

BOARD MEETING MINUTES
Wednesday, November 14, 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 8:01 a.m.

BOARD MEMBERS PRESENT:

Budig, Otto
Dunn, Marty
Greiwe, Rick
Handy, Clark
Jacobs-Horton, Lydia
Smith, David
Williams, Tom
Wright, Shane

EXCUSED:

Marmer, Lynn

STAFF:

Brunner, Laura
Chamlee, Jason
Hall, Darin
Karimi, Marjorie
Paul, Gail
Recht, Chris
Robb, Deborah
Thomas, Susan

GUESTS:

Barrett, Maria – PGCDA, Financial Consultant
Basil, William – PGCDA, Intern
Hankinson, Holly – City of Cincinnati, Councilmember Simpson Office
Kane, Scott – Squire Sanders Dempsey
Lauderdale, Joel – U.S. Small Business Administration
Stephens, Sam – City of Cincinnati
Williams, Jason – 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 October 10, 2012 Board of Directors meeting minutes. Hearing none, he asked for a motion to adopt the meeting minutes.

Motion: Clark Handy moved to adopt the minutes of the October 10, 2012 Board of Directors meeting. The motion was seconded by Marty Dunn and was approved unanimously.

4. **COMMUNITY REVITALIZATION**

Paula Boggs Muething, VP of Community Revitalization and General Counsel

Focus Neighborhoods Strategy

The Memoranda of Understanding between the Hamilton County Land Reutilization Corporation (HCLRC) and the Community Building Institute (CBI), set forth the expected timeline of housing and redevelopment strategies for each neighborhood and provides a general outline of the implementation timeframe.

Moving Ohio Forward Demolition Grant Program

On November 1, the Landbank executed its first demolition under the Moving Ohio Forward Demolition Grant Program, razing a multi-family structure in East Price Hill. Several additional City-located demolitions are currently underway, with more being added to the pipeline. For other County jurisdictions that have identified condemned properties to demolish, the Landbank has created jurisdiction-specific Agency Agreements, which provide the Landbank with the authority to act as a municipality's code-enforcement agent and perform such demolitions on its behalf. To date Agency Agreements have been disseminated to Norwood, St. Bernard, Mt. Healthy, North College Hill, Cheviot, Reading, Lincoln Heights, and Lockland. Upon execution of these Agreements, the Landbank can move forward with code-enforcement demolitions in these jurisdictions.

Center for Community Progress Landbank Conference – Kalamazoo, Michigan

Paula Boggs Muething attended the annual Landbank conference, sponsored by the Center for Community Progress, occurred in Kalamazoo, Michigan on October 14-16 where there was engagement with land bank professionals; for-profit and nonprofit developers; community foundation staff; professionals in real estate, greening initiatives and neighborhood revitalization; staff members from local and state government; and elected officials. These individuals shared their challenges and successes and held discussions on creative strategies for progressing redevelopment in challenging communities. One repeatedly discussed strategy currently being utilized within the Focus Neighborhoods Strategy, is to partner with neighborhood anchors, such as universities and other large employment centers, to leverage public and private investments and to identify targeted areas within which to concentrate resources. The discussion around the importance of community building and "place making" in the context of weak market environments was of particular value to the HCLRC as it continues to progress the Focus Neighborhoods Strategy. The HCLRC will continue to work with its community partners to perform outreach/education on the mission of the HCLRC, and the purpose of the Focus Neighborhoods Strategy; engage stakeholders and solicit input; and coordinate efforts and resources expended within the various neighborhoods

5. REAL ESTATE DEVELOPMENT

Darin Hall, VP of Real Estate Development

Land Use Planning Proposal

As part of the planning for the Jordan Crossing site, the Port Authority met with urban planning and design firm, MKSK, to develop a comprehensive land use plan for the site, as well as the greater Bond Hill corridor. MKSK's proposal to provide Planning and Urban Design Services for the Jordan Crossing site outlines a detailed four month approach that captures all available market data, identifies public/private partnership opportunities, and includes redevelopment concepts for the site.

Key Stakeholder Meetings

The Port Authority has initiated a series of conversations with key neighborhood stakeholders to provide an update of the Port's early strategy for the development that will occur on the Jordan crossing site.

A meeting with Charley Frank with the Reds Community Fund revealed the Reds' significant community relations and provided an opportunity to leverage those relationships that will benefit the community work of the Landbank.

A meeting with Mary Lynn Loder of the Metropolitan Sewer District (MSD), provided insight on the Swifton Commons site, whereby every year there is 16 million gallons of water overflow goes into the storm water system. MSD has identified this area for ways to reduce this water overflow. MSD will assist the Port Authority to plan on the front-end of the redevelopment with infrastructure that will reduce the water overflow, which will include financial assistance.

The Port Authority has found a new location for the charter school that is currently located on the Jordan Crossing site. The charter school signed a lease with Cincinnati Public Schools and will be housed in the former Burton Elementary school. The new site has infrastructure in place that will allow the charter school to grow. The charter school will relocate to its new facilities before the Thanksgiving holiday.

Agreement for Real Estate Development Services

The Port Authority intends to enter into an agreement for real estate development services with the City of Cincinnati. Key terms include:

- The City is approving \$8.5 million in 2013 (available as needed in 2012) to fund the Port Authority's work in the GO Cincinnati areas
- \$6.2 million of the \$8.5 million will be used for the Jordan Crossing project as described in the attached Project Scope
- The City intends to issue bonds for this purpose
- When the Port Authority sells property at the Jordan Crossing site, it will pay to the City 20% of the net sale proceeds
- The Port Authority will receive a 5% development fee for its work on the project
- City Council approval will be required for the remaining \$2.3 million as future projects are identified

Formal Action - Proposed resolution 2012-14 was brought before the Board for authorization to redevelop the former Swifton Commons site located in Bond Hill. The title is:

RESOLUTION AUTHORIZING THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY TO TAKE ALL STEPS NECESSARY TO REDEVELOP THE SITE FORMERLY KNOWN AS SWIFTON COMMONS, LOCATED IN THE BOND HILL NEIGHBORHOOD OF CINCINNATI, OHIO.

After some discussion of the matter, Mr. Budig asked for a motion to approve Resolution No. 2012-14.

Motion: Shane Wright moved to approve Resolution No. 2012-14 authorizing the Port Authority to take all necessary steps to redevelop the former Swifton Commons site. The motion was seconded by Clark Handy, and was approved with one abstention from Marty Dunn.

Laura Brunner extended, on behalf of the Port Authority, many thanks to Odis Jones, Director and Sam Stephens of the City of Cincinnati Economic Development Department for their help in getting the real estate development services agreement executed.

Real Estate Acquisitions

The Port Authority continues negotiations to acquire property to complement the Jordan Crossing site and has come to terms with the owner of the property located at 1931 Seymour Avenue.

Formal Action - Proposed resolution 2012-13 was brought before the Board for authorization to acquire property at 1931 Seymour Avenue. The title is:

RESOLUTION AUTHORIZING THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY TO ACQUIRE THE SITE AT 1931 SEYMOUR AVENUE LOCATED IN THE BOND HILL NEIGHBORHOOD OF CINCINNATI, OHIO.

After some discussion of the matter, Mr. Budig asked for a motion to approve Resolution No. 2012-13.

Motion: Shane Wright moved to approve Resolution No. 2012-13 authorizing the Port Authority to acquire the property at 1931 Seymour Avenue. The motion was seconded by Lydia Jacobs-Horton, and was approved with one abstention from Marty Dunn.

6. PUBLIC FINANCE

Susan Thomas, VP of Public Finance

U.S. Environmental Protection Agency (U.S. EPA) Brownfield Assessment Grant

The U.S. EPA offers grants for the assessment and cleanup of brownfield properties. The Port Authority currently serves as the lead applicant on a 2010 U.S. EPA Brownfield Assessment Grant as part of a coalition including the City of Cincinnati and Hamilton County. To date, the coalition has completed or is in the process of completing 14 Phase I Assessments and 16 Phase II Assessments with this funding.

The Port Authority, City of Cincinnati, and Hamilton County have reaffirmed their coalition in brownfield development and plan to submit an application for FY2013 funding. Grant applications are due on November 19, 2012. Coalitions are eligible to apply for \$600,000 in grant funding; individual entities are only eligible to apply for \$200,000. The U.S. EPA expects to award 133 grants for \$34 million in this cycle.

Formal Action - Proposed resolution 2012-15 was brought before the Board for approval for the Port Authority to participate in the local coalition's U.S. EPA Brownfield Assessment Grant application. The title is:

RESOLUTION AUTHORIZING THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY TO PARTICIPATE IN THE LOCAL COALITION'S SUBMISSION OF AN APPLICATION FOR FUNDS PURSUANT TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY BROWNFIELD ASSESSMENT GRANT PROGRAM.

After some discussion of the matter, Mr. Budig asked for a motion to approve Resolution No. 2012-15.

Motion: Marty Dunn moved to approve Resolution No. 2012-15 authorizing the Port Authority to participate in the local coalition's submission of an application for funds to the U.S. EPA Brownfield Assessment Grant program. The motion was seconded by Shane Wright, and was approved unanimously.

7. TRANSPORTATION AND LOGISTICS

Melissa Johnson, Director of Transportation and Logistics

Port of Cincinnati Re-Designation

On November 7th, the Port of Greater Cincinnati Development Authority and the Northern Kentucky Port Authority were notified that our request for re-designation of the Port of Cincinnati has been included in the draft U.S. Army Corp of Engineers (USACE) FY 2013 budget.

Approval of the budget is expected within the next few weeks. Upon passage of the budget, the USACE Louisville District will review our project with the Navigation Data Center for input on next steps.

It is the expectation of the USACE that the Planning to Assistance to States Agreement (PAS) will be negotiated yet this year. The PAS agreement will outline the scope work, negotiated in-kind services, and overall project budget.

Dialogue with the USACE will continue in early December. It is our goal to start discussions with the USACE relative to the actual re-designation process in January.

Recent Conferences

- Breakbulk Americas Conference (Houston, Texas)

The Port Authority was represented at the Breakbulk Americas conference in October. This conference was hosted by the Port of Houston and targets heavy haul, project and traditional breakbulk cargoes. The Port of Houston is recognized as the one of the largest breakbulk cargo ports in the United States.

Industry opinions suggest that breakbulk may be a potential cargo market for the Port of Cincinnati. There are only two locations within the Port of Cincinnati that can currently accept large, heavy haul (1,000,000 lbs+) cargoes. The Port of Houston did acknowledge the lack of opportunity within the Ohio region to move breakbulk materials farther north. This notion will be further explored within the cargo market study.

- Southeast Freight Conference (Memphis, Tennessee)
The Port Authority was also represented at the Southeast Freight Conference held in Memphis in November. Attendance at this conference came by recommendation from Martin Associates and focused on supply chain connections and developing infrastructure. The Port of Memphis serves as a benchmark in our evaluation of other brown water ports.

Key reiterations at this conference included the reliability of commodity deliveries versus transit times of freight movements. Supply chain efficiency within the Port of Cincinnati must be evaluated in order to support the goal of becoming a destination for goods. Also noted, were the emerging Central and South American and Asian markets and their impact on the on the import and export of goods.

Both conferences highlighted the growing importance of the Suez Canal in east coast cargo shipments. As such, Norfolk Southern Railroad (NS) recently invested in the Crescent Corridor in anticipation increased cargo volumes moving from this region. The Crescent Corridor, which largely serves the east coast, connects with the NS Heartland Corridor (which serves Ohio) near Roanoke, Virginia. Strategic investments by the rail companies will continue to play an important role in the movement of freight to, from, and through Cincinnati.

8. FINANCIAL REPORT

Maria Barrett, CPA/Financial Consultant

October Financial Summary

As reported last month, the 2012 Kenwood administrative fee was received in early October. October revenues consisted primarily of the Land Bank management fee, as well as receipt of a \$5,000 grant from Kroger to offset the cost of the Bond Hill economic study.

Project fees are winding down with the Casino project done and a No Further Action letter sent to the Ohio EPA for the Sterns and Foster site. The only recurring project revenue at this point is related to brownfield work at the Federal Reserve Building (4th and Race).

On the expense side, Administrative Assistant position, which had been sourced through a temp agency for six months, was added to the payroll in October. Gail Paul will be starting as the Port Authority's full-time Director of Communication Strategy in November. For the month, total operating expenses of \$172,000 exceeded revenues by \$115,000.

The Auditor of State received bid requests for the Port's annual audit from three accounting firms. We have scheduled a pre-proposal meeting for Tuesday, November 20. The contract, when awarded, will be for 5 years covering 2012-2016.

The Port Authority is preparing the 2013 budget and will have it ready to review with the Finance Working Group on December 4 and present to the Board for approval on December 12.

9. **COMMUNICATION**

Gail Paul, Media Consultant

Projects:

- Targeted presentation material to community groups and elected/administrative officials (see "Events Re-Cap")
- Development of Project Sheets as foundation of web copy:
 - Aligns with how private-sector developers and architects present projects in Requests for Proposals, etc.;
 - Presents combination of Port Authority tools and services in one place.

Media:

- Readying foundation of initial communication plan in the event that Port Authority participates in Brent Spence Bridge project.
- Areas of interest: How and when Port Authority(ies) may formally enter as project team member; deal structure scenarios; P3 structure scenarios; ownership scenarios; legislative requirements; bi-state agreements needed.

Event Re-cap:

- Cincinnati City Council / Budget & Finance committee – Port Authority report to committee for \$8.5 million request for Queensgate and Bond Hill investments. Action: Committee approved the administration's report of the project. The formal funding request will come back to the committee in November.
- 2014 Strategic Plan /Community Outreach – About 80 attendees at 4 sessions, represented by private developers, city of Cincinnati elected and administrative officials; Hamilton County community leaders; architects; community CDC leaders; public and/or not-for-profit community development executives.
- 2012 Strategic Plan / Community Outreach – Presentations to Cincinnati City Council and Hamilton County Commissioners Port Authority economic inclusion presentation to African American and Hispanic chambers of commerce at joint networking event.

10. PRESIDENT'S REPORT

Laura Brunner, President/CEO

Strategic Plan 2014

The draft Strategic Plan 2014 (Plan) was presented at four community-wide stakeholder meetings, as well as to the City of Cincinnati and Hamilton County, of which meaningful discussion took place, and the overall reaction was very positive and allowed the Port Authority to achieve its goal in communicating this 30-month plan.

Upon Board approval, the Strategic Plan 2014 will be made available on the Port Authority's website, and as the Plan evolves, updates will also be made available on the website.

The Board of Directors unanimously approved the Port Authority's Strategic Plan 2014 effective November 14, 2012.

Operations

Staff: As the Port Authority has its full team in place, the staff will engage in a team-building exercise that will provide personality tools that will be used to enhance how the team can work together in the most effective manner. Additionally, personnel reviews will be scheduled and conducted for all staff.

2013 Budget: The 2013 budget process is currently underway and will be presented to the Finance Working Group prior to presenting to the Board at the December Board meeting.

Clermont County: The Port Authority met with Clermont County's newly formed port authority, whereby they expressed appreciation for the spirit of regional cooperation. There may be future opportunity for collaboration on the inland port initiative and other initiatives.

Brent Spence Bridge

Ms. Brunner provided a synopsis on the activity leading up to the Port Authority's involvement with the Brent Spence Bridge:

- In January, the Port Authority met with the structured finance team at Ross Sinclair Associates (RSA) whereby they posed the question as to why the Port Authority was not involved with the Bridge financing.
- In early March, another meeting occurred with RSA who were more compelling in their reasoning for the Port Authority's role, citing many other ports across the country and their importance in infrastructure financing. No action was taken at this meeting.
- During the spring and early summer, the Port Authority met with leaders of the Coalition, asking them what role they saw the Port Authority playing, and was assured that the Port Authority would be included at some point further down the road, and that no action should be taken by the Port Authority in the interim.
- In early June, the Port Authority accepted another appointment with RSA. In that meeting they gave more concrete examples of the benefits of the Port Authority's involvement,

agreed that the Port Authority needed to bring their examples to the attention of the Coalition.

- On August 2nd Johnna Reeder, the leader of the Coalition Working Group was invited to hear a presentation by RSA. At the conclusion of that meeting, Ms. Reeder was interested in sharing this information more broadly, and asked RSA to put their thoughts in writing which would be shared with other members of the Coalition.
- A brief summary of the potential role of the Port Authority was circulated whereby some very specific questions from the team that was selected to consider this further. The Port Authority asked attorneys from both Ohio and Kentucky to answer the questions.
- On August 22 the Port Authority participated for the first time in a Coalition Working Group meeting.
- On September 6 a meeting was held with the Coalition team, members of RSA, the Port Authority and Roger Peterman, who was retained to answer the Kentucky questions. Additionally, Mr. Peterman chairs the Northern Kentucky Port Authority Board. A few Port Authority board members were also in attendance to be educated on the subject. The Port Authority answered questions and at the conclusion of the meeting were asked to put the answers in writing. The Port Authority formally retained the aforementioned parties to do so.
- On October 26, the Port Authority team presented a document to the Coalition, and answered further questions. The Coalition team was very interested in this potential alternative, and at that time it was determined that Mr. Peterman and Ms. Brunner should accompany the Chamber representative from Cincinnati and NKY chambers to meetings in the State Capitols with the Transportation departments. Those meetings are either scheduled or in process.

Throughout the last few months, the Port Authority has been approached by both the Enquirer and the Business Courier regarding this issue, of which these inquiries were diverted back to the Coalition. However, when the Port Authority was approached with solid evidence of its prospective involvement as a public entity, the Port Authority cooperated with the reporter and the Coalition was notified as such. The Port Authority is firm that all work should be through the Coalition to ensure the region is speaking with one voice.

The Port Authority is grateful for the leadership that the Coalition has shown, and the progress that has been made; and, is delighted to be a part of the conversation that can help make the Bridge a reality.

Port Authority Holiday Open House

The Port Authority's holiday open house is scheduled Thursday, December 13 from 5 – 7 PM and looking forward to hosting its guests.

11. CHAIRMAN'S REPORT
Otto Budig, Jr., Board Chair

No Chairman's report was presented.

12. ADJOURNMENT

Motion: Clark Handy moved to adjourn the Board of Directors meeting at 8:59 a.m. The motion was seconded by Rick Greiwe, and was approved unanimously.

Respectfully,

A handwritten signature in cursive script, appearing to read "Laura N. Brunner".

Laura N. Brunner
Secretary