two funding resources, the City and County. The Port Authority appreciates their contribution of \$525,000 each for last year.

Mr. Budig said that these were excellent results which have a positive impact on the Port Authority's cash flow.

Mr. Wright asked Mr. Schafer to address the \$101,000 of receivables.

Mr. Schafer stated that amount includes the \$100,000 from Duke Energy's brownfield projects contribution.

Mr. Schafer stated that he has requested a 2012 funding grant of \$700,000 from both the City and County, and anticipates the receipt to go smoothly.

Mr. Budig asked what the plan is to cover some of the outstanding legal bills.

Ms. Brunner said that at the next or following Board meeting, we will have a general litigation review.

IX. PRESIDENT'S REPORT

Duke Energy Economic Development Contribution

Ms. Brunner thanked David Smith and Duke Energy for their \$100,000 contribution to the Port Authority's economic development efforts. She also thanked Amanda Van Benschoten for the great media coverage on this wonderful gift.

Ms. Brunner said that this type of contribution was very much appreciated and hoped that this was the first of many corporate recognitions of the Port Authority's impact.

President's Comments and Observations

Ms. Brunner thanked the Board for their trust and confidence they have placed in appointing Ms. Brunner as the President/CEO of the Port Authority. She said that the opportunity to work with the Board and "grow" our city is very exciting. She said that we will continue to work on the definition of what "growth" is.

Ms. Brunner said she is thrilled and humbled by the chance to be a part of this transformation that the Port Authority is undertaking as we are all now charged to build a future.

Ms. Brunner stated she recognizes that she is the beneficiary of the good work that has been done up to this point by not only the Port Authority Board and staff, but also by the many other leaders and organizations within our community. There has been a great foundation laid, and she does not wish to under appreciate those efforts.

Ms. Brunner said that, as Mr. Budig mentioned, we are blessed at this time. She said that we are accused in Cincinnati of not having enough optimism. She said that she believes there is trust in the Port Authority and that people believe this is the right organization with the right leadership at the right time. She has heard from a very broad group of people since she came onboard, and the resounding confidence everyone has expressed. There is anticipation for not only hope that the Port Authority will get things done, but that the Port Authority will get things done.

Ms. Brunner said that the Port Authority will work hard to get enough progress soon enough so that we can continue to keep the confidence we have and to earn more. Ms. Brunner said she appreciates that this is tenuous and not a pass card forever. However, for some period of time having this window of opportunity is a reason to celebrate in Cincinnati. She said that she believes and is confident that the Port Authority is positioned to accomplish goals.

Ms. Brunner is impressed by the Board's level of commitment, experience and skills. As she had not had much interaction with the staff previously, she is extremely delighted to get to know the staff, and is very pleased with what she has experienced thus far. She is impressed by the dedication and intelligence of the Port Authority staff. She said that the Port Authority is a small group and expects to grow it as the work increases; however, we are starting off with a real powerhouse of skills.

Ms. Brunner said she expects to broaden the responsibilities of the staff as there is currently a narrow-focus of everyone's work. This approach has worked in the past which has taken the Port Authority to where it is. However, with these big expectations, the Port Authority will have much more of a team approach to be able to accomplish them. The first team approach will be GO Cincinnati as Ms. Johnson, Ms. Thomas, and Ms. Robb will meet with Ms. Brunner and the City GO Cincinnati team to begin our work, and assigning each one as a champion in one of those communities.

Ms. Brunner said that over the past seven days of being on the job, she has been engaged with or will be engaged with community and civic leaders, as well as Board members one-on-one, the City and County administration, County Commissioners and City Council members. Additionally, she is meeting with the various chambers, economic development organizations, etc. She is starting out as an "open page," listening to their ideas, dreams for the organizations, the cautions, and suggestions. Ms. Brunner stated that these meetings will be an ongoing process determining the best way to engage with individual organizations. Ms. Brunner asked the Board to share with her any other individuals they deem appropriate for her to meet with.

Ms. Brunner stated that the Port Authority has engaged in a team meeting with the City, including Milton Dohoney, Jr., Michael Cervay, and Bill Fisher about the work plan; there are also two working sessions scheduled and a one-on-one scheduled the following Monday with Mr. Dohoney. Ms. Brunner is looking forward to a great working relationship with the City Manager. Ms. Brunner meets with the County administration, Christian Sigman and Jeff Aluotto, this afternoon, followed with one-on-one meetings with the Commissioners. The work with the County has yet to be defined, however, Ms. Brunner hopes to get this shaped and be consistent with what the City is looking for the Port Authority to do.

Ms. Brunner said that for the next Board meeting, she will continue to look for ways to engage the Board in a meaningful manner that gives the right amount of information, looking for other reporting mechanisms that will allow you to quickly get up to speed and be able to come into meetings prepared to ask questions rather than necessarily hear the details in the Board meeting itself. Ms. Brunner will continue to look for feedback from the Board to get the right balance of information. She also said that the meetings will move toward having more debate as there will be meaningful choices that will need to be made.

Ms. Brunner provided an executive summary of the GO Cincinnati plan and will apprise the Board on the GO Cincinnati progress at the next Board meeting. Ms. Brunner said during her meeting with Ellen van der Horst, that Ms. van der Horst is considering bringing back a consultant that worked on the GO Cincinnati plan to do either an update or assist in the reengagement in the community. Ms. Brunner said what we do not want to do is invest millions of dollars into GO Cincinnati based on facts that are four years old.

Mr. Budig said that this speaks to the Board's desire to move forward with consensus as opposed to what the Port Authority thinks is the best thing to do and others are in disagreement.

Ms. Brunner said that she believes the Port Authority is uniquely positioned to be the entity to get all parties together at the table, both public-private as well as public-public. The City's desire is for the Port Authority to do so, and she believes that the County is on board with that approach as well whereby the Port Authority will work collaboratively with other organizations.

Ms. Brunner stated that there will be debriefings with the City on everything that is currently happening in the GO Cincinnati community and get a plan on the next step. The Port Authority will identify and work with the broader stakeholders and do an inventory of what the opportunities are.

Mr. Greiwe said he likes the proactive approach of updating the GO Cincinnati plan.

Ms. Brunner responded that there will be verification and validation of the current plan, but we do not need to start from scratch. Ms. Brunner said that we need actions rather than more planning. The Port Authority will not be in the position to lead everything; in some cases other organizations will lead and the Port Authority will provide support.

Ms. Brunner said that historically the Port Authority has been reactionary; however, we need to be proactive where transformation is purposeful. The Port Authority needs to be able to respond with resources, even if it is outside of our work plan. The risk that the Port Authority takes should be paired with upside potential. Ms. Brunner said that the Port Authority cannot be risk averse; we need to de-risk opportunities and find the right balance. Additionally, the Port Authority needs to be more place-based and less transaction-based. Ms. Brunner said that she believes this will be part of the way we keep a lot of people at the table, such as 3CDC.

Ms. Brunner is still thinking about the role the Port Authority will have in transportation, which includes everything from the river, to freight, to the Brent Spence Bridge, the streetcar, etc. Ms. Brunner will attend several transportation meetings scheduled currently; however, transportation is one of the bigger initiatives that the Port Authority will need to evaluate.

The Port Authority needs to assess what other tools are needed in the Port Authority toolbox to be the most effective to help accomplish the goals in Hamilton County of more jobs and higher population. Over the past week, there have been discussions of significant opportunities of which some have been on the table in the past and new ones that have not yet been discussed. We need to figure out what tools are going to be most effective for the community as a whole to attract and retain business.

Ms. Brunner said that she will build on her strong community relations, as well as build on the foundation of the Port Authority, and all of the Board members' great relationships. Ms. Brunner said she has a particular passion that aligns well with the leadership that Ms. Robb has in the inclusion initiatives within this community, and this will be foundational to things Ms. Brunner plans to bring forward to the Board.

Ms. Brunner thanked the Board and said she looks forward to having more details to share in the future.

Mr. Budig thanked Ms. Brunner, and said there will be any number of questions that each of the Board members will have and will communicate with Ms. Brunner in individual meetings.

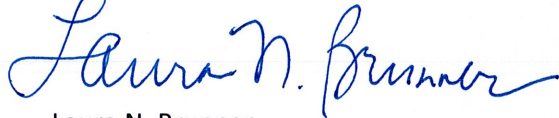
Mr. Budig stated that although the future is now, he wants to recognize that during the interim period the staff with Mr. Schafer's leadership, have done a tremendous job and should be lauded.

Ms. Brunner thanked the staff as well, and asked that the Board members please provide feedback as they have a broad base of constituents within the community.

VIII. ADJOURNMENT

Motion: Marty Dunn moved to adjourn the Board of Directors meeting at 9:10 a.m. The motion was seconded by Rick Greiwe, and was approved unanimously.

Respectfully,

A handwritten signature in blue ink that reads "Laura N. Brunner". The signature is written in a cursive, flowing style.

Laura N. Brunner
Secretary