

Board Minutes

February 10, 2016 Board of Directors Meeting

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

1. **CALL TO ORDER**

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

Board Members Present:

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

Staff Present:

Brunner, Laura	Koth, Lesley
Thomas, Susan	Robb, Deborah
Castellini, Todd	Hudson, Rick

Guests:

Schulte, Skip – Citizen	Wallace, Jeff – Parsons Brinckerhoff
Shenk, Andy - Citizen	Engel, Liz – WCPO.com
Maier, Avery – Port Authority Intern	Wetterich, Chris – Business Courier
Rojas, Carlos – Burgess & Niple	Kane, Scott - Squire Patton Boggs

2. **WELCOME AND INTRODUCTIONS**

Mr. Luken welcomed the Board members and the guests.

3. **APPROVAL OF MINUTES – January 13, 2016**

Mr. Luken asked the Board members if there were any additions or modifications to the January 13, 2016 Board of Directors meeting minutes. Hearing none, he asked for a motion to adopt the meeting minutes.

Motion: Ed Jackson moved to adopt the minutes of the January 13, 2016 Board of Directors meeting. The motion was seconded by Shane Wright and was approved unanimously.

4. **PRESIDENT'S REPORT**

Laura Brunner

Ms. Brunner gave context for the agenda for the board meeting. Ms. Brunner updated the board that the Economic Impact on Manufacturing in Hamilton County University of Cincinnati Study would be the focus of the next board meeting, and gave early details about a launch event for the study.

5. **PUBLIC FINANCE**

Susan Thomas, Todd Castellini

Mr. Castellini presented background information for Resolution 2016-02, an incentive package for Integrity Express Logistics. Mr. Castellini used slides to present information about the company, its growth, needs, and the details of the transaction. The Board asked several questions about the incentive package, all of which were answered to the Board's satisfaction.

Formal Action Requested – Before the Board today is proposed Resolution 2016-02 entitled:

A RESOLUTION (I) AUTHORIZING AND APPROVING A TRANSACTION CONCERNING THE ACQUISITION, CONSTRUCTION, DEVELOPMENT, AND IMPROVEMENT OF AN OFFICE BUILDING AND APPURTENANCES RELATED THERETO CONSTITUTING A "PORT AUTHORITY FACILITY" TO BE LOCATED ON CERTAIN REAL PROPERTY TO BE ACQUIRED BY THE AUTHORITY; (II) AUTHORIZING THE ACCEPTANCE OF CERTAIN REAL PROPERTY BY DEED OF CONVEYANCE; (III) APPROVING THE EXECUTION AND DELIVERY OF A CONSTRUCTION MANAGER AT-RISK AGREEMENT, A PROJECT LEASE AGREEMENT, A DEVELOPMENT AGREEMENT, A MORTGAGE, A SUBORDINATION AGREEMENT, A RECOGNITION AGREEMENT, AND AN INDEMNITY AGREEMENT IN CONNECTION WITH THE TRANSACTION; AND (IV) APPROVING THE PROVISION OF OHIO SALES AND USE TAX EXEMPTION CERTIFICATES FOR THE PURCHASE OF BUILDING AND CONSTRUCTION MATERIALS INCORPORATED INTO THE OFFICE BUILDING AND APPURTENANCES RELATED THERETO.

Motion: Lynn Marmer moved to approve Resolution No. 2016-02. The motion was seconded by Lydia Jacobs-Horton and was approved.

Ms. Thomas gave a brief update on the Public Finance pipeline. Currently there are eight active transactions, five of which are Bond Fund deals. The Bond Fund is now eligible to be rated, and Ms. Thomas & Mr. Castellini are in the process of presenting the Bond Fund to the rating agencies to be rated.

Resolution 2016-03 would add the Cincinnati Port Authority to the existing letter of credit in the Bond Fund.

Formal Action Requested – Before the Board today is proposed Resolution 2016-03 entitled:

AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO THE PROGRAM RESERVE LETTER OF CREDIT REIMBURSEMENT AGREEMENT FOR THE SOUTHWEST OHIO REGIONAL BOND FUND.

Motion: Ed Jackson moved to approve Resolution 2016-03. The motion was seconded by Shane Wright and was approved.

Ms. Thomas called attention to Resolution 2016-04, a resolution to update and supplement and existing resolution related to the TIF Bonds for the Kenwood project. The changes are minimal, pertaining to interest payment dates and clarifying the Port Authority is not going to do a lease transaction related to the retail piece of the project.

Formal Action Requested – Before the Board today is proposed Resolution 2016-04 entitled:

A RESOLUTION SUPPLEMENTING AND AMENDING RESOLUTION NO. 2015-21 TO SUPPLEMENT, AMEND AND CONFIRM EXISTING AUTHORIZATIONS AND APPROVALS PERTAINING TO THE ISSUANCE, SALE, DELIVERY AND TERMS OF THE PORT AUTHORITY REVENUE BONDS AUTHORIZED THEREUNDER, AND AUTHORIZING AND APPROVING RELATED MATTERS.

Motion: Scott Robertson moved to approve Resolution No. 2016-04. The motion was seconded by Lydia Jacobs-Horton and was approved.

6. FUNDING STRATEGY

Laura Brunner

Ms. Brunner, using the Team C Scorecard, gave an update of the recent activities related to Team C, the Funding Strategy.

Ms. Brunner presented a set of slides that focused on the Funding Strategy, providing a refresher of how the funding strategy fits in with the overall strategic plan. As a group it was determined \$250 million was needed, including \$200 million for the industrial strategy and \$50 million for the neighborhood strategy. As the Port Authority is a public agency, it has been determined that a number of different sources would be utilized, with private capital being the focus for today's presentation.

Ms. Brunner stated the Port Authority plans to use private capital to purchase land, making it easier to receive public funds to improve land the Port Authority owns. Many of the public funds are only available for specific uses on property that is already owned.

Ms. Brunner stated there has been an increase in impact investment throughout the country, which will be a focus in acquiring private capital funds. The Port Authority's goal will be to raise private capital from local community-minded investors who are interested in the social, environmental, and economic development returns that their investment can make.

Ms. Brunner stated that 30% of the overall capital would be targeted as private capital. This strategy is very similar to the successful 3CDC strategy.

Ms. Brunner stated the Port Authority would ensure the end-use for all the properties would be worthy of the subsidy put into it, making sure there is a high density of jobs at a good wage.

Using a flow chart, Ms. Brunner walked the board through the process and parties involved in issuing private capital notes, from start to finish. Ms. Brunner also reviewed the many benefits of being a note-holder.

The board discussed and asked several questions about the strategy and the next steps in the process. All of the questions were answered to the board's satisfaction.

7. FINANCIAL REPORT
Shane Wright & Rick Hudson

December Financial Statements

Mr. Wright stated operating income for 2015 was \$4.4 million, \$530,000 favorable to plan, largely driven by the Communities First Down Payment Assistance Program, which was close to \$600,000 favorable to plan.

Operating expenditures were \$3.3 million, 10% favorable to plan.

Net result for 2015 was operating income of \$1.1 million, \$900,000 favorable to plan. The year was closed with \$1 million of unrestricted cash.

Mr. Wright reviewed slides that showed budget history and the detailed the budget for 2016.

There were no questions regarding the financial report.

8. ADJOURNMENT

The February 10, 2016 Board of Directors meeting adjourned at 8:58 a.m.

Respectfully,



Laura N. Brunner
Secretary