



**December 11, 2013 Board of Directors Meeting**

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

**1. CALL TO ORDER**

Otto Budig Jr called the Port of Greater Cincinnati Development Authority Board of Directors meeting to order at 8:01 a.m.

**Board Members Present:**

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

**Staff Present:**

Brunner, Laura	Hall, Darin
Johnson, Melissa	Paul, Gail
Robb, Deborah	Thomas, Susan
Boggs-Muething, Paula	Chamlee, Jason

**Guests:**

Barrett, Maria – Port Financial Consultant	Glynn, Meghan - Calfee
Williams, Jason – Cincinnati Enquirer	Stephens, Sam – City of Cincinnati
Kane, Scott – Squire Sanders Dempsey	
Schulte, Skip – private citizen	
Wallace, Jeff – Parsons Brinkerhoff	

**2. WELCOME AND INTRODUCTIONS**

Otto Budig Jr. welcomed and introduced guests.

**3. APPROVAL OF MINUTES – November 13th**

Otto Budig Jr. asked Board members if there were any additions or modifications to the November 13, 2013 Board of Directors meeting minutes. Hearing none, he asked for a motion to adopt the meeting minutes.

**Motion:** Marty Dunn moved to adopt the minutes of the November 13, 2013 Board of Directors meeting. The motion was seconded by Ed Jackson and was approved unanimously.

**4. REAL ESTATE**

*Darin Hall, Ed Jackson*

**Techsolve II update**

Ed Jackson states there is a lot of great work going on in the Bond Hill area. There is an item for approval to continue on strategies that have been presented over the last year.

Darin Hall greets the board. Tells the board the strategy for the Seymour Plaza is to reposition it as an industrial, finance, manufacturing site in order to attract jobs. It was felt from the beginning that this would be a logical way to pull economic development east into the Seymour corridor in order to compliment the investment that we made for the initial site.

Began talking with Techsolve to understand their experiences and what the demand for this type of product would be. Also as part of the Duke Energy site resource plan we worked with Bare Becker and Insight consulting to come up with a site plan that would make sense and to figure out how to best position the site to attract investment going forward.

At the end of the process the recommendation was market the site as an extension of the successful Techsolve development and to redevelop the 1682 Seymour building as the first building on the site. Began those discussions and on November 15<sup>th</sup>, Techsolve's board approved the port being able to market the site as Techsolve. The deal was such that we will get a five year license, of which there is no fee. The only real condition is that the project mirrors/ is in line with what they have already developed there. We are in the process of negotiating that agreement. It's a tremendous national brand that we can leverage.

Darin Hall points out that also attached is a Map of the Techsolve property. The purpose is to give the board a visual of the properties. The Techsolve project consists of five parcels. With the board's approval, four of the five have already been acquired. In deep negotiations to acquire the 1722, a tax delinquent property; It's been complicated but can be wrapped up in the next two weeks.

What has also happened, because we own parcels 1726 and 1732, were blighted residential properties, we were able to use funds from the Land Bank's moving Ohio forward to remediate and demolish them. They have already been demolished.

Moving across to the 1682 building, what's on that parcel is a 2 story, 25,000 square foot building that was built in 2002, previously the Long's Furniture building. The plan for this building is to redo the exterior of the building and install windows in the south and eastern walls so they look like Techsolve buildings. The interior will be wiped out to give the greatest flexibility for whatever user comes in.

We are working with CBRE to market the entire site with the initial focus on getting a tenant to the front building. This will give a tremendous advantage because it will be a building that's been redeveloped on this sit. You can see it from Seymour and it will mirror the momentum the MidPointe development has.

Will be reviewing proposals to do this with our team. With your approval were anticipating that the bid can be ready in the February/March time table.

Also, similar to the process we used for the MidPointe site plan, we've sought input form brokers, consultants, developers and stake holders to challenge the initial site plan we came up

with to make we have something that will allow us to really be successful there. We have a flexible site plan that we can move forward with as we begin to market.

As from previous discussions, we put forward a budget to do this of 4.3 million dollars. On November 14<sup>th</sup>, council also approved legislation to allow the existing 2.3 million dollars of bonds to be issued. The reason this is; 2.3 because last year they approved 8.5 million for Bond Hill. 6.2 Million was for Jordon Crossing. The remaining 2.3 was left over and bonds could not be issued because we didn't have site control.

In the meantime we used the 2 million dollars that was contributed to us by the city originally for the Corinthian site, to actually begin the work to get us to this point. Pending approval today, the time table for this is to have the 1652 building down by the end of the year. It's simple to demolish. Again the other building should be ready in February/March.

Otto Budig Jr. asks if there is a high level of interest. Darin Hall replies that there is already interest in the building as it is but that we are not going to develop it to that low standard. Confidant that given the demand in the market, and given what is heard from the brokers and Techsolve it will develop into something really good. Particular time has been taken with the brokers what other sizes of buildings that are moving in the market. Feedback is that it's above 80,000 Square feet or below 30,000. There is room on the site to make this successful.

Otto Budig Jr asks about the Site Plan and who is the final authority. Darin Hall and Laura Brunner confirm the port has the final authority and control.

Lydia Jacobs Horton asks if the 2.3 million is for acquisition, renovation and redevelopment. Darin Hall responds that the 2.3 million will allow us to begin remediate the demolition and give enough money to acquire the last piece 1722. It is confirmed that this last piece is within the 2.3 million.

Rick Greiwe asks how work is coming along with the Army. Darin Hall responds that we will hear back about that in the next two to three weeks about what the army plans to do. It's been recommend to the deputy secretary of the Army to move forward to allow us to be the sole source party that is negotiated with. If recommend they will do an appraisal of the property, and that will be the price asked for in consideration of the site for us. Rick Greiwe states that if this happens it will give us the physical connection for one big campus.

**Formal Action Requested** – Before the Board today is proposed resolution 2013-17 entitled:

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

After discussion on this matter, Otto Budig asked for a motion to approve Resolution No. 2013-17.

**Motion:** Ed Jackson moved to approve Resolution No. 2013-17 authorizing necessary steps to redevelop the site formerly known as Seymour Plaza. The motion was seconded by Marty Dunn and was approved.

Susan Thomas speaks to the second resolution. States that the 1682 Seymour site provides the opportunity to combine the work of Darin Hall with financing and energy efficiency side. A significant portion of the project is energy efficiency related. Proposing to carve out a small piece of the project and use it as the initial project in our partnership with the City of Cincinnati and the establishment of the energy special improvement district.

Have been looking for a good first project. For a number of reasons, under state law, what the first project is, having that in friendly hands and getting the process started. The opportunity to do this on a site that we own and control is important to us and the establishment of the district.

Seeking approval today to carve out a small portion of the project; put a special assessment on the project to fund the improvement. The assessment will sit on the property and has been sized in a way that it is believed will not impact the marketability of the property. Will have the option to pay off the property out of closing proceeds, or leasing.

**Formal Action Requested** – Before the Board today is proposed resolution 2013-18 entitled:

**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A PETITION TO CREATE THE CITY OF CINCINNATI, OHIO ENERGY SPECIAL IMPROVEMENT DISTRICT, THE INCLUSION OF CERTAIN PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY REAL PROPERTY THEREIN, AND ALL OTHER ACTIONS NECESSARY AND APPROPRIATE TO ESTABLISH THE CITY OF CINCINNATI, OHIO ENERGY SPECIAL IMPROVEMENT DISTRICT WITH RESPECT TO CERTAIN REAL PROPERTY OWNED BY THE PORT.**

After discussion on this matter, Otto Budig asked for a motion to approve Resolution No. 2013-18.

**Motion:** Lynn Marmer moved to approve Resolution No. 2013-18 authorizing the establishment of the City of Cincinnati, Ohio Energy Special Improvement District with respect to certain real property owned by the port. The motion was seconded by Marty Dunn and was approved.

**5. FINANCIAL REPORT**

*Maria Barrett, Financial Consultant, Shane Wright*

**October Financial Statements**

- Operating expenses for the month exceeded operating revenues by \$41,000. Year to date operating income for nine months was \$671,833.
- Based on our projections of revenues and expenses for the remainder of the current fiscal year ending December 31, the port will have earned revenues in excess of the original budget. We expect the increased activity to result in increased expenses as detailed below.
- Unrestricted cash totaled \$1,498,000 at October 31, about \$185,000 less than the previous month. The total amount of development in progress at October 31 was \$4,146,000, including almost \$97,000 in pre-acquisition costs.

#### **Budget Update**

Rick Hudson will be joining the team in mid-January as the Director of Accounting and Financial Management. Rick joins from Cincinnati Bell and has some experience with non-profits as well as bond indentures. Will be a good addition to the team, his resume is included in the board packet.

The 2014 budget, traditionally done at this meeting is being delayed to the February board meeting. Being delayed for two purposes; first being the parking plan, currently in flux. Second the capital investment plan to the city. The city committed six million dollars a year for five years. This is year two and so far we have received ten million dollars, making us two million behind. Need to get city's commitment for what they are willing to sign up for next year.

Once these are locked down, will be in a better position to set the budget.

Otto Budig Jr. asks with whom are we pursuing the topic of this money, within the city. Laura Brunner responds that currently we are working on economic development, we need to have a number of conversations with the interim city manager, and then with the Mayor and Council. A number of different layers of meetings that need to happen in the next couple of months.

Otto Budig Jr. comments as long as we are conversing about it, keeping it on the table, it will get squared away.

Shane Wright comments that because these two are such big items, we said let's wait, if we don't get them resolved by the February board meeting, we need a budget. A budget will be ready in respect of those two items. It will be done in January for the February board meeting.

Another thing from the Finance work group perspective as we prepare for 2014 we will spend a lot of time on Queensgate and the financing of Queensgate, and how we go about that.

Also in the report, newly purchased accounting system, Blackbaud, which will replace Peachtree. This was originally scheduled to be implemented and live on January 1, however due to issues with training on Blackbaud's end, now targeting April 1 implementation. This will have no impact on ability to do financials as Peachtree is still running.

**6. Board Orientation Manual**

*Laura Brunner*

Otto Budig Jr states that in this orientation manual, a lot of work, a lot of diligence and a lot of reading material. But most important is item number 3 concerning the updated bylaws for the port. Asks that it be explained how this impacts the board, if at all.

Paula Boggs Muething states one additional minor change has been made since the redline version that was provided at the last meeting. The change made, if there is no CFO to make the presidency of the fiscal officer. Talked with Susan Thomas about this, the purpose of this change is for Bond documents to make sure we always have a clearly identified fiscal officer that can sign off on the documents.

The language was changed to read "The Chief Financial officer shall be the Fiscal Officer of the Port of Greater Cincinnati Development Authority. If the Port of Greater Cincinnati Development Authority does not have a Chief Financial officer on staff, the President Chief Executive officer shall be both the Secretary and the Fiscal Officer".

Laura Brunner restates that this is clarifying that either the CFO or CEO will be the Fiscal officer.

Paula Boggs Muething states that the last time the Bylaws were updated was 2001 and points out that the port is a very different organization then than it is today. The Bylaws were modified to bring them up to date. More reflective of best practices and the way things are operating now.

The other change made in this document is the contract and check signing authority. We've increased and check signing authority for the present CEO. This was done because the organization is larger and involved in more real estate development deals. It is important to at least conduct some small amount of business without presenting it to the board.

The limits were increased from \$25,000 for check signing authority to \$50,000. For contract authority there was not a defined limit the President could sign for; this was made to \$100,000 dollars. This is the same amount as the Land Bank board established for limits. Cited the real estate contracts will be similar for both, with the Port Authority potentially signing larger deals than the Land Bank.

The rest of the changes are just updating the information.

Otto Buding Jr. asks Paula Boggs Muething what the checks and balances are in place so that Laura Brunner is protected if those kinds of signatures are necessary. Paula Boggs Muething states that all appropriations must still be adopted by the board through resolution. The \$100,000 limit is just for Laura Brunner to be able to sign contract. She still has to have a certification of funds. This just allows her the flexibility to sign a contract for \$100,000 if we have the money available, and then later bring that to the board. Points out that she cannot write a check for that amount because the limit is \$50,000.

Laura Brunner points out that there will be no place for unlimited. Currently there is no limit, so a limit is being put in place.

Lydia Jacobs Horton asks to clarify; the resolution 2013-18 presented today was \$50,000. Asks if that would still come to the board under the change or would it not come to the board. Paula Boggs Muething states that it would not have had to come to the board for dollar amount, but would have been presented for other reasons.

Otto Budig Jr. asks if there are any other questions. Shane Wright had a question/concern about Article 7 administration of employment related to probationary period, asks if this was stricken. Paula Boggs Muething states that after discussion it was felt that probationary period either needed to be for all new hires or not at all. The group felt more comfortable with not at all. States that is for the board to discuss but also points out that it's in line with Laura Brunner's position as CEO and managing the employees of the organization.

Shane Wright states that his view is that most companies have probationary periods which allow you after a period of time to part ways without any obligation for the company.

Marty Dunn states that it's not a matter of getting rid of the probationary period. It's a matter of getting rid of the probationary period as a part of our bylaws. As an employment and personnel matter you can still impose this.

It is confirmed that the port still has the option to use a probationary period without having it mandated.

Laura Brunner states that one of the other things done along these lines is separating the funding of the Health Savings Account into two payments rather than one. Previously if someone left they would get all of that money. Also points out that all of our PTO is accrued on a monthly basis

Lynn Marmer states that she is uncomfortable with the amounts, asks if this has been benchmarked against any other nonprofits. Paula Boggs Muething states that the big three Land Banks in the state have those limits. The Land Bank code of regulations limits were taken directly from Cuyahoga County Land Bank.

Susan Thomas asks if the concern is on the \$50,000 signature or the \$100,000 contract signing. Points out that a not insignificant amount of time is spent on how to structure contracts to allow us to enter into them of the existing authority in a way that fits in with the timing of the board schedule and be honest that easier to do at certain times of years than others because of the way the certification of funds rules work as a public agency. We were looking to alleviate some of that.

Lydia Jacobs Horton states that it would be helpful to repeat, you mentioned how this already applies to appropriated funds and not appropriated funds.

Paula Boggs Muething states that typically the way we structure our resolutions is that within the resolution when we appropriate money we give the presidency of authority to execute all

contracts necessary to actuate that. The \$25,000 limit does not apply in those situations. It's when we're trying to get a new project started that has not been in front of the board yet . To be able to get things underway that we are not ready to make public yet and then bring it to the board for approval.

Lydia Jacobs Horton states that the \$100,000 in that example would be part of a larger project that would exceed the \$100,000 which would then be appropriated. This is confirmed by Paula Boggs Muething.

Laura Brunner states that the \$100,000 has to be within funds would already have been approved in the budget. We have to manage to the budget regardless of contract limitations.

Lydia Jacobs Horton asks if it would equally burdensome to bring these to the Finance Committee in Advance of signature. Laura Brunner points out that we do not have a finance committee, but we do have informal advisory groups that do not have decision making authority.

Laura Brunner states that it's good practice to have conversations and to get input from board members on projects that are being worked on so that in general we want to make sure what we're entering into has support in an advisory capacity verses a formal decision making capacity.

Otto Budig Jr. states concern about the signature on checks of consequence and the board's approval on the activity that engenders that kind of check.

Otto Budig Jr. asks two things: First, We want to protect Laura, particularly if there are a number of major checks that have to be signed in sequence very quickly. Second, We as a board have a responsibility to make certain what is happening is indeed what we want to happen.

Laura Brunner offers as an example the Martin Associates contract from last year, the consulting work done for the cargo assessment study. That was a contract in excess of \$100,000. It was planned for and in the budget, discussed as part of the budgeting process for the approval of a significantly higher consulting services line item of the budget. But the actual contract, when entered into, Laura Brunner executed. Additional the payments were checks that Laura Brunner signed.

Susan Thomas states the other thing to think about, there is a line item in the budget for due diligence costs. If we want to undertake and environmental assessment which is often a phase I followed by a phase II, that's clearly going to be more than \$25,000. The only way we can currently spend that money is to come to the board for approval. Whereas you've already set the budget for due diligence, there are conversations, but to have to come to that formal action to delay that time schedule and with such a low dollar amount not being able to undertake a phase II without specifically coming to the board for approval.

Rick Greiwe points out if we are going to be a development corporation we have to nimble. If goals and budgets and priorities, we have to be able to work in that environment which is fast paced and will not allow for meetings every time we make a decision.



Laura Brunner states that we have to watch every one of our appropriated line items and if we think it will be exceeded that, it will be brought to the board. Example given of last month and furniture costs that exceeded, and were presented for approval. We are living within the budget with overarching as a limiter.

Lynn Marmer states she is fine with this change, the clarification has been helpful.

**Motion:** Ed Jackson moved to approve the bylaw changes as amended. The motion was seconded by Marty Dunn and was approved unanimously.

Paula Boggs Muething reviews the changes to the orientation binder. Points out Finally the public records statue, reminding everyone that all documents/communications about Port Authority business are public record with very limited exceptions that have to do with attorney client privilege.

Otto Budig Jr state that the agenda will be modified, going to save items 7 and 8 under the assumption that we might have some time after the executive session.

## **7. PRESIDENTS REPORT**

*Laura Brunner*

Laura Brunner calls the group back the orientation manual where Board bios have been included as they were provided. Asks the board if they have updates to send them to the staff to update them for the manual and the website.

Laura Brunner encourages the board to the visit the new website. Thanks to Gail Paul and Allison Sampson who have launched the new website on a very modest budget. Items are being better communicated and visitors are being tracked so we can continue to provide what visitors are looking for.

Laura Brunner would also like to commend Deborah Robb again for her work in inclusion and the reputation that she has. Deborah is participating in the search for the new director of inclusion for the University of Cincinnati. Important that we get that recognition that we are being sought out to have a voice in that choice.

Laura reminds the board of the Holiday open house that takes place on the next night. As a sign of our increasing popularity there are approximately 140 people who have RSVP'd for the event. Will be well attended and opportunity to meet many friends from a broad spectrum.

Finally an update on Strategic Planning process, Laura Brunner has met with consultants and in the process of getting proposals. As discussed previously, Laura will meet with Lynn Marmer and Lydia Jacobs Horton in early January to make a decision about who will work with us in that process.

### Executive Session

Otto Budig Jr. stated that the Board would go into Executive Session.

**Motion:** Scott Robertson made a Motion pursuant to Ohio Revised code 121.22 (G)(1) 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 to consider 1) a discussion and review of the terms and conditions of employment for an employee of the agency.

Scott Robertson made a Motion pursuant to Ohio Revised code 121.22 (G)(3) to adjourn the meeting of the Board of Directors of the Port of Greater Cincinnati Development Authority  
2) For the sole purpose a conference with council for the Port of Greater Cincinnati Development Authority concerning a matter that involves pending litigation.

Scott Robertson made a Motion pursuant to Ohio Revised code 4504582 (B) to adjourn the meeting of the Board of Directors of the Port of Greater Cincinnati Development Authority  
3) For the sole purpose of discussing information related to relocation of

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 9:23 a.m.

**8. ADJOURNMENT**

The December 11, 2013 Board of Directors meeting adjourned at 9:25 a.m.

Respectfully,



Laura N. Brunner  
Secretary