

April 8, 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 7:56 a.m.

Board Members Present:

Marmer, Lynn	Jacobs-Horton, Lydia
Luken, Charlie	San Marco, Mario
Jackson, Ed	Fisher, Bobby
Smith, David	Wright, Shane

Staff Present:

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

Guests:

Williams, Jason – Cincinnati Enquirer	Schulte, Skip – Citizen
Wallace, Jeff – Parsons Brinkerhoff	Durack, Katherine - Citizen
Kane, Scott – Squire Patton Boggs	Holwadel, Kathy – Citizen
Didrichsen, Barbara - Citizen	Alonzo, Michele – Citizen
Scheurer, Andy – Citizen	Zavon, Julie – Citizen
Junin, Hershel – Friends of the African Union	
Koenig, Peter – Buechner, Haffer, Meyers & Koenig	

2. WELCOME AND INTRODUCTIONS

Ms. Marmer welcomed the board members and the guests.

3. APPROVAL OF MINUTES – February 11, 2014

Ms. Marmer asked the Board members if there were any additions or modifications to the February 11, 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 February 11, 2015 Board of Directors meeting. The motion was approved unanimously.

4. PRESIDENT'S REPORT

Laura Brunner

Ms. Brunner thanked the staff for their extra work committed to the organization over the last few months, highlighting who has been responsible for specific projects. Ms. Brunner also thanked the board for the increased engagement from the board members, especially the extra time needed for the Strategic Planning process.

Ms. Brunner called attention to the new organization the Port Authority will be supporting: HURC, the Homesteading Urban Redevelopment Corporation. Charlie Luken and Ed Jackson have agreed to serve on the newly formed board. In a future HURC board meeting, some of the old board members will resign from the board and new board members will be appointed. The board will then enter into an agreement to hire the Port Authority as its management arm.

5. STRATEGIC PLANNING UPDATE

Lydia Jacobs-Horton

Ms. Jacobs-Horton complimented Pathway Guidance with facilitating the Strategic Planning process so far. The first session consisted of Values, Purpose, and Core Strength. Ms. Jacobs-Horton stated there had been a number of suggestions for the customer segment; nothing was agreed upon and it was decided to revisit in the May session.

Ms. Jacobs-Horton offered a customer statement for the board to review before the next planning session: "Real Estate developers, owners, and lessees who increase our regional tax and employment base." To clarify, it had been previously discussed that we should distinguish between customers and investors, and this statement applied to customers. The investors would be the City, County and taxpayers.

6. COMMUNITY REVITALIZATION

Darin Hall

Mr. Hall stated the REACH Evanston project was going well, with construction on track, sales going well, a real estate agent engaged, and the website up and running. A partnership has formed between the Port Authority and the Greater Cincinnati Energy Alliance. This will develop some performance metrics for the houses in the REACH program.

Mr. Hall stated the demand has been stronger than anticipated, and there has been an increase in sales prices. As sales happen and the prices increase, comps for the market are being created and the subsidy is being reduced.

This is exactly what the program was intended for, to create and sustain the housing market in Evanston. Mr. Hall stated Evanston will be a good opportunity to use more of the Port Authority tools, beyond the REACH program.

All of the work being done in Evanston is with significant community input and inclusion.

Mr. San Marco asked if Habitat for Humanity was a partner of The Port Authority's in the Evanston project.

Mr. Hall replied that Habitat is not a partner of the REACH program, but they do currently have projects in Evanston.

7. PUBLIC FINANCE

Susan Thomas

Ms. Thomas stated that over the last 18 months, the Port Authority has been diligently working to expand its development finance toolkit. Four new financing tools have been rolled out: Southwest Ohio regional Bond Fund; EB-5; Property-Assesed Clean Energy (PACE); and a re-envisioned Lease Program. Melissa Johnson joined the public finance team to help with the marketing and education of these new tools. Ms. Johnson has been hard at work creating a business development plan, which is before the board today.

Ms. Johnson reiterated the expansion of the Port Authorities Public Finance tools has been a significant effort over the last 18 months. Ms. Johnson reviewed the spreadsheet and called out the targeted one-on-one meetings with desired partners listed on it. A number of these meetings have already taken place in an effort to keep these partners well-informed about the finance tools.

Ms. Marmer asked how this would be measured, what meetings have taken place, and what have been the results.

Ms. Brunner replied this will be measured on the scorecard, and explained where and how this was being tracked on the scorecard.

Ms. Thomas called attention to a pipeline summary that was also included in the board packet.

Ms. Thomas stated the goals for these programs were aggressive; the Port Authority has strong relationships in the development community. The newer tools are geared towards business and corporate leading, where the same relationships do not exist yet. The team has been working very hard to build out the network and educate regarding its tools.

Mr. Fisher asked to what extent has the board been historically involved with the development of prospects, in terms of getting the word out about these tools.

Ms. Thomas responded Board participation and assistance would be welcomed, as it has been mixed in the past, particularly in the narrow development area.

Ms. Brunner suggested one-on-one meetings with any of the board members who were interested in going through the pipeline report and contacts in detail.

Ms. Thomas mentioned the new marketing materials for all of the current programs, including an overview spreadsheet.

Ms. Thomas called attention to the Fountain Square South Garage and its budget items that were before the board. Under the lease agreement with the City and the finance agreement with Fifth Third, the board is required to do two things. One is to approve an operating budget annually, the other to approve a five year capital plan.

The garage will reopen on May 1 when the capital improvements to the garage have been completed. \$1.2 million in construction costs has been spent thus far, with some additional capital costs that need to be approved.

The resolution gives an estimated operating revenue of \$1.1 million for the remainder of the year. Today's approval is to expend the operating expenses that are related to the garage for rest of the year. The only spending item in the capital plan is \$250,000 to replace the revenue control equipment. Revenue control equipment will do two things: optimize utilization of the garage and significantly decrease operating costs. Most of this is expected to be funded by the initial deposit on the capital project, which came in below the estimates.

Ms. Thomas reviewed a slide that showed the cash flow and operating income for the Fountain Square South Garage.

Mr. San Marco inquired about number of spaces and the monthly rate.

Ms. Thomas replied there were 396 spaces in the garage, with 380 of those being monthly parkers. The monthly parking fee will increase from \$195 a month to \$205.

Mr. Luken asked to be reminded who the operator for the garage would be.

Ms. Thomas replied the operator would be SP+, formerly known as Central Parking.

Formal Action Requested – Before the Board today is proposed Resolution 2015-05 entitled:

A RESOLUTION APPROVING THE 2015 OPERATION BUDGET AND FIVE-YEAR PLAN FOR THE FOUNTAIN SQUARE SOUTH GARAGE

Motion: Mario San Marco moved to approve Resolution No. 2015-05. The motion was seconded by Shane Wright and was approved.

Ms. Thomas called attention to the Communities First Ohio Down Payment Assistance Program, announcing the program is up and running.

Mr. Hudson gave an update on the Communities First Ohio program, using slides to present and explain. A pipeline was displayed to explain the loan process. To date, there has been \$26 million of mortgage volume with 249 borrowers.

Through the end of March, the Port Authority is going to receive a little over \$140,000 in revenue from this program, surpassing the total revenue budgeted for the year of \$40,000.

Mr. Fisher asked who the recipients of these loans were. Mr. Hudson replied with borrower and loan statistics, including household incomes, loan size, and mortgage rates. 13 banks currently participate in this program. Mr. Hudson stated a current goal is to get more banks to participate to help the Port Authority grow this program.

Mr. San Marco asked what the incentive was for the banks to participate in this program.

Ms. Thomas indicated that all of these loans are government sponsored; this program is one way of using a government sponsored loan. This is also an electronic program with no physical paper, which is an advantage. Lender compensation is also attractive in this program.

8. FINANCIAL REPORT

Shane Wright

Budget Update

Operating income was favorable at \$35,000 to plan, driven by timing of spending. Non-operating income close to \$500,000 consists of \$540,000 of grant revenue from the City of Cincinnati related to the Fountain Square South Garage, less \$40,000 paid to the former operator as a grant expenditure.

Capital Grants are unfavorable due to timing.

Balance sheet shows \$8.8 million of the bond issuance, which shows up in long term debt. There is a \$6.2 million increase in cash, and a \$2.6 million increase in restricted cash.

Mr. Wright stated with respect to the Fountain Square South Garage, the accounting has been finalized, and the budget will be redone to include the garage with a target date of June to present to the board.

9. EXECUTIVE SESSION

Lynn Marmer stated that the Board would go into Executive Session.

Motion: Shane Wright made a Motion pursuant to Ohio Revised Codes 121.22.G (2) & 4582.58(C) to adjourn the meeting of the Board of Directors of the Port of Greater Cincinnati Development Authority and to enter into executive session for the purpose of considering the purchase of property for public purposes, and to discuss information relating to the relocation of an employer.

The motion was approved unanimously by roll call vote.

The Board adjourned into executive session at 8:55 a.m. The Board exited executive session and reconvened its Board of Directors meeting at 9:19 a.m. with roll call vote.

10. ADJOURNMENT

The April 8, 2015 Board of Directors meeting adjourned at 9:20 a.m.

Respectfully,



Laura N. Brunner
Secretary

