

BOARD MEETING MINUTES

Wednesday, April 10, 2013, 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 8:00 a.m.

BOARD MEMBERS PRESENT:

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

STAFF:

Banner, Julie	Boggs Muething, Paula
Brunner, Laura	Chamlee, Jason
Hall, Darin	Johnson, Melissa
Karimi, Marjorie	Laird, Tiffany
Paul, Gail	Robb, Deborah
Thomas, Susan	

GUESTS:

Barrett, Maria – Port Financial Consultant	Herzner, Ann – City of Cincinnati (Quinlivan)
Kane, Scott – Squire Sanders Dempsey	Munitz, Chad – 3CDC
Osborne, Kevin – WCPO Digital	Quinlivan, Laure – City of Cincinnati
Rogers, David – Frost Brown Todd	Spoor, Andrew – Keating Muething Klekamp
Wallace, Jeff – Parsons Brinkerhoff	Wetterich, Chris – Cincinnati Business Courier
Williams, Jason – Enquirer	Woodside, Patrick – Frost Brown Todd

2. WELCOME AND INTRODUCTIONS

Mr. Budig welcomed guests and introduced Ed Jackson, the Port of Greater Cincinnati Development Authority’s (“Port Authority”) newest member of the Board of Directors recently appointed by the City of Cincinnati; and, Julie Banner the Port Authority’s newest Development Associate.

Mr. Budig acknowledged that Clark Handy’s appointment to the Port Authority Board of Directors expired after a four-year appointment; the Board and staff of the Port Authority are grateful and appreciative of Mr. Handy’s significant contribution to the value of the Board of Directors.

3. APPROVAL OF MINUTES

Mr. Budig asked Board members if there were any additions or modifications to the March 7, 2013 Board of Directors meeting minutes. Hearing none, he asked for a motion to adopt the meeting minutes.

Motion: Lynn Marmer moved to adopt the minutes of the March 7, 2013 Board of Directors meeting. The motion was seconded by Marty Dunn and was approved unanimously.

4. PUBLIC FINANCE SUMMARY (Pt. 1)

Susan Thomas, VP of Public Finance

(For the record, conflicted Board members Marty Dunn, Lynn Marmer, Tom Williams and Shane Wright did not participate in the discussion of and vote of Resolutions 2013-06 and 2013-07 pertaining to the following Fifth and Race Street Garage summary report.)

Guests in attendance of this meeting specifically relating to the Fifth and Race Garage project: Chad Munitz, 3CDC, project director; Andrew Spoor, Keating Muething Klekamp serving as bond counsel; and, David Rogers and Pat Woodside, Frost Brown Todd, serving as issuer counsel to the Port of Greater Cincinnati Development Authority ("Port Authority").

Fifth and Race Garage, Downtown, Cincinnati, OH

General Information - The Fifth and Race project is a mixed use project that will include a new corporate headquarters for dunnhumbyUSA for 1,000 employees, a 1,000-car below and above-ground parking garage, and approximately 25,000 square feet of ground-level commercial space. 3CDC (through its affiliates Fifth and Race, LLC and Fifth and Race Leveraged Lender, LLC), is the developer of the project and will operate the City-owned garage and own and operate the commercial spaces. dunnhumbyUSA will own and operate their office building.

The Port Authority has been asked to serve as the conduit issuer for up to \$39 million in first mortgage loan bonds from PNC with participation from Fifth Third Bank and First Financial Bank. The proceeds of the bonds will be used exclusively for the construction of the parking garage.

The bonds will be issued in two different series. The Series A bonds will be in an amount not to exceed \$18 million and will be loaned through the New Markets Tax Credit structure to Fifth and Race Leveraged Lender, LLC, leveraging additional tax credit equity for the project. The Series B bonds will be in an amount not to exceed \$21 million and will be loaned directly to Fifth and Race LLC, outside of the new markets structure. Each series is expected to be split into a tax-exempt and taxable portion.

The Bonds are non-recourse to the Port Authority and are expected to be paid by Fifth and Race LLC and Fifth and Race Leveraged Lender, LLC.

The Port Authority will not own nor be responsible for managing the garage. The City of Cincinnati will own the garage and 3CDC is responsible for managing and hiring the operator

of the garage. Unlike previous parking-related debt the Port Authority has undertaken for 3CDC, the basis of the tax exempt nature of the bonds is slightly different. Previous tax-exempt debt deals were due to 3CDC owned or leased the facility through their 501(c)3. The basis of the tax-exemption for this particular deal is due to it being a public parking garage.

Formal Action Requested – Before the Board today are two proposed resolutions, 2013-06 and 2013-07 entitled:

A RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$18,000,000 IN COMBINED PRINCIPAL AMOUNT OF PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY FACILITIES REVENUE AND IMPROVEMENT BONDS, SERIES 2013A-1 (FIFTH AND RACE GARAGE PROJECT) AND TAXABLE FACILITIES REVENUE AND IMPROVEMENT BONDS SERIES 2013A-2 (FIFTH AND RACE GARAGE PROJECT), IN ORDER TO ASSIST FIFTH AND RACE LEVERAGE LENDER, LLC IN FINANCING IN PART THE COSTS OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A NEW MULTI-LEVEL PARKING GARAGE IN DOWNTOWN CINCINNATI; PROVIDING FOR THE ASSIGNMENT OF REVENUES FOR THE PAYMENT OF THE SERIES 2013A-1 BONDS AND SERIES 2013A-2 BONDS; AUTHORIZING A LOAN AGREEMENT WITH RESPECT THERETO; AND AUTHORIZING A TRUST INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND FURTHER TO SECURE THE PAYMENT OF THE SERIES 2013A-1 AND SERIES 2013A-2 BONDS; AND AUTHORIZING A BOND PURCHASE AGREEMENT, A TAX REGULATORY AGREEMENT AND SUCH OTHER INSTRUMENTS AS ARE NECESSARY WITH RESPECT THERETO.

And,

A RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$21,000,000 IN COMBINED PRINCIPAL AMOUNT OF PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY FACILITIES REVENUE AND IMPROVEMENT BONDS, SERIES 2013B-1 (FIFTH AND RACE GARAGE PROJECT) AND TAXABLE FACILITIES REVENUE AND IMPROVEMENT BONDS SERIES 2013B-2 (FIFTH AND RACE GARAGE PROJECT), IN ORDER TO ASSIST FIFTH AND RACE, LLC IN FINANCING IN PART THE COSTS OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A NEW MULTI-LEVEL PARKING GARAGE IN DOWNTOWN CINCINNATI; PROVIDING FOR THE ASSIGNMENT OF REVENUES FOR THE PAYMENT OF THE SERIES 2013B-1 BONDS AND SERIES 2013B-2 BONDS; AUTHORIZING A LOAN AGREEMENT WITH RESPECT THERETO; AND AUTHORIZING A TRUST INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND FURTHER TO SECURE THE PAYMENT OF THE SERIES 2013B-1 AND SERIES 2013B-2 BONDS; AND AUTHORIZING A BOND

PURCHASE AGREEMENT, A TAX REGULATORY AGREEMENT AND SUCH OTHER INSTRUMENTS AS ARE NECESSARY WITH RESPECT THERETO.

The resolutions authorize the issuance and sale of the Bonds and the execution and delivery of associated Bond Purchase Agreements, Trust Indentures, Loan Agreements and related documents and agreements. The current drafts of the documents are on file with the Board as described in the resolution. It is anticipated that the transaction will close in May 2013.

The Vice President of Public Finance recommends the adoption of these resolutions.

After some discussion of the matter, Mr. Budig asked for a motion to approve Resolutions No. 2013-06 and 2013-07.

Motion: Lydia Jacobs-Horton moved to approve Resolution No. 2013-06 authorizing the issuance of up to \$18,000,000 in combined principal amount of or Port Authority facilities revenue and improvement bonds, Series 2013A-1. The motion was seconded by Ed Jackson and was approved unanimously.

Motion: Rick Greiwe moved to approve Resolution No. 2013-07 authorizing the issuance of up to \$21,000,000 in combined principal amount of or Port Authority facilities revenue and improvement bonds, Series 2013B-1. The motion was seconded by David Smith and was approved unanimously.

5. COMMUNITY REVITALIZATION

Paula Boggs Muething, VP of Community Revitalization and General Counsel

Focus Neighborhood Strategy (FNS) – Community Building Institute Report

Several maps developed by the Community Building Institute (CBI), a partner and planning consultant to the Port Authority, were provided to the Board. These maps provide detailed information from the short-term neighborhoods which include areas of focus, market value, demolition recommendations and identification of areas of opportunity for landbank tools to be employed for purposes of market and neighborhood stabilization. All of the recommended demolitions have either been completed or are under contract to be completed. These maps will serve as the basis for CBI's final recommendations, expected in June of 2013. Final recommendations will advise the Landbank and community-based partners of concrete steps to advance housing goals and achieve meaningful progress toward a revitalization strategy in the focus neighborhoods.

Property Maintenance Partnership – Building Value

The Landbank has executed a Memorandum of Understanding with Building Value to secure properties after acquisition, clean-out structures to prepare for rehabilitation, landscape and maintain the grounds, perform low-maintenance landscaping on vacant lots, and undertake minor construction and stabilization jobs. This relationship provides the opportunity to attain inclusion goals through Building Value's workforce re-entry and training programs while simultaneously remediating blight and stabilizing structures. Leveraging its relationship with Keep Cincinnati Beautiful and the University of Cincinnati's DAAP program, Building Value will use environmentally-conscious methods to provide work product that is both visually appealing and an asset to the neighborhoods within which the

properties are located. The use of a single contractor for this work provides increased efficiency by reducing the administrative burden of managing several different contractors. Ensuring that HCLRC properties are well-maintained is critical to the work in neighborhoods and establishing this partnership with Building Value will enable the Landbank to model responsible property ownership practices.

Moving Ohio Forward – Update

The Landbank continues to be on track to expend all funds allocated to Hamilton County pursuant to the Moving Ohio Forward Demolition Grant Program by the December 31, 2013 deadline. Thus far, 10 demolitions have been completed, with approximately 40 additional properties in various stages of the demolition process. Roughly 20% of these properties are located within the City of Cincinnati, with the remaining 80% located in jurisdictions throughout Hamilton County. These nearly 50 properties constitute approximately half of the Landbank's budget for demolitions under the Program; the majority of large-scale and high-cost demolitions are included in these initial 50 properties. Over 100 additional properties have been identified as candidates for Moving Ohio Forward demolitions. Additionally, the Landbank has filed its second successful reimbursement request with the Attorney General for demolitions performed by the City of Cincinnati as a sub-recipient under the Program. The Landbank has its own reimbursement protocol in place for Landbank-managed demolitions and expects to file its first request in early May.

This programs' goal is to remove blight and perform lot stabilization. In other instances, property demolition is occurring to do parcel assembly to make way for new large-scale redevelopment. The City of Cincinnati is also undertaking demolitions of which the Landbank is coordinating with them to ensure the Landbank's work has as much impact as possible.

Housing Investment Fund Grant Program – Village of Addyston

The Landbank recently partnered with the Homesteading & Urban Redevelopment Corporation (HURC) to engage in targeted redevelopment efforts in Addyston. The Landbank assisted HURC with its application for funding under the Housing Investment Fund (HIF) Grant Program, which aims to promote revitalization by addressing vacant and abandoned housing through comprehensive redevelopment in strategically identified geographical communities. If this application is successful, it will leverage approximately \$75,000 in Landbank investment and \$34,000 in Community Development Block grant funds to generate an award of \$165,000 from HIF. If awarded, funds will be allocated to demolish eight blighted and abandoned structures and stabilize and rehabilitate two historic structures for homeowner occupancy.

6. REAL ESTATE DEVELOPMENT

Darin Hall, VP of Real Estate Development

Jordan Crossing

Since the closing of the property, the Port Authority has met with each council member to share its initial land use plan and development timetable for the site. Students from Woodward High School have been engaged to board the exterior windows of the shopping center. Corp Security, which provided security during the renovation of Khan's/Sara Lee site, has been hired for Jordan Crossing.

The Jordan Crossing demolition event was held March 28th and was attended by members of City Council, community stakeholders and media, as well as some members of the Board of Directors. This is a significant event as this is the first real estate development project undertaken by the Port Authority.

Since the event, the Jordan Crossing sign, Burger King, and Steak and Lemonade outparcel buildings have all been demolished. Burgess and Niple has been engaged to serve as Owner's Rep and to develop the demolition documents and assist in the development of a Request for Proposal for the demolition of the shopping center which will be released in late April. Awarding of the demolition contract is scheduled mid-May. Asbestos remediation will take place first, lasting 2-3 months, with demolition of the shopping center starting by August at the latest and completion by the end of the year.

Land Use Plan

On March 5th the Port Authority team toured several of MKSK's successful mixed use developments that will influence the design for the Jordan Crossing site. The preliminary site layout concept is in place, and architectural renderings are being worked up. On April 17th, the Port Authority will meet with a group of commercial, retail, industrial, and residential brokers from Cassidy Turley for their industry expertise input of the draft land use plan. This information will be used to refine the plan and a complete draft will be presented to the broader community at Councilmember Laure Quinlivan's Strategic Growth Committee meeting that will be held at the Hamilton County Community Action Agency on April 30th.

Seymour Plaza

Due diligence for Seymour Plaza is underway, including survey, title work, and environmental assessment; a June closing is anticipated. This 12 acre site will be repositioned to support advanced manufacturing and office/warehouse product similar to the TechSolve business park that is further west on Seymour Road. The site is also planned to be entered into Duke Energy's Site Readiness Program which is intended to help identify, improve, and increase awareness of good potential development sites in regions that Duke Energy serves.

Queensgate

Environmental due diligence for the Hudepohl and the adjacent 840 West 5th Street properties was completed mid-March. The remediation costs are significant for the Hudepohl parcel; therefore, the Port Authority has opted not to move forward with either acquisition. If additional properties are able to be assembled to augment the Hudepohl and West 5th Street properties, the Port Authority will revisit acquiring these parcels in the future.

7. *TRANSPORTATION AND LOGISTICS*

Melissa Johnson, Director of Transportation and Logistics

Martin Associates Cargo Market and Economic Impact Study

The economic impact portion of the Martin Associates study is expected to be completed, in draft, within the next week. The Port Authority plans to jointly promote the findings and outcomes of this report in partnership with the OKI Regional Council of Governments and

Cincinnati USA Regional Chamber. This collaboration will elevate the message to a broader economic development and commerce audience.

Martin Associates is scheduled to present the project findings, to-date, to the Transportation Working Group and Cargo Market Steering Committee in a combined meeting on April 23rd. The Cargo Market portion of the study scope of work has been expanded to include Clermont County and the northern Kentucky counties of Boone, Kenton and Campbell.

Port of Cincinnati Re-Designation

The Planning Assistance to States Agreement (PAS) has been fully executed by all parties and the formal scope of work with the U.S. Army Corps of Engineers (USACE) is underway. Current efforts are concentrated on developing a significant communication strategy to engage all prospective counties and local jurisdictions to gain support for this effort.

The Port Authority has received direction and feedback from the USACE and various interested parties as this project moves forward. The Port of Huntington Tri-State has provided generous support and counsel as the Port Authority evaluates the early steps of this regional initiative.

A schedule of introductory county meetings is being developed. The Port Authority will be meeting with Clermont County on April 24th to present the benefits and justification of the proposed expansion. Other early meetings will include Ports of Indiana and the northern Kentucky counties of Boone, Kenton and Campbell.

The proposed benefit of engaging prospective counties and local jurisdictions is this re-designation becomes an economic development marketing tool; this is not a realignment of the Port of Greater Cincinnati Development Authority's authority as a body. The goal is capturing and linking sections of the Ohio River corridor to Huntington, WV and leveraging the statistics to raise awareness.

8. *INCLUSION & COMMUNITY RELATIONS*

Deborah Robb, Director of Inclusion & Community Relations

Moving Ohio Forward Demolition Grant Program/HCLRC

Demolition of the St. Leger Apartments, located in one of the focus neighborhoods of Evanston is in the planning stage of which demolition will begin in June and completed by the end of July. In addition to the previous 24 houses that are scheduled for demolition, bid notices have been submitted for an additional sixteen structures that are ready for demolition. These structures are scattered throughout the county with the largest concentration being in St. Bernard. Stabilization has also begun of a building located at 965 East McMillan for the Walnut Hills Redevelopment Corporation. This stabilization will assist them in their redevelopment plans for this corridor.

Community Engagement

As noted in the Real Estate Development section of this report, the successful demolition event at Jordan Crossing utilized a local Bond Hill demolition contractor that also employed local residents to assist in the demolition activities.

Prior to the demolition event, students from Woodward Career Technical High School were engaged to board and secure the mall portion of the site. As a result of their participation, the Port Authority made a donation to the schools' 501(c)3, Building Woodward, which enabled the students to travel to New Orleans during their intersession to work on Habitat for Humanity housing.

The Port Authority also met with the Bond Hill Community Council, Business Association and Community Urban Redevelopment Corporation (CURC) to provide an overview of the Port Authority and its mission and goals. The plan is to continue to work with the various organizations to ensure alignment with the needs of the community.

Colerain Township

The Port Authority met with Colerain Township administrators and Cincinnati Building Institute (CBI) to discuss the Moving Ohio Forward program and housing strategy. There were positive comments regarding the Landbanks' ability to use this program to remove blighted housing. There are some focus areas that have more opportunities for redevelopment such as the Jonrose, President and Northbrook areas of which the President area has opportunity for demolition of large tracts of housing to create infill housing. Additionally, Lake Gloria may be another area for housing strategy. Colerain Township believes that by eliminating the blight within the township it will increase and encourage more homeownership.

Bond Hill Community Councils

The Port Authority provided an update to the various councils on what the Port Authority is doing within the community and to offer assistance in any areas of focus they are looking at improving, one being the business district which is located between the two development areas in Bond Hill.

9. COMMUNICATION STRATEGY

Gail Paul, Director of Communication Strategy

Projects:

- Crisis Communication plan
- USACE Communication Documents

Media:

- Business Courier / real estate story under way for April 12 print edition
- Social Media – Greater Cincy Port @PGCDA – twitter account

Events:

- March 28 Demolition Event at Jordan Crossing / with Mayor, Manager, County, Council & Community
- April 17 –“ From Broken Sites to Bright Solutions / A workshop of transformative ideas” with UC Real Estate Roundtable
- April – Cargo Assessment Launch / with Chamber & OKI
- July – Cargo Commerce – driving content for NAIOP real estate professional association workshop for continuing education credit in July 2013

- The Ohio CDC Association, which is a statewide membership organization of Community Development Corporations that engages in capacity-building, advocacy and public policy development that fosters socially and economically healthy communities, will hold its 2013 annual meeting in Cincinnati in October. The Port Authority will provide its marketing and branding collateral. The intent is to help them create opportunities for speakers and possible local community tours.

Earned Media – February and March 2013

Most media has focused on the City's Parking Plan of which the Port Authority was instrumental in providing guidance in the crafting of the parking communications for the City. Once the legal and other impediments have been resolved and the plan moves forward, the continued communication efforts will be passed onto the Port Authority for response.

10. FINANCIAL REPORT

Maria Barrett, Financial Consultant

February Financial Statements

- The Port Authority received \$1.25 million from the settlement of public liens related to construction at Kenwood Towne Place. These funds were paid from the funds remaining in the Developer Cost and Construction Accounts held by the trustee under the bond indenture. The Port is holding these funds in a restricted account until such time as they are required to finish construction of the garage. This amount is reported on the balance sheet as Accounts Payable – Restricted.
- The City of Cincinnati provided cash totaling \$1,728,760 for use in the Jordan Crossing capital project based on the Port's first payment request. This amount is reported on the Income Statement as Capital Contributions, shown after operating income. In addition, the Port included in the payment request to the City its prorata share of the 5% development fee as allowed under the Development Services Agreement. Those fees are reported as operating revenues.
- Operating grants of \$700,000 represent Hamilton County's operating support for 2013. As of today, these funds have not been received.
- The City of Cincinnati in March appropriated and paid \$350,000 in operating grant funds to the Port Authority. The remainder of the city's annual operating grant to the Port will be appropriated in their fiscal year beginning July 1, 2013.
- The sixth draw on the USEPA grant was processed, bringing the accumulated total to \$856,000.
- Annual administrative fees on the bonds were billed in February, for a total of nearly \$153,000. All were collected except for \$51,000 for Kenwood which is included in Accounts Receivable.

- Unrestricted cash totaled \$1,074,702 and \$1,365,500 at the end of February and March, respectively. We are in the process of closing the books for March and will have those financial statements available at the next Board meeting.
- Operating expenses are running at or below budget. Professional services through February include \$63,000 of the \$175,000 contract with Martin associates.
- Costs incurred that are directly related to the redevelopment of Jordan Crossing and Seymour Plaza are being capitalized. Other Operating Expenses is negative for February due to reclassifying some Jordan Crossing costs from the previous month.

Audit Update

Plante Moran has reviewed all documentation and agreed with the historical treatment of the capital assets and debt on the Port Authority's books. The next step in this process is the review of internal controls and accounting procedure forms to be completed by the Port Authority.

Plante Moran is scheduled to come in the week of April 22nd to conduct the USEPA Federal Grant audit pursuant to the USEPA Grant agreement. All audit activities being conducted are covered under the fixed fee agreement.

Cincinnati Mills

The bonds for this project remain in payment default; however, the Port Authority is in receipt of the 2013 administrative fees. The current property owner is making some payments he is required to make in the current year and under the existing delinquency agreement with Hamilton County. Ongoing discussion regarding the sale of one of the parcels to a potential redevelopment entity, of which the Port Authority's role is primarily to work with the trustee and bondholder to ensure all stakeholders are on the same page.

11. PUBLIC FINANCE SUMMARY (Pt. 2)

Susan Thomas, VP of Public Finance

Cincinnati Parking System Update

Since the March 7 Board meeting, the Port Authority laid out a process to follow as it moves forward with the parking plan. The Port Authority is engaged in this process; however, due to outstanding litigation issues, the timeframe is now more protracted; therefore, the Port Authority will not bring bond documents before the Board for approval in May. The Port Authority will remain prudent and continue its due diligence with this activity moving forward, but will not let it be all consuming or overly expensive for the organization. In doing so, the Port Authority will be in a position to educate the Board of Directors to make an informed decision.

The Port Authority recognizes the following tasks relating to due diligence need to take place sooner rather than later to be prepared to move forward:

1. Engagement of an independent structural engineer to assess the garage spaces and to also do their own financial evaluation analysis of the structured units; the timeframe for this work is approximately 60 days;
2. Drafting of the bond documents;
3. Negotiating of the operating contract;
4. Diligence of the model.

Any due diligence costs incurred will not be the responsibility of the Port Authority as agreed with the various parties involved.

The Board of Directors engaged in significant discussion regarding this update and agreed with the due diligence process put forth.

12. BENCHMARKING – PORT METRO VANCOUVER, BC
Gail Paul, Director of Communication Strategy

Due to time constraints, the Board of Directors agreed to defer this report.

13. ADJOURNMENT

Motion: Shane Wright moved to adjourn the Port of Greater Cincinnati Development Authority April 10, 2013 Board of Directors meeting. The motion was seconded by Tom Williams and was approved unanimously.

The April 10, 2013 Board of Directors meeting adjourned at 9:20 a.m.

Respectfully,



Laura N. Brunner
Secretary