



Port of Greater Cincinnati
Development Authority

BOARD MEETING MINUTES

Wednesday, February 8, 2012, 8:00 AM

DCI Conference Room

35 E. Seventh Street, Room 209, Cincinnati, OH 45202

1. CALL TO ORDER

Mr. Budig called the Port of Greater Cincinnati Development Authority Board of Directors meeting to order at 8:03 a.m.

BOARD MEMBERS PRESENT:

Budig, Otto
Dunn, Marty
Handy, Clark
Marmer, Lynn
Smith, David
Williams, Tom
Wright, Shane

EXCUSED:

Greiwe, Rick
Jacobs-Horton, Lydia
Zimmer, Joe

STAFF:

Brunner, Laura
Johnson, Melissa
Karimi, Marjorie
Laird, Tiffany
Robb, Deborah
Schafer, Ray
Thomas, Susan

GUESTS:

Fresch, Ben – City of Cincinnati, Councilmember P.G. Sittenfeld
Hawkins, Marvin – City of Cincinnati, Councilmember Laure Quinlivan
Kane, Scott – Squire Sanders & Dempsey, Port Authority counsel
Martin, Shannon – Bricker & Eckler LLP, Port Authority general counsel
Quinlivan, Laure – City of Cincinnati, Councilmember

Mr. Budig acknowledged and welcomed guests.

2. APPROVAL OF MINUTES

Mr. Budig asked Board members if there were any additions or modifications to the January 11, 2012 Board of Directors meeting minutes. Hearing none, he asked for a motion to adopt the meeting minutes.

Motion: Tom Williams moved to adopt the minutes of the January 11, 2012 Board of Directors meeting. The motion was seconded by David Smith and was approved unanimously.

3. **GO Cincinnati Approach**

The following information was a follow-up to the discussion that occurred at the end of the January 11 Board meeting.

The Executive Summary of the GO Cincinnati Plan, which was emailed to Board members, represents the three primary areas of focus that the City of Cincinnati has given to the Port Authority. Champions for those three areas are Melissa Johnson, Deborah Robb and Susan Thomas.

Ms. Brunner reviewed the Attractiveness Criteria chart, which is a draft form and working document developed over the past month during the internal weekly GO Cincinnati meetings. The chart serves as a place to start with on how an ideal project for the Port Authority to engage in will look like. The Port Authority will come back to the Board with a more formal and strategic way in the future. The Attractiveness Criteria chart includes:

- Is Port leadership critical to drive this activity?
- Will Port engagement catalyze private investment?
- Intensity of Port time commitment
- Longevity of Port time investment
- Timing of jobs
- Financial impact on Port
- Payroll tax dollars impact
- Synergy with existing planned uses

Mr. Budig stated he is assuming this is an internally-generated form and will be part of every new project, and asked at what juncture the criteria will be applied to a project.

Ms. Brunner stated that within the Real Estate Development Working Group (REDWG), the Port Authority will begin to develop pipeline criteria for Board engagement. Currently, the Attractiveness Criteria is a tool to use to determine if the Port Authority would invest its staff time. Ms. Brunner said that as the Port Authority gets further down the pipeline, the Port Authority will engage in talks about risk management. This will be tied into risk management evaluation, along with the REDWG to achieve buy-in/sign-off on potential projects.

Ms. Brunner said the Port Authority has the benefit with the City regarding GO Cincinnati and refining those areas of focus. Within the County, however, the Port Authority is getting suggestions of a very vast nature. There is more due diligence to do before the Port Authority can identify an area in the County at this point.

Ms. Brunner said more significant and proactive projects take 80% of the Port Authority's time, effort, and money; and, reactive items take of the Port Authority's resources. The GO Cincinnati approach fits within the 80% margin.

Ms. Brunner stated she and Ellen van der Horst, President, Cincinnati USA Regional Chamber, will be presenting to Councilmember Laure Quinlivan's Strategic Growth Committee in two weeks. The Strategic Growth Committee will be used as a stakeholder platform for engagement within the GO Cincinnati

communities. As the Port Authority gets further along this pipeline, there are specific things the Port Authority would like to have involvement and inclusion. Ms. Brunner said the Strategic Growth Committee is a great way to access a broad range of people in the communities and show that partnership.

Ms. Quinlivan said they are looking forward to the presentation.

Melissa Johnson, Deborah Robb and Susan Thomas provided the Board with an overview of the following GO Cincinnati areas:

- **Queensgate/South Mill Creek (M. Johnson)**

Melissa Johnson said that as this is a rather large area, the Port Authority took the opportunity to shrink the concentration on where the Port Authority's efforts will be focused. The Queensgate/South Mill Creek area is a section of the corridor that runs further north to the I-74/75 split. Some of the benefits of Queensgate are that it seems to be rather stable and very consistent manufacturing company loyalty within the area. From an inventory perspective, there does not appear to be a lot of turnover or availability. While there are redevelopment opportunities that sit within this particular corridor, the Port Authority believes that from a timing perspective, this may be a longer-term strategy.

Mr. Budig commented that he saw cranes on the Hudepohl smokestack and asked if there was any significant development going.

Ms. Johnson said she has not heard of any upcoming development, and that perhaps it is for maintenance. She said as a part of the Port Authority's exercise in evaluating the GO Cincinnati corridors, is also having very close dialogue with the City of Cincinnati Economic Development office. Within this office, they also have champions or counterparts that the Port Authority remains in communication. Hudepohl has been on their radar for some time; however, from Ms. Johnson's understanding there is not any real movement on that particular site.

Ms. Johnson stated per the Port Authority's evaluation, the Camp Washington area presents the greatest opportunity within this corridor for redevelopment prospects simply by the nature of some of the current activity. Under the Port Authority's Brownfield program, the Sara Lee/Kahn's project is well underway and will create approximately 17 acres of developable land. This creates opportunity to build on this ongoing developments and surrounding area and create some long-term partnership and synergy between other efforts throughout the city with the Regional Innovation hub and the Cincinnati Chamber Manufacturing cluster.

- **Seymour/Reading Roads Corridor (D. Robb)**

Deborah Robb said the Port Authority's focus is primarily the Reading Road corridor starting at the Norwood Lateral (former Showcase Cinema site), to the intersection of Seymour and Reading Roads (Jordan Crossing site). These two highly visible sites are the "bookends" to the Bond Hill community.

Ms. Robb stated that the Port Authority has been reviewing the July 2011 feasibility study commissioned by the City of Cincinnati. The Port Authority is also looking at properties to assemble and determine what the best fit would be for the area. Ms. Robb said one of the great assets of this corridor is proximity, as it is close to I-71, I-75, Norwood Lateral and Ronald Reagan Highway, as well as the Techsolve Business Park. There has been development that has occurred over the last ten years, including the new Graeter's

facility, the Eurostampa North America facility and Links Unlimited. The City is also in negotiations with another company to relocate to some additional land in the area. St. Aloysius Church has also done some improvements. Overall, there has been approximately \$88 million in private investment.

David Smith inquired if the former Jim Beam distillery is part of this area.

Ms. Robb said that site is part of the "greater" Bond Hill area.

Susan Thomas commented that the GO Cincinnati neighborhoods are not specifically defined; that these are general areas and corridors.

- **Madison Road Corridor (S. Thomas)**

Susan Thomas said the Madison Road corridor is defined as the west side being the Center of Cincinnati site and the currently under demolition, Oakley Station. The corridor runs out Madison Road, through the Red Bank Exchange Expressway, and all the way out to the city limits.

The GO Cincinnati corridors were selected in 2008 and this corridor shows its age the most. This corridor has seen the most private-sector investment in the time since the corridor was named. The City is making a significant investment in the Kennedy Connector, which will dramatically improve traffic flow in this area. There has also been active development in the Red Bank Expressway area, including Madison Circle a multi-use development. There are also some stand-alone medical use facilities, along with some miscellaneous properties.

Ms. Thomas said the other large area under discussion is the Madison Square development which is located at the corner of Madison and Whetsel Avenue. This is a neighborhood district-type program and the vision is a neighborhood district surrounding a public square (similar to Hyde Park and Oakley business districts). The City of Cincinnati's Economic Development department has been actively involved in this for a number of years, which will be more a mixed-use development.

Ms. Thomas said there is a high amount of local developer interest and knowledge in this area.

Ms. Brunner commented that while this is an opportunity for work to be done, it is not the area for the Port Authority's most pro-active involvement currently.

Ms. Thomas said there is much discussion surrounding the Eastern Corridor Transportation Project, which is looking at a portion of this corridor and will have a significant impact on some properties located in the Madison Road corridor.

4. HAMILTON COUNTY LAND REUTILIZATION CORPORATION (HCLRC)

Susan Thomas provided the Board with the following update.

General Information – In 2010, the Ohio General Assembly authorized the formation of a County Land Reutilization Corporation (CLRC or "Landbank") as a means of more efficiently allowing foreclosed, vacant, and abandoned properties to be acquired and returned to productive community use.

A CLRC functions as a non-profit corporation with a public purpose and is organized as an independent legal entity separate and apart from the local government.

Status – Hamilton County established the Hamilton County Land Reutilization Corporation (HCLRC) in late 2011. The Board of the HCLRC met for the first time on Monday, January 9, 2012.

The next HCLRC meeting is scheduled for February 15th, and the HCLRC Board is expected to consider the preliminary budget and contract with the Port Authority for the Port Authority to perform the executive and administrative functions of the HCLRC. The staff of the Port Authority believes that the objectives of the HCLRC advance the purposes and objectives of the Port Authority, particularly with respect to economic development and housing.

Ms. Brunner stated that the Port Authority will be paid a fee of \$500,000 to staff and manage the HCLRC. The City and County are both aware there will be careful language of this contract to avoid the exclusive staffing and accounting requirement. While some staffing will be dedicated 100% to the HCLRC, it will also allow the Port Authority to add senior staff that is valuable across the organization. The principal DTAC funding of \$2.5 million will be dedicated for the HCLRC and available for land purchase. The goal is to get as many concentric circles as possible, with a good part of that activity will be consistent with what the Port Authority is trying to do, not just exclusively in the GO Cincinnati neighborhoods, but within the County.

In order to enter into a contract, a formal motion was requested from the Board.

Motion: Clark Handy made a motion to (i) that the Port Authority be and is authorized to enter into an agreement with the Hamilton County Land Reutilization Corporation (“HCLRC”) to provide administrative and operational services to the HCLRC; and (ii) that Laura Brunner, President of the Port Authority, be and hereby is authorized and directed to negotiate and execute on behalf of the Port Authority, such agreement, on such terms and conditions as she deems appropriate and in the best interest of the Port Authority and the public, including terms related to the scope of the services to be provided by the Port Authority and the fees to be paid to the Port Authority in consideration of such services. The motion was seconded by Lynn Marmer, and was approved unanimously.

5. CHAIRMAN’S REPORT

Board Working Groups

Mr. Budig stated that Laura Brunner and other members of the Board have been working on refining the working groups that are available to her and Port Authority staff. A couple of the working groups have been in existence for sometime; however, they have been expanded to serve the expanded needs of the Port Authority.

Risk Management Working Group (RMWG)

Lydia Jacobs-Horton, Chair
David Smith
Marty Dunn
Clark Handy

Finance Working Group (FWG)

Shane Wright, Chair
Otto Budig, Jr.
Marty Dunn
Tom Williams

Real Estate Development Working Group (REDWG)

Tom Williams, Chair
Otto Budig, Jr.
Rick Greiwe
Lynn Marmer

Transportation Working Group (TWG)

Otto Budig, Jr., Chair
Shane Wright
Lydia Jacobs-Horton
Joe Zimmer

Mr. Budig asked if there were any questions.

Tom Williams commented that discussions with Vice Mayor Roxanne Qualls regarding the City's funding for the Port Authority, that while it has been great and has allowed the Port Authority to get started, there needs to be a stream of income for the long-term, that can be bonded against and leverage those dollars. Most effective port authorities have a stream that can be leveraged.

Mr. Williams stated that Ms. Qualls understands and this is something that needs to be visited as the Port Authority is accepted as the development-arm with the City and County.

Ms. Quinlivan stated that City Council is aware of this and reminded the Board of the previous motion regarding the casino funds, which is currently on hold. She is uncertain as to what is going to happen; however, the majority of council members wanted to use a significant portion of that money to fund the Port Authority. There have been no current discussions as it will become a huge money grab; there will be discussions fairly soon, however.. Ms. Quinlivan said she sees this as the likely source for the revenue stream.

Mr. Williams asked if it would be a bondable stream of revenue.

Ms. Quinlivan said she does not know at this time.

Ms. Thomas stated that as long as the revenue stream is specifically assigned and dedicated, the funds should be bondable to some extent.

Ms. Quinlivan said at this juncture, there is the feeling by council of "let's see what the Port Authority can do".

Executive Session

Mr. Budig stated that the Board would go into Executive Session.

Motion: Tom Williams 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 and to go into executive session for the sole purpose of a conference with an attorney or attorneys for the Port of Greater Cincinnati Development Authority concerning disputes involving the Port Authority that are the

subject of pending or imminent court action. Upon conclusion of the executive session, the Board will reconvene its meeting of the Board of Directors. The motion was approved unanimously by roll call vote.

The Board adjourned into executive session at 8:55 a.m. The Board came out of executive session and reconvened its Board of Directors meeting at 9:20 a.m.

6. FINANCIAL REPORT

Ray Schafer provided the Board with the following financial report update.

Mr. Schafer reported that January's cash balance is \$612,000 and on February 3, the Port Authority received the City's 2012 funding of \$700,000. Expenditures for the month are \$151,000.

7. PRESIDENT'S REPORT

Laura Brunner provided the Board with the following:

Ms. Brunner has Attended 44 introductory meetings over the past five weeks, in addition to regularly scheduled internal and external meetings. These meetings include all council members, County Commissioners, and multiple meetings with respective City and County administrations. These meetings have been collaborative and continue to go well.

The Port Authority team has kept up or ahead of Ms. Brunner's assignments of them.

Ms. Brunner is looking forward to working with the newly assigned Board Working Groups. She said they may be modified in the future; however, the needs for the Board to be more engaged. The Brownfield Working Group is now the new Risk Management Working Group (RMWG) and taking it up a level. Ms. Brunner said some Board members inquired about risk assessment, and in conversations with Scott Kane, the RMWG will address due process to do post mortems on Port Authority projects, as well as input a risk management process going forward that may include having a litigator review contracts before they are signed in certain cases.

Ms. Brunner said the Finance Working Group (FWG) remains the same, and have added Tom Williams to the group. Ms. Brunner will be meeting with state representatives in Columbus to make the Port Authority's formal request for a state loan for the Port Authority's Job Site Development Fund.

Mr. Williams inquired if external people were permitted to serve on the working groups, for example public financing.

Ms. Brunner responded this could be addressed after the first meeting of the newly formed working groups. The FWG will also look at state funding, the concept of working with equity funds, and a review of the Port Authority's fee schedule if the Port Authority is to more proactively market our financing services.

Ms. Brunner stated the previous Economic Development Working Group was split into two: Real Estate Development Working Group (REDWG) and Transportation Working Group (TWG). Within the RDWG, the group will work on the pipeline referred to earlier, to include an evaluation process for projects as they're

moved through to execution. The REDWG will also own the HCLRC activities as well, as there will be a lot of activity and this is the best working group to get involved in those issues with the Port Authority.

Ms. Brunner said the biggest challenge is the transportation issue. She said the Port Authority needs to continue to determine what the Port Authority's role is in transportation. Transportation is very broad in scope and it is the community asking the Port Authority to step into a leadership role that is not currently being filled by anyone else. The Port Authority has the authority and funding mechanism; therefore, there is some interesting work to be done. Ms. Brunner has reviewed multiple studies and has met with two private terminal operators. In addition, she has attended an OKI committee meeting over the last week. She said this is a small piece of information on this massive subject. The TWG will address these issues.

Ms. Brunner said that face-to-face working group meetings will be scheduled over the next few weeks, and prioritized beginning with the REDWG, FWG, TWG and RMWG.

Ms. Brunner met with the City Manager, Milton Dohoney and County Administrator, Christian Sigman yesterday, and both administrators stated the meeting was good and very productive, and decided to meet on a monthly basis.

Ms. Brunner goal is to have alignment with the City and County whereby the Port Authority will have a fewer number of priorities to get things done. Ms. Brunner said this meeting was significant and the lines of communication are now much wider. She said while the elected officials are onboard with what the Port Authority is charged, the execution lies with administration and we do not want there to be any surprises for them.

Ms. Brunner said there are two specific projects the City Manager is interested in of which the Real Estate Development Working Group will be discussing shortly.

Commitments and Media Coverage

Ms. Brunner provided to the Board a list of her commitments, including speaking engagements and media coverage the Port Authority has received over the past month. She asked that the Board provide feedback if this is valuable information to them or not. The most significant upcoming event is the May 1 Business Courier Power Developer Breakfast whereby Ms. Brunner will be the keynote speaker. There will be a panel discussion and others from the Port Authority will be asked to join Ms. Brunner onstage, but nothing has been set in stone as yet.

8. ADJOURNMENT

Motion: Clark Handy moved to adjourn the Board of Directors meeting at 9:31 a.m. The motion was seconded by Marty Dunn, and was approved unanimously.

Respectfully,



Laura N. Brunner
Secretary