

February 11, 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:

Lynn Marmer	Budig, Jr., Otto
Luken, Charlie	San Marco, Mario
Robertson, Scott	Jackson, Ed
Smith, David	Wright, Shane

Staff Present:

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

Guests:

Stephens, Sam – City of Cincinnati	Schulte, Skip – Citizen
Wallace, Jeff – Parsons Brinkerhoff	Durack, Katherine - Citizen
Kane, Scott – Squires Sanders	Holwadel, Kathy - Citizen
Collins, Bill – Madisonville Community Council	Smith, Karen - Citizen
Koenig, Peter – Buechner, Haffer, Meyers & Koenig	

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 January 22, 2015 Board of Directors meeting minutes. Hearing none, she asked for a motion to adopt the meeting minutes.

Motion: Ed Jackson moved to adopt the minutes of the January 22, 2015 Board of Directors meeting. The motion was seconded by David Smith and was approved unanimously.

4. ELECTION OF OFFICERS

Scott Robertson made a motion pursuant to the Bylaws of the Port of Greater Cincinnati Development Authority, Article II, Sections 1 and 2, that the following officers be elected for the following positions: Ms. Lynn Marmer as Chairperson and Ms. Lydia Jacobs-Horton as Vice-

Chairperson, for terms commencing February 11, 2015 through December 31, 2015. The motion was seconded by Otto Budig, Jr. and was approved unanimously.

5. PRESIDENT'S REPORT

Laura Brunner

Ms. Brunner called attention to the video playing during the opening of the meeting. The video highlighted the news that the official re-designation of the Port of Cincinnati will now be the Ports of Greater Cincinnati and Northern Kentucky. This will expand the port designation to 226 miles along the Ohio River, covering counties in Ohio and Kentucky. Ms. Brunner credited Melissa Johnson with the enormous amount of work and effort that went into this process. Ms. Brunner also cited Gail Paul as being vital to the success of this project.

Ms. Brunner explained while this does not increase the Port Authority's authority in any way, it is a fulfillment of the Port Authority's role as an advocate of the private sector in the transportation industry.

Mr. Budig, Jr. offered kudos to Ms. Brunner for having the vision to know this project would make a meaningful difference.

Ms. Brunner replied it was a great effort between the public and private sectors that made this possible.

Ms. Brunner mentioned, as a continuation of collaboration with REDI, there had been a two hour training session with REDI to explain the financing tools available through the Port Authority. This will help REDI identify projects/areas where these tools can be utilized.

Ms. Brunner called attention to the Strategic Scorecard, noting the 2014 goals had been added as requested at the previous meeting.

6. PUBLIC FINANCE

Susan Thomas

Ms. Thomas gave a presentation about the creation of the Southwest Ohio Regional Bond Fund. The creation of this bond fund has been a priority of the Port Authority and certain elected officials for more than a decade. The Cincinnati Port Authority has decided to partner with the Dayton-Montgomery Port Authority to buy into the existing Dayton-Montgomery County Port Authority Bond Fund. It will be re-branded, creating the Southwest Ohio Regional Bond fund.

The Bond fund will cover all of the REDI Cincinnati counties as well as the Jobs Ohio counties currently covered by the Dayton Development Coalition.

Ms. Thomas reminded the group of the purpose of a bond fund and how the Port Authority uses them.

Ms. Thomas stated the Cincinnati Port Authority's relationship with the Dayton-Montgomery Port Authority is governed by a cooperative agreement. The cooperative agreement calls for the creation of a credit committee. The Committee is made up of staff and a board member or

designee from both entities. There will also be an independent financial advisor who will be mutually agreed upon by the two boards. All deals will come before both boards for approval; each deal will have to have a sponsor of one Port Authority or the other.

Currently, Dayton-Montgomery has some money in its reserves of the existing bond fund. The Cincinnati Port Authority plans to contribute a total of \$3.5 million. \$2.5 million would be in a loan from the State of Ohio, and the remaining \$1 million will be in a grant from Hamilton County.

Mr. Wright asked if the fees stay in the fund or come to the Port Authority.

Ms. Thomas replied the upfront fees come directly to the Port Authority upon closing of the deal. The ongoing fees stay in the fund and are first used to cover expenses of the fund, with excess being split 50/50.

Ms. Brunner stated there is not a set fee schedule for issuance. There will be flexibility, depending on the type of deal.

Ms. Marmer asked if there was a goal of where the bond fund should be in a year's time.

Ms. Thomas replied the most important focus in the short term would be getting the bond fund rated. Currently the bond fund has six deals and there needs to be a minimum of ten deals to be rated.

Mr. Smith stated that REDI will be a fill-in marketing team, and asked what will be done to market this to the existing businesses in the Greater Cincinnati area.

Ms. Thomas replied that efforts began with REDI, and the Port Authority is working to educate the Economic Development team with the City of Cincinnati. Ms. Thomas stated the banking and legal communities will also be looked into. Additionally, Ms. Thomas pointed out there would be new marketing and rebranding for all the Public Finance tools.

Mr. San Marco asked how this will be marketed, generally speaking.

Ms. Thomas replied that for the most part this is driven by companies that are looking to make a capital investment, and the economic development professionals are frequently in those conversations. Economic development professionals will be the place to start and then build into direct company conversations.

Ms. Brunner stated the marketing plan is being worked on and will be ready for the board at the next month's meeting.

Formal Action Requested – Before the Board today is proposed Resolution 2015-04 entitled:

A RESOLUTION AUTHORIZING THE ISSUANCE OF A STATE LOAN REVENUE BOND, SERIES 2015 (CHAPTER 166 LOAN – BOND FUND PROGRAM), ACCEPTANCE OF A GRANT FROM HAMILTON COUNTY, OHIO, THE EXECUTION OF A COOPERATIVE AGREEMENT WITH THE DAYTON-MONTGOMERY COUNTY PORT AUTHORITY, A LOAN AND SECURITY AGREEMENT WITH THE DIRECTOR OF DEVELOPMENT OF THE STATE OF OHIO, AND AN AMENDED AND RESTATED TRUST INDENTURE WITH THE DAYTON-MONTGOMERY

COUNTY PORT AUTHORITY AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE, ALL RELATING TO THE ESTABLISHMENT OF A COMMON BOND FUND PROGRAM BY THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY AND THE DAYTON-MONTGOMERY COUNTY PORT AUTHORITY FOR THE FINANCING OF PROJECTS FOR AUTHORIZED PURPOSES UNDER CHAPTER 4582 OF THE OHIO REVISED CODE, AND AUTHORIZING AND APPROVING RELATED MATTERS.

Motion: Shane Wright moved to approve Resolution No. 2015-04. The motion was seconded by Scott Robertson and was approved.

7. FINANCIAL REPORT

Shane Wright

Budget Update

With slides on display, Mr. Wright called attention to the asset section of the balance sheet, noting assets held for resale have grown from 0.1 million in 2012 to 10.3 million at the close of 2014. Mr. Wright explained which properties were part of the 10.3 million, and how the costs are broken down by cost types.

Mr. Wright noted the Government of Accounting Standards code requires inventory to be reflected at a lower cost or market value.

Mr. Wright called attention to the marketing brochures for MidPointe Crossing and TechSolve II, explaining the specs for each. These properties will be noted at market value and reflected in the financial statements. These will be represented in the non-operating section of the income statement.

Mr. Luken asked for clarification on the cost of MidPointe and Mr. Wright confirmed the total was cost plus improvements.

In reference to Mr. Luken's question, Ms. Marmer asked Mr. Wright to go over the pie charts on display again, as they were very helpful in laying out the cost breakdown.

Mr. Jackson asked about the Fountain Square South garage from an accounting standpoint.

Ms. Brunner replied information would be presented next month, following meetings with the auditors. With the garage not being held for sale, but for operation, it will be determined if the garage will show in the operating section or in the capital section. For approval next month there will be an operating budget to approve the remaining part of 2015 and to explain where it will show up in the financial statement.

Mr. Luken posed an additional question, asking if the reduced valuation is what the market will bear today or what the market will bear minus the programmed subsidy.

Mr. Wright replied it was what the market would bear today.

8. CHAIRPERSON'S REPORT

Lynn Marmer

Ms. Marmer reminded the group that there needed to be an appointment to the joint credit committee for the Southwest Ohio Regional Bond fund. Interested parties should contact Ms. Marmer or Ms. Brunner.

Ms. Thomas stated the first task of the credit committee will be to develop the underwriting standards. Ms. Thomas reminded the group that a board member could nominate someone external to be appointed.

Ms. Marmer stated the Strategic Planning process was in its initial stages. Everyone's time is appreciated, and it's expected to take approximately six months or longer to complete.

9. ADJOURNMENT

The February 11, 2015 Board of Directors meeting adjourned at 8:35 a.m.

Respectfully,



Laura N. Brunner
Secretary