



BOARD MEETING MINUTES
Wednesday, June 13, 2012, 8:00 AM
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 8:00 a.m.

BOARD MEMBERS PRESENT:

Budig, Otto
Dunn, Marty
Handy, Clark
Jacobs-Horton, Lydia
Marmer, Lynn
Smith, David

EXCUSED:

Greiwe, Rick
Williams, Tom
Wright Shane
Zimmer, Joe

STAFF:

Brunner, Laura
Boggs Muething, Paula
Hall, Darin
Johnson, Melissa
Karimi, Marjorie
Robb, Deborah
Thomas, Susan

GUESTS:

Barrett, Maria – Finance Consultant
Bomberger, Jeff – Squire Sanders Dempsey
Ducro, Tom – UC Health
Hankinson, Holly – City of Cincinnati, Councilmember Yvette Simpson
Hinds, Rick – UC Health
Patrick, Ashley – City of Cincinnati, Councilmember Laure Quinlivan
Selak, Robert – Thompson Hine
Woodside, Pat – Frost Brown Todd

2. WELCOME AND INTRODUCTIONS

Mr. Budig acknowledged and welcomed guests.

3. APPROVAL OF MINUTES

Mr. Budig asked Board members if there were any additions or modifications to the May 14, 2012 Board of Directors meeting minutes. Hearing none, he asked for a motion to adopt the meeting minutes.

Motion: Clark Handy moved to adopt the minutes of the May 14, 2012 Board of Directors meeting. The motion was seconded by Marty Dunn and was approved unanimously.

4. PUBLIC FINANCE

Oakley Station

Susan Thomas provided an update on the Oakley Station project located behind the Center of Cincinnati on Madison Road. The Port Authority's role is to issue bonds backed by tax increment financing and special assessments of which the proceeds would be lent to the City of Cincinnati for the construction of roads and associated infrastructure.

The bonds, which are limited transfer bonds, will not be publically sold and will be bought by an affiliate of the developer. There is a possibility the bonds can be refinanced but would cause a significant change in the structure of the bonds. The private placement will be done by Ross Sinclair.

Formal Action Requested – Before the Board today is a proposed resolution for authorization to issue the bonds. The title is:

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF SPECIAL OBLIGATION DEVELOPMENT REVENUE BONDS, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$6,835,000, BY THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY TO PROVIDE FOR COSTS OF ACQUIRING, CONSTRUCTING, INSTALLING, EQUIPPING AND IMPROVING "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.21, OHIO REVISED CODE, IN COOPERATION WITH THE CITY OF CINCINNATI, OHIO; AUTHORIZING EXECUTION AND DELIVERY OF A COOPERATIVE SPECIAL DISTRICT FINANCING AND REDEVELOPMENT AGREEMENT WITH THE CITY AND USS REALTY, LLC, AND RELATED AGREEMENTS, INSTRUMENTS AND DOCUMENTS TO PROVIDE REVENUES TO PAY BOND SERVICE CHARGES AND OTHER REQUIRED PAYMENTS AND TO ESTABLISH REQUIREMENTS APPLICABLE TO THE ISSUANCE OF THE BONDS, IMPLEMENTATION OF THE PROJECT AND RELATED MATTERS; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE AND RELATED AGREEMENTS, INSTRUMENTS AND DOCUMENTS TO SECURE THE PAYMENT OF BOND SERVICE CHARGES AND RELATED PAYMENTS; AUTHORIZING EXECUTION AND DELIVERY OF A PLACEMENT AGREEMENT PERTAINING TO THE SALE AND DELIVERY OF THE BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS.

After discussing the matter, the Board moved to approve Resolution No. 2012-05.

Motion: Clark Handy moved to approve Resolution No. 2012-05 authorizing the Port Authority to issue and sale special obligation development revenue bonds. The motion was seconded by Lynn Marmer, and was approved unanimously.

UC Health

Susan Thomas reported that UC Health and The Drake Center approached the Port Authority to be a conduit issuer for tax-exempt debt. The use and proceeds will be used to refinance previously refinanced debt and debt incurred when UC Health purchased The Drake Center from Hamilton County. This debt is nonrecourse to the Port Authority and will be a true conduit debt as the Port Authority will not own anything. The debt is repayable by The Drake Center, Inc. This deal would be most comparable to the debt the Port Authority issued to the Cincinnati Zoo and Sisters of Mercy. The bonds are expected to close by the end of the month.

Formal Action Requested – Before the Board today is a proposed resolution for authorization to issue the bonds. The title is:

A RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$30,000,000 OF PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY ECONOMIC DEVELOPMENT REVENUE BONDS, SERIES 2012 (DRAKE CENTER PROJECT) IN ORDER TO ASSIST DRAKE CENTER, INC. IN REFINANCING A PORTION OF DEBT PREVIOUSLY INCURRED, THE PROCEEDS OF WHICH WERE USED TO REFUND THE COUNTY OF HAMILTON VARIABLE RATE HOSPITAL FACILITIES REVENUE BONDS, SERIES 1999A (DRAKE CENTER, INC.), SUCH BONDS BEING ORIGINALLY ISSUED TO FINANCE IMPROVEMENTS OF CERTAIN FACILITIES OWNED BY DRAKE CENTER, INC., AND TO PAY THE PURCHASE PRICE OF CERTAIN FACILITIES PREVIOUSLY LEASED TO DRAKE CENTER, INC. BY THE COUNTY OF HAMILTON, OHIO; PROVIDING FOR THE ASSIGNMENT OF REVENUES FOR THE PAYMENT OF THE BONDS; AUTHORIZING A LOAN AGREEMENT WITH RESPECT THERETO; AND AUTHORIZING AN INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND FURTHER TO SECURE THE PAYMENT OF THE BONDS; AND AUTHORIZING A BOND PURCHASE AGREEMENT, A TAX REGULATORY AGREEMENT AND SUCH OTHER DOCUMENTS AND ACTIONS WITH RESPECT THERETO.

After some discussion, the Board moved to approve Resolution No. 2012-06.

Motion: Marty Dunn moved to approve Resolution No. 2012-06 authorizing the Port Authority to issue up to \$30,000,000 economic development revenue bonds. The motion was seconded by Lynn Marmer, and was approved unanimously.

Kenwood Towne Place

Susan Thomas reported that the Port Authority continues to be involved in litigation with regard to Kenwood Towne Place with Squire Sanders Dempsey (SSD) being the counsel of record. An issue has arisen regarding a conflict with SSD due to other business and it is unable to represent

the Port Authority. The Port Authority needs to hire additional counsel to represent it on this limited matter.

In consultation with the Port Authority's general counsel, the Port Authority has identified counsel who is willing and able to represent the Port Authority. The proposed amount of this engagement is in excess of \$25,000.00, and, therefore requires signature authority for the Port Authority president to enter into an agreement to hire counsel to represent the Port Authority on this matter.

Formal Action Requested – Before the Board today is a proposed resolution for authorization to enter into an agreement with Richard Ganulin, Esq. The title is:

A RESOLUTION AUTHORIZING THE AGREEMENT BETWEEN THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY AND RICHARD GANULIN, ESQ.

After some discussion, the Board moved to approve Resolution No. 2012-09.

Motion: David Smith moved to approve Resolution No. 2012-09 authorizing the Port Authority president to enter into an agreement for additional legal counsel. The motion was seconded by Lydia Jacobs-Horton, and was approved unanimously.

5. TRANSPORTATION AND LOGISTICS

Melissa Johnson reported that the Port Authority's Transportation and Logistics program is moving forward. Ms. Johnson attended a maritime economic workshop in New Bedford, Massachusetts the latter part of May. This workshop proved to be not only educational, but afforded Ms. Johnson to take away some conceptual ideas from other ports throughout the United States including how they function, what do they do, and gaining some ideas on advancing larger concepts and how they would apply.

Over the past several weeks, the Port Authority has spent a lot of time organizing the Transportation and Logistics program by putting some structure around the initiative. A handout was provided to the Board outlining the audit, assessment and action plan. The Port Authority has met with local terminal operations who have stated that transportation marketing is an obvious and big need, and have offered to assist in the marketing of the Ohio River and its resources.

Stemming from conversations with the U.S. Army Corps of Engineers (USACE) and the Northern Kentucky Port Authority concerning the river reach re-designation, the Transportation Working Group (TWG) discussed that a regional port would be most beneficial and that merited further investigation as there are a lot of models across the states that can be looked at.

The TWG also discussed the Port Authority's participation with the Brent Spence Bridge which will continue to be assessed.

Additionally, the Port Authority is working with Central Ohio River Business Association (CORBA), which includes private operators and volunteers, work with OKI on formulating the

strategic document, as well as work with some consultants and port authorities to focus on river, road, rail, supply chain and real estate.

U.S. Army Corps of Engineers (USACE)

Brought before the Board is a resolution concerning the USACE and the re-designation of the port of Cincinnati. The Port Authority is prepared to move forward in providing a non-binding letter of intent which would facilitate the negotiation of the Planning Assistance to States Program agreement (PAS), and would identify funds available to actually perform the strategic and economic analysis of the impacted counties and justification of expending the port designation. The USACE identified up to \$200,000.00 cost estimate of which they would share half. The Port Authority is requested to commit up to \$100,000 of non-federal funds.

Identifying this initiative and its benefits to other parties outside of Hamilton County which include Northern Kentucky and other partners to the east and west, the Port Authority has approached the Northern Kentucky Port Authority to consider sharing the cost of the \$100,000.00 of which they have been receptive and we have received verbal commitment to a third of the \$100,000.00. The Port Authority will continue discussion to expand that commitment to a fifty percent cost share. There may be other organizations who may consider sharing costs as well in order to drive the cost down.

The Port Authority has discussed with the Northern Kentucky Port Authority that the application would be a joint effort from the very beginning.

Formal Action Requested – Before the Board today is a proposed resolution for the Port Authority to enter into an agreement with the USACE for a cost share study. The title is:

RESOLUTION AUTHORIZING THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY TO ENTER INTO AN AGREEMENT WITH THE U. S. ARMY CORP OF ENGINEERS FOR A COST SHARE STUDY THROUGH THE PLANNING ASSISTANCE TO STATES PROGRAM FOR THE RE-DESIGNATION OF THE BOUNDARIES OF THE PORT OF CINCINNATI.

After discussing the matter, the Board moved to approve Resolution No. 2012-07.

Motion: Clark Handy moved to approve Resolution No. 2012-07 authorizing the Port Authority to enter into an agreement for with the USACE. The motion was seconded by Marty Dunn, and was approved unanimously.

6. REAL ESTATE DEVELOPMENT

Darin Hall reported that over the past week the Port Authority has been working on the Corinthian Baptist Church (Church) project. As of last Friday, the Port Authority delivered an offer to purchase the property, which considered terms of which the Church expressed concern. The Port Authority is aware the Church held a meeting upon delivering the offer, but there has been no formal response as yet. It is anticipated negotiations will be ongoing for the next several days before a final and signed commitment has been reached.

The Port Authority has been engaged with and scheduled meetings with the broker community to discuss the properties of which the Port Authority has focus and economic development tools that will spur job creation and economic development within the city and county.

The next project the Port Authority will embark upon will be the Jordan Crossing site, which is also located in the Bond Hill area.

7. REAL ESTATE REUTILIZATION

Paula Boggs Muething reported that the Attorney General settlement funds, Moving Ohio Forward, was part of a \$25 billion settlement with top mortgage servicers, of which Ohio's allotment was approximately \$300 million. The Ohio AG has designated \$75 million to counties throughout Ohio for residential demolition. Hamilton County received \$5.8 million of which \$5.3 million of matching funds needing to be raised. The Port Authority, as management company for the Hamilton County Land Reutilization Corporation (Landbank), has been busily fundraising as the application is due on June 30. The Landbank will apply for the entire amount which will be a total of \$11.1 million for demolition for Hamilton County of which all funds would need to be spent by December 2013.

To date, the landbank has received commitments from the City of Cincinnati, Colerain Township, Elmwood Place, Golf Manor, North College Hill and Loveland. Jurisdictions are to provide demo-ready residential properties, along with a prioritization and identification of how they have control of the property. The HCLRC Board voted to allow the Landbank to borrow up to \$2 million against the DTAC funding stream to allocate toward this program, as well.

Other activities the Landbank has focused on:

- The Port Authority has brought on a law clerk, at no cost to the landbank, to advance the programming activities of the Landbank;
- A blog has been established that lists properties that are coming up for Sheriff's Sale of which information has been gathered from several different public sites, including photos, parcel number, etc. This blog will be linked to the Port Authority's website;
- A proforma is being developed based on information from Cuyahoga and Lucas counties;
- Finalization of applications for qualified end-user/purchaser and Lot-to-Yard program;
- Continual community and contractor outreach communicating what the Landbank can do and what those tools and opportunities are.

To date, most property acquisitions have been from the forfeited land list sale which occurs once per year. Five parcels are from the City of Cincinnati, one of which is for Integra which it is hopeful that 60 jobs would be added to the region; a property in North Avondale, properties for Citirama, parcels obtained for the University of Cincinnati that are adjacent to their Victory Parkway campus, and approximately 30 parcels for Metropolitan Sewer District for the Lick Run project.

Three additional properties were obtained through the tax foreclosure process of which county property taxes that outweighed the actual value of the property. These properties will go to 3CDC, of which as a result of the tools of the landbank, they will be able to redevelop these properties.

8. FINANCIAL REPORT

Laura Brunner introduced Maria Barrett, the Port Authority's new financial consultant who will be providing accounting and financial analysis to the Port Authority as Ray Schafer retired the end of May 2012.

Maria Barrett reported that the Port Authority expects to receive \$500,000 for the Landbank at the end of the month. The Finance Working Group (FWG) met May 22 to review the revised budget for 2012 and an annualized budget to ensure that the Port Authority would be operating at a surplus, which it currently is.

There is a reallocation between expense categories and an overall increase in operating expenses of \$366,000, which is primarily due to salaries and related benefit and because the operation of the Landbank was not in the original budget. On the revenue side, there was an increase of \$588,000 from the original appropriations.

Formal Action Requested – Before the Board today is a supplement to the appropriations resolution that was adopted in December 2011. The title is:

**SUPPLEMENT TO APPROPRIATIONS RESOLUTION ADOPTED ON
DECEMBER 14, 2011 BY THE BOARD OF DIRECTORS OF THE PORT OF
GREATER CINCINNATI DEVELOPMENT AUTHORITY FOR THE FISCAL
YEAR JANUARY 1, 2012 THROUGH DECEMBER 31, 2012.**

After discussing the matter, the Board moved to approve Resolution No. 2012-08.

Motion: Lynn Marmer moved to approve Resolution No. 2012-08 approving the supplement to appropriations resolution adopted on December 14, 2011 for the fiscal year January 1, 2012 through December 31, 2012. The motion was seconded by Lydia Jacobs-Horton, and was approved unanimously.

9. PRESIDENT'S REPORT

Operational Update

Laura Brunner reported that the full Port Authority is now in place, including the start of two additional staff, the graphic design co-op student and associate counsel. The associate counsel, Chris Recht, will round out the Landbank and general counsel functions.

The Port Authority is entering into final negotiations for its office move which was approved during the May Board meeting. The office move is anticipated to occur by the end of the summer.

The Port Authority's health insurance plan has changed and will become effective July 1, 2012. This change moves the plan from a traditional 100% employer paid benefit to a Health Savings Account which employees share with cost. Staff was supportive and accepting in their role in being responsible consumers with their healthcare. Additionally, compensation for staff

members is being reviewed as in the past, healthcare benefits have been a major part of compensation.

The Port Authority has been asked by Jason Williams, reporter with The Enquirer, to meet with their editorial board which is planned in early July. Part of Jason Williams' beat is the Port Authority and it is anticipated there will be more coverage of the activities of the Port Authority. Additionally, Gail Paul, the Port Authority media consultant and currently working on Darin Hall's press release, will be working with Jason on positive and informative media coverage.

Strategic Update

During the Board meeting summer hiatus the Port Authority will be working on its strategic plan will have a draft of the strategic document to bring before the Board for its consideration. The strategic document will be balanced between score-carding, measurement and strategy.

Monthly meetings have been scheduled with each team member to work on individual goals and team effort to roll those goals into clear articulation into the strategic document for a scope for the next 13 – 14 months.

10. CHAIRMAN'S REPORT

There was nothing reported at this time.

11. ADJOURNMENT

Motion: Clark Handy moved to adjourn the Board of Directors meeting at 9:10 a.m. The motion was seconded by David Smith, and was approved unanimously.

Respectfully,



Laura N. Brunner

Secretary