

Board Minutes



May 8, 2013 Board of Directors Meeting

The Taft Center at Fountain Square, 425 Walnut Street, 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
Greiwe, Rick	Jackson, Ed
Jacobs-Horton, Lydia	Marmer, Lynn
Robertson, Scott	Smith, David
Williams, Tom	Wright, Shane

Staff Present:

Basil, Will	Boggs Muething, Paula
Brunner, Laura	Hall, Darin
Johnson, Melissa	Karimi, Marjorie
Paul, Gail	Recht, Christopher
Robb, Deborah	Thomas, Susan

Guests:

Barrett, Maria – Port Financial Consultant	Craig, Judi – Parsons Brinckerhoff
Glynn, Meghan – Calfee Strategic Solutions	Herzner, Ann – City of Cincinnati (Quinlivan)
Kane, Scott – Squire Sanders Dempsey	Schulte, Skip – private citizen
Stephens, Samuel – City of Cincinnati	Wetterich, Chris – Cincinnati Business Courier

2. **WELCOME AND INTRODUCTIONS**

Mr. Budig welcomed guests and introduced Scott Robertson, the Port of Greater Cincinnati Development Authority's ("Port Authority") newest member of the Board of Directors recently appointed by the Hamilton County Board of Commissioners.

3. **APPROVAL OF MINUTES**

Mr. Budig asked Board members if there were any additions or modifications to the April 10, 2013 Board of Directors meeting minutes. Hearing none, he asked for a motion to adopt the meeting minutes.

Motion: Marty Dunn moved to adopt the minutes of the April 10, 2013 Board of Directors meeting. The motion was seconded by Lydia Jacobs-Horton and was approved unanimously.

4. **FINANCIAL REPORT**

Maria Barrett, Financial Consultant

March Financial Statements

The Port Authority billed and collected \$350,000 in operating grants from the City of Cincinnati.

- Included in accounts receivable is the 2013 operating grant of \$700,000 billed to Hamilton County in February. This money was collected in April. Financing fees for Kenwood (2013) and Cincinnati Mall (2012 & 2011) are also in accounts receivable.
- Capital contributions and development fees of \$156,543 and \$7,827, respectively, were received from the City in March.
- Jordan Crossing expenditures totaled \$2,022,311 at the end of March. These include pre-acquisition, acquisition and development stage costs that are specifically identifiable to the project. They are reported on the balance sheet under Noncurrent Other Assets. 93% of this amount has been received from the City in the form of Capital Contributions. The remainder is due to timing and will be collected in the future. Pursuant to the Development Agreement with the City, the Port Authority seeks reimbursement for some costs in advance.

The Board engaged in in-depth discussion regarding the Jordan Crossing project budget.

- The current balance in the Pre-acquisition Costs account represents costs for the Seymour Plaza project and will be moved to Real Estate Acquisitions when the closing occurs.
- Unrestricted cash totaled \$1,365,500 at the end of March, and total unrestricted net assets were \$2,070,000 or approximately 15% of total net assets.

Accounting Department Projects

- Plante Moran is currently on-site performing the 2012 audit. Work on the rest of the Port Authority's annual report is starting, including Management's Discussion and Analysis and footnote disclosures.
- The department will be performing a detailed review of budget vs. actual to identify permanent vs. timing differences in planned spending.
- Health and disability insurance renewals will be analyzed during the next month.
- Currently preparing the Hamilton County Landbank's first reimbursement request under the Moving Ohio Forward Demolition grant.

5. **BENCHMARKING SUMMARY**

Chris Recht, Associate Counsel

City of Pittsburgh / Allegheny County

- The City of Pittsburgh consists of 58 square miles; Allegheny County 745 square miles
- The City population is currently 300,000; County population of 1.2 million
- City unemployment rate currently sits at 7.1%

While Pittsburgh's population has slowly and steadily decreased over the past 20 years, its economy has outperformed its peers, particularly in the first decade of the new millennium. The City's transition from reliance on steel and manufacturing industries to an economy based on healthcare, technology, and education have allowed it to outperform most other major metropolitan areas during the recent recession. In 2008, while nationwide unemployment spiked by approximately 2%, Pittsburgh's unemployment rate fell by roughly 1%. The Greater Pittsburgh housing prices increased by 10% between 2006 and 2011, the highest appreciation of any of the country's 25 largest metropolitan areas. President Obama selected Pittsburgh as the host of the 2009 G-20 Summit, the premier convention for discussing and planning international economic cooperation, because the City served as a model for economic transformation in the United States and abroad. "This American city has found new opportunity...now we must connect that local innovation and ingenuity to a national strategy."

Port Authority of Allegheny County (PAAC):

The Port Authority of Allegheny County is a governmental authority with the mission of providing public transportation services throughout Pittsburgh and Allegheny County. It was created by the Pennsylvania General Assembly in 1956, and operates under Pennsylvania's Second Class Port Authority Act, which affords the PAAC many of the same powers as the Port of Greater Cincinnati Development Authority, but all in the furtherance of transportation. The PAAC's economic development efforts appear to be limited to bringing public transportation service to developing areas in the County.

Urban Redevelopment Authority of Pittsburgh (URA):

The URA is the City of Pittsburgh's economic development agency. Its mission is "to create jobs, expand the City's tax base, and improve the vitality of businesses and neighborhoods." The URA operates under the Commonwealth's Redevelopment Corporation Law Act of 1945, employs a staff of about 90 with an administrative budget of \$11 million, and is overseen by a five-member Board of Directors that includes an impressive roster of both public and private sector leadership. Its major efforts include assembling, preparing, and conveying sites for major mixed-use developments; providing a portfolio of programs that include financing for business location/relocation and expansion, housing construction and rehabilitation, and home purchases and improvements; and reclaiming thousands of acres of contaminated brownfield and riverfront sites. Between 2006 and 2011, the URA put forth \$87 million in direct investment that leveraged \$600 million in total project costs to create 3,716 new jobs and retain 691 existing jobs. Over the same period, the URA created 3,093 housing units from \$126 million in URA investment. Also of note, the URA maintains an aggressive inclusion policy, and 3CDC President & CEO Stephen Leeper is the former Director of the Department of Housing for the URA.

Allegheny County Economic Development (ACED):

ACED is Allegheny County's economic development agency. It is a branch of County government, and manages five separate divisions: Economic Development; Planning; Municipal; Residential; and Authorities. Six authorities and one non-profit board operate under the umbrella of the Authorities division:

- Allegheny County Authority for Improvements in Municipalities
- Redevelopment Authority of Allegheny County
- Allegheny County Industrial Development Authority
- Allegheny County Higher Education Building Authority
- Allegheny County Hospital Development Authority
- Allegheny County Residential Finance Authority
- Allegheny County Economic Development Community Infrastructure and Tourism Board

The Authorities have no employees; the ACED Director is the Director of each of the Authorities, and ACED staff manages the day-to-day operations. ACED's principal role is one of coordination and funding. In 2008 alone, ACED issued \$1.3 billion in bond, grant, and loan financing. Allegheny County has budgeted nearly \$8 million, or 1% of the annual budget, for ACED operations in 2013.

Regional Industrial Development Corporation (RIDC):

RIDC is a private non-profit organization that performs a range of real estate development activities to achieve its mission of creating and retaining high-quality jobs. These activities include the development, financing, and leasing of new and redeveloped buildings. RIDC takes a comprehensive approach to working closely with entrepreneurs and businesses, from conceptual design through completion and occupancy. Services offered include site selection, facility design, construction management, financial packaging, and property management. RIDC was initially funded through a combination of foundation grants, private donations, and government sources.

Key takeaways from this benchmarking summary:

- (1) Maintaining a well-diversified industry base is critical to withstanding economic downturns and achieving long-run economic stability.
- (2) ACED offers an intriguing model: an umbrella entity managing an arsenal of authorities that can determine how best to deploy the powers of each authority given a specific set of circumstances.
- (3) The dual existence of the URA as the City's economic development agency and ACED as the County's economic development agency may give rise to overlaps and communication difficulties, especially since both entities undertake projects within the City.
- (4) RIDC serves an important function for Pittsburgh in addressing large-scale industrial redevelopment. It is worth considering whether opportunity exists for the PGDA or a non-profit entity to fill a similar role in Cincinnati and Hamilton County.

6. REAL ESTATE DEVELOPMENT

Darin Hall, VP of Real Estate Development

Jordan Crossing

Darin Hall provided a Power Point presentation to the Board that included pertinent data from the Seymour/Reading Economic Impact Study conducted by University of Cincinnati. Following is the report summary for Jordan Crossing:

Since the April 10 Board of Directors meeting, the Port Authority has been working diligently to finalize the site plan for the Jordan Crossing project site. A key element of this diligence is testing validity of the assumptions used in developing the plan to ensure that what is proposed is well designed, attractive to end users, financially feasible, and desired by the community.

On April 17th the Port Authority met with commercial, residential, retail, and industrial brokers from Cassidy Turley to get their reaction to the draft site plan. The brokers thought that the plan was generally well conceived and viable. The brokers liked the concept of a mixed-use development with green space, parking, and a community square and also agreed that attracting a grocery store to the site would be difficult, and that it would be important to maintain flexibility as pads are marketed.

On April 30th the site plan was presented to the City's Strategic Growth Committee at the Hamilton County Community Action Agency in Bond Hill. In attendance were approximately 40 people including City Council members Laure Quinlivan (chair), Wendell Young, Yvette Simpson, and Chris Seelbach. Reaction to the plan was positive and both the Council members and community were happy with the Port Authority's community engagement and inclusion efforts so far. Several community members inquired about jobs and opportunities for existing businesses to be located in the new development.

On May 7th the Port Authority presented the site plan to a broader group of brokers and developers at Maketewah Country Club to get their thoughts and reactions to the plan. MKSK, the site planning firm, will incorporate the feedback into the final version of the site plan which is expected to be completed by the end of May.

The goal is to select the demolition contractor and begin property remediation in June and begin demolition in August and demolition completed by the end of the year. Marketing of the site will be ongoing.

The Board engaged in an in-depth discussion about the project site and development plans.

Seymour Plaza

Due diligence continues on the Seymour Plaza site. The Port Authority expects the Phase I Environmental and Asbestos Inspection Report to be completed and delivered by May 24th which allow for a June closing.

Queensgate

The Port Authority continues to explore opportunities to assemble sites that set the stage for future economic development in Queensgate. Queensgate's major advantages is its close

proximity to river, highways, and rail lines, in addition to close proximity to the Metropolitan Sewer District's (MSD) water treatment plant.

On April 29th the Port Authority met with MSD to explore the feasibility of marketing the area to industries that are heavy users of water. The Port Authority will continue to explore that option.

On April 30th the Port Authority met with Martha Kelley and Reggie Victor from the City of Cincinnati's Department of Transportation and Engineering to understand what changes to roads and rail lines might be possible in anticipation of the Transportation study being developed by Martin and Associates.

7. PRESIDENT'S REPORT

Laura Brunner

Project Summary Reports

The following summary reports were also provided to the Board of Directors:

- Community Revitalization (Paula Boggs Muething)
- Public Finance (Susan Thomas)
- Transportation and Logistics (Melissa Johnson)
- Inclusion and Community Relations (Deborah Robb)
- Communication Strategy (Gail Paul)

The goal of future Board meetings is to move toward providing Board members with more concise and strategic information and conversation.

One-on-one meetings with Board members and Laura Brunner have been scheduled over the next few weeks to get Board members' feedback on the progress the Port Authority is making, etc. The past year has been spent getting the Port Authority team hired and focused on the 2014 Strategic Plan. The work that needs to be done now is to ensure there is enough engagement from the Board of Directors weighing in and providing diverse areas of expertise and talent.

Leadership Conference, Washington, DC

Laura Brunner attended the Leadership Certificate for Nonprofit CEOs conference May 2 – 3 which was held in Washington, DC. The conference focused on governance of nonprofit Boards; and as mentioned in the Chair's opening remarks, there is opportunity to move toward more of a shared governance operating model.

Jordan Crossing Project

Kelly Kolar, Kolar Design 21, has been engaged in the branding efforts of the former Jordan Crossing site. A couple clients of mention are 3CDC and Procter & Gamble. Included in this branding effort are the name, way finding and how the "story" is conveyed moving forward. During a meeting with the Port Authority held May 3, Ms. Kolar brought to attention the color scheme and similarity of all the economic development organizations within the City, such as the Cincinnati USA Regional Chamber, 3CDC, Uptown Consortium, Downtown Cincinnati, Inc.

(DCI), etc. Starting with the revamping of the Port Authority's website, the Port Authority will subtly begin to incorporate the common color scheme. The website may be available by the time of the June 12 Board meeting to show how the colors have been incorporated.

Landbank Tools

The Port Authority is increasingly having conversations about the way in which the Port Authority can collaborate and use the tools of the Landbank on larger commercial projects. The Landbank tools have been used on the former Jordan Crossing site, which saved the Port Authority approximately \$750,000 in taxes.

Additionally, through the work being done with U.C. and other local brokers and developers, the Port Authority is looking at some of the larger "broken" sites within the County and contributing to creative thinking about ways to use these tools more proactively.

Tower Place Mall

Tower Place Mall and Pogue's Garage were both purchased by the City of Cincinnati. Tower Place Mall will be redeveloped into a parking garage. This property was approximately \$700,000 in delinquent taxes and was costing the owner \$800,000/year to manage. The Landbank will accept this property and transfer the title and property to Brook Lane Holdings, LLC, which is an affiliate of JDL Warm Construction Company.

Therefore, using the Landbank tools, the Port Authority has been able to subsidize this transaction without public funds going into this project. JDL Warm Construction will transform the property into a public garage which is a \$5 million conversion.

Pogue's Garage will be torn down and redeveloped by the City.

8. CHAIRMAN'S REPORT

Otto Budig

New Board of Directors Meeting Location

Otto Budig directed that a letter of thanks be provided to the managing partner of The Taft Center at Fountain Square thanking them for the use of space for the Port Authority's Board of Directors' meetings. The Taft Center has committed use of the space through the end of the year gratis.

Tri-State Regional Workplace Inclusion Award

The Tri-State Regional Workplace Inclusion Award recognizes those corporations, businesses, organization and collaborative partnerships that foster an inclusive work environment in which all employees are inspired to contribute their best through different perspectives, backgrounds, beliefs, and experiences.

The award recognizes organizations and/or companies who have been a role model in their local community as a strong advocate for inclusion and diversity. The inaugural Tri-State Regional

Workplace Inclusion Award was presented during the BRIDGES for a Just Community's Annual Dinner on May 2, 2013.

The Port of Greater Cincinnati Development Authority was a recipient of this prestigious award. Mr. Budig recognized and thanked Deborah Robb noting that she has been instrumental in the Port Authority's inclusion efforts, including her consulting role to the Greater Cincinnati/N. Kentucky African American Chamber of Commerce and the Horseshoe Casino.

Executive Session

Beginning with the June 8 Board of Directors meeting, Executive Session will be a standard agenda item. If necessary, any Board of Directors member can call for Executive Session within the framework of discussion matters and will meet without guests and staff.

9. ADJOURNMENT

Motion: Lynn Marmer moved to adjourn the Port of Greater Cincinnati Development Authority May 8, 2013 Board of Directors meeting. The motion was seconded by Marty Dunn and was approved unanimously.

The May 8, 2013 Board of Directors meeting adjourned at 9:12 a.m.

Respectfully,



Laura N. Brunner
Secretary