

January 22, 2015 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:

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| Lynn Marmer | Jacobs-Horton, Lydia |
| Luken, Charlie | San Marco, Mario |
| Robertson, Scott | Jackson, Ed |
| Smith, David | Wright, Shane |

Staff Present:

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| Brunner, Laura | Recht, Chris |
| Thomas, Susan | Paul, Gail |
| Hall, Darin | Hudson, Rick |
| Johnson, Melissa | Robb, Deborah |

Guests:

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| Stephens, Sam – City of Cincinnati | Schulte, Skip – private citizen |
| Wallace, Jeff – Parsons Brinkerhoff | Wetterich, Chris – Business Courier |
| Simpson, Yvette – Cincinnati City Council | |

2. WELCOME AND INTRODUCTIONS

Ms. Marmer welcomed the board members and the guests.

3. APPROVAL OF MINUTES – November 12, 2014

Ms. Marmer asked the Board members if there were any additions or modifications to the November 12, 2014 Board of Directors meeting minutes. Hearing none, she asked for a motion to adopt the meeting minutes.

Motion: Scott Robertson moved to adopt the minutes of the November 12, 2014 Board of Directors meeting. The motion was seconded by Ed Jackson and was approved unanimously.

4. PRESIDENT’S REPORT

Laura Brunner

Ms. Brunner welcomed the two new board members, Charlie Luken and Mario San Marco. Ms. Brunner called attention to the strategic scorecard for 2015. The scorecard has been simplified to draw attention to critical items for the year. As a result of the staff reorganization, Melissa Johnson will take on a new role of marketing the various Public Finance tools.

Ms. Brunner emphasized the numbers on the scorecard are not in the budget. The budget is conservatively predicted for the coming year.

Ms. Jacobs Horton suggested using the simplified scorecard format with the 2014 information as a baseline, measuring from that point forward.

Ms. Brunner stated, at the suggestion of some of the board members, strategic planning has been budgeted for 2015.

Ms. Brunner explained that highlights from the previous month's Landbank board report have been added to relevant areas in the Port Authority board report.

Ms. Brunner called attention to a resolution that would appoint Chris Recht as Assistant Secretary, replacing Paula Boggs-Muething.

Formal Action Requested – Before the Board today is proposed Resolution 2015-01 entitled:

A RESOLUTION APPOINTING NEW ASSISTANT SECRETARY OF THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY

Motion: Charlie Luken moved to approve Resolution No. 2015-01. The motion was seconded by Ed Jackson and was approved.

5. PUBLIC FINANCE

Susan Thomas

Ms. Thomas started her presentation with an overview of the Fountain Square South Garage and its lease to the Port Authority. Renovations on the garage have begun, and the monthly parkers have been reassigned to other garages for the duration. The rates for the garage will increase when the renovations are completed. These rates are set per the lease, and future rate-setting authority sits with the Board of Directors.

Ms. Thomas explained the various aspects of the lease, specifically reviewing the financing terms and capital improvements. Parsons Brinckerhoff is serving as the engineer for the project, CORE Resources is serving as the owner's representative, and the contractor is SSRG with a major subcontractor, Net Quest Services.

The garage was closed for renovations the same day financing was closed, January 9, 2015. The estimated date of reopening is April 1, 2015.

SP+ has been hired to serve as the garage operator. A 2015 operating budget will be presented to the board at a future board meeting.

Ms. Thomas mentioned the development fund includes two components. The first is the initial deposit, and the second is where excess cash flow from the garage will flow over the next 30 years.

Ms. Thomas explained the development fund is to be used on capital projects in the City of Cincinnati. It does require the consent of the city administration. In November the Board of

Directors approved a resolution allocating \$6.75 million. The resolutions have been taken to the City and the City Manager has offered his consent to the resolutions.

As a reminder, \$4.75 million is targeted for the army reserve project with the remaining \$2 million toward blight abatement in the Bond Hill/Roselawn area.

Ms. Thomas commented on Melissa Johnson's new role. 2014 saw an expansion in the Public Finance's tool kit. One of the things that came of this is the Port Authority now has some tools that are appropriate not just for new development but to companies making strategic decisions about where to relocate. This, combined with the partnership with REDI, has led to an increase in the number of calls received to talk about the variety of the Port's tools and how to use them.

This is a good alignment with Melissa Johnson's previous work experience and she will serve as the primary contact for incoming calls. Melissa will also spearhead the marketing efforts of the new and existing tools.

Ms. Thomas presented a resolution to approve submitting a grant application. Per the State of Ohio, the board needs to approve this application before it can be submitted.

Formal Action Requested – Before the Board today is proposed Resolution 2015-02 entitled:

A RESOLUTION AUTHORIZING THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY TO SUBMIT AN APPLICATION FOR A LOCAL GOVERNMENT INNOVATION FUND GRANT AND TO ENTER AGREEMENTS RELATED TO THE GRANT

Motion: Lydia Jacobs Horton moved to approve Resolution No. 2015-02. The motion was seconded by Scott Robertson and was approved.

6. *Real Estate Development*

Darin Hall

Mr. Hall offered some comments to complement the Real Estate Development board report. Mr. Hall stated the Port Authority is positioned with momentum going into 2015. There is sharp focus on getting development started at the MidPointe and Techsolve II sites.

The broker's event held in November has continued to raise the profile of these sites. There is a pipeline in place of potential users for the MidPointe site. The brokers are confident there will be sales this year. This will be benefitted by the development of Mercy Health on the Norwood Lateral. The brokers' expectations for this year will be office first, followed by retail.

Mr. Hall stated there will be construction beginning in late spring of a new building on the TechSolve II site that will sit on the two acres that were sold at the broker's event. The building will be 13,000 square feet, on the northwest corner of the site.

Mr. Hall gave an update on the Evanston project. The goal is to renovate eleven houses this year; the first four are underway and will be completed by March. The remaining seven houses will be ready for the high selling season of June and July. It is anticipated that ten houses will sell this year, with one being kept as a model home for the project.

Two of the homes have already been sold, and it is expected there will be price appreciation on future sales.

Through regular meetings with District 2 police, it has been learned that crime has gone down 40% in the area since work began on this project. The "Cop on a Block" program is being considered, which is a program that allows officers to evaluate and potentially purchase a house before it comes on the public market. The plan is to give the interested officers a tour of the homes on the March 31, 2015.

The City of Cincinnati has asked the Port Authority to help develop a commercial strategy in Evanston. The Port Authority is working with the Evanston Working Group to figure out where to make resources available.

Ms. Brunner reminded the group that this project is funded out of the Landbank budget, and a tour of these areas will be organized for interested members of the board.

Mr. San Marco asked if there was opportunity to work with Habitat for Humanity in this area. Mr. Hall replied that Habitat is already working in the area. Ms. Brunner also mentioned there are a number of other organizations the Port Authority has started talks with as well.

7. FINANCIAL REPORT

Shane Wright

Budget Update

Mr. Wright stated the 2014 operating income is \$162,000 unfavorable to plan, primarily due to lower development fees. Expenses ran under by close to \$70,000.

Non-operating income is unfavorable to plan due to no property sales. Capital Grants were unfavorable, largely due to the previously anticipated capital grant, which had been originally budgeted.

Balance sheet assets were \$1.8 million higher, largely from assets held for resale.

Mr. Wright reviewed the transition to the 2015 budget. Mr. Wright stated a conservative budget has been constructed. Looking at 2015, there is much higher revenue certainty, and a balanced budget has been created.

Mr. Wright presented a resolution to approve the budget for 2015.

Formal Action Requested – Before the Board today is proposed Resolution 2015-03 entitled:

APPROPRIATIONS RESOLUTION OF THE BOARD OF DIRECTORS OF THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY FOR THE FISCAL YEAR 2015

Motion: Lydia Jacobs Horton moved to approve Resolution No. 2015-03. The motion was seconded by Ed Jackson and was approved.

Executive Session

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

Motion: Lynn Marmer made a Motion pursuant to Ohio Revised Codes 121.22.G (4) 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 discussion and review of the terms and conditions of employment for an employee of the agency.

The motion was approved unanimously by roll call vote.

The Board adjourned into executive session at 8:49 a.m. The Board exited Executive Session and reconvened its Board of Directors meeting at 9:09 a.m. with roll call vote.

8. ADJOURNMENT

The January 22, 2015 Board of Directors meeting adjourned at 9:10 a.m.

Respectfully,

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

Laura N. Brunner
Secretary