

## Board Minutes



Port of Greater Cincinnati  
DEVELOPMENT AUTHORITY

### September 7, 2016 Board of Directors Meeting

The Taft Center at Fountain Square, 425 Walnut Street, Cincinnati, OH 45202

#### 1. **CALL TO ORDER**

Charlie Luken called the Port of Greater Cincinnati Development Authority Board of Directors meeting to order at 8:00a.m.

##### **Board Members Present:**

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

##### **Staff Present:**

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

##### **Guests:**

Schulte, Skip – Citizen	Weckbach, Jeff – Hamilton County
Wallace, Jeff - TranSystems	Kimball, Steve – Emersion Design

#### 2. **WELCOME AND INTRODUCTIONS**

Mr. Luken welcomed the Board members and the guests.

#### 3. **APPROVAL OF MINUTES – June 15, 2016**

Mr. Luken asked the Board members if there were any additions or modifications to the June 15, 2016 Board of Directors meeting minutes. Hearing none, he asked for a motion to adopt the meeting minutes.

**Motion:** Ed Jackson moved to adopt the minutes of the June 15, 2016 Board of Directors Meeting. The motion was seconded by David Smith and was approved unanimously.

#### 4. **PRESIDENT'S REPORT**

*Laura Brunner*

Ms. Brunner called attention to the score card included in the board materials, mentioning work would begin on the 2017 metrics. Ms. Brunner stated Susan Thomas had been accepted into Leadership Cincinnati, and reminded the board of the upcoming WULCO Ribbon cutting event.

**5. INDUSTRIAL REVITALIZATION**

*Melissa Johnson*

Ms. Johnson gave a brief update on the Industrial Revitalization Strategy. Using slides, Ms. Johnson highlighted the two newest properties; 2100 Section Road and the Cincinnati Gardens, which comprise 75 acres and 1 million square feet of industrial space. The transactions were 30 days apart and totaled 10 million dollars.

Ms. Johnson reviewed the status of each project and expectations for completion. Ms. Brunner reviewed some of the items being saved from the Gardens, and the plans to salvage them. Ms. Johnson confirmed there is salvage value from the structure itself.

**6. NEIGHBORHOOD REVITALIZATION**

*Darin Hall*

Mr. Hall provided a brief update of progress that took place over the summer. Mr. Hall began with a review of the MidPointe project. A proposal has been submitted to the GSA for the site to be considered for a potential new location for NIOSH. If accepted the building would be located on 15 acres of the site and bring an estimated 500 jobs to the area. The board asked questions about the project and the corresponding lobbying efforts, all of which Mr. Hall answered to the board's satisfaction.

Mr. Hall informed the board of a tour of Bond Hill & Roselawn that was conducted by Mr. Hall and Ms. Brunner for the Mercy Health System. Mr. Hall stated that the Port and Mercy Health are mission-aligned for improvement of the area.

Mr. Hall stated that the buildings acquired in the Bond Hill Business District have been demolished and plans have been reviewed for the now available space.

Mr. Hall reviewed TechSolve II, and stated its redevelopment was nearly complete. In the previous month, 8.65 acres of area were sold to WULCO, which will result in a 100 square-foot new building. WULCO already owns two buildings in the original TechSolve I Business Park. The board was reminded of details for the upcoming ground breaking for the new building.

Mr. Hudson informed the board that Ms. Brunner had been successful in negotiations with the City to remove the clause in the renegotiated redevelopment services agreement requiring a refund of 20% of the income when the Port Authority sells a property related to that agreement. The financials will show a reversal of \$600,000 as a result.

**7. PUBLIC FINANCE**

*Todd Castellini*

Mr. Castellini reviewed slides with the board that highlighted the state of the Public Finance business line. Public Finance is one of the three pillars of the Strategic Plan, and is doing very well. The Port Authority has had 7 transactions that included bond funds in 2016, totaling in \$591,000 in net revenue. More projects involving lease-only transactions brought in \$550,000 net revenue.

Mr. Castellini gave some general background information about the projects the Port Authority has financed in 2016. Since the Port Authority's inception in 2000, there have been 33 transactions to date. Of those, 10 have been in 2016.

Mr. Castellini informed the board that the current deal pipeline is robust with three actively engaged projects, another sixteen active with several very close to becoming actively engaged, and a further 31 projects in a speculative state.

Mr. Castellini stated 2016 was budgeted for net fees of \$258,000, to date it stands at \$1.1 million of net collected one-time fees.

The board asked questions about the various funds and transactions, all of which were answered to the board's satisfaction.

**8. CONTRACTING PROCESS**

*Chris Recht*

Mr. Recht stated before the board today were two resolutions pertaining to Port Authority contracting. Historically, bids have been reviewed on a project by project basis, and as the Port Authority executes its Industrial and Targeted Neighborhood Redevelopment strategies it makes sense to establish a process as a whole to determine that contractors are all on a level playing field, and that the work being done maintains the highest quality required for the projects.

Interested contractors would be invited to participate in the pre-qualification process, which will then be vetted by the Port Authority. When projects arise, the Port Authority will contact the pre-established list. When bids are received they will be awarded using a lowest and best standard. One of the resolutions applies to the Industrial Strategy, the other to the Neighborhood Strategy.

The board asked questions about the resolutions, all of which Mr. Recht answered to the board's satisfaction.

**Formal Action Requested** – Before the Board today is proposed Resolution 2016-20 entitled:

**RESOLUTION NO. 2016-20**

**RESOLUTION DETERMINING THE MANNER OF ENTERING INTO CERTAIN CONTRACTS PURSUANT TO OHIO REVISED CODE SECTION 4582.31(A)(18)(e)(i) PERTAINING TO THE CONSTRUCTION, MAINTENANCE, REPAIR, FURNISHING, OR EQUIPPING OF PROPERTY IN FURTHERANCE OF THE PORT AUTHORITY'S INDUSTRIAL REVITALIZATION STRATEGY**

**Motion:** Lynn Marmer moved to approve Resolution 2016-20. The motion was seconded by Lydia Jacobs-Horton and was approved by all.

**Formal Action Requested** – Before the Board today is proposed Resolution 2016-21 entitled:

**RESOLUTION NO. 2016-21**

**RESOLUTION DETERMINING THE MANNER OF ENTERING INTO CERTAIN CONTRACTS PURSUANT TO OHIO REVISED CODE SECTION 4582.31(A)(18)(e)(i) PERTAINING TO THE CONSTRUCTION, MAINTENANCE, REPAIR, FURNISHING, OR EQUIPPING OF PROPERTY IN FURTHERANCE OF THE PORT AUTHORITY'S TARGETED NEIGHBORHOOD INVESTMENT STRATEGY**

**Motion:** Lydia Jacobs-Horton moved to approve Resolution 2016-21. The motion was seconded By Mario San Marco and was approved by all.

**9. FINANCIAL REPORT**

*Rick Hudson*

**Budget Update**

Mr. Hudson stated revenues year-to-date were \$4.3 million versus budget of \$3.8 million, creating 13% favorability and \$500,000 variance.

Operating expenses actual year-to-date were \$2.2 million versus plan of \$2.3 million, creating a \$300,000 favorable-to-expense budget.

Operating income was a total of \$2.1 million, \$800,000 favorable to plan.

Mr. Hudson reviewed Fountain Square South garage which is following very close to plan.

The balance sheet showed a big increase in assets held for resale; this is the result of the industrial purchases under the Strategic Plan.

Mr. Hudson stated the Port Authority audited financial statements have been submitted to the Auditor of State, whose approval is expected in October.

**10. STRATEGIC PLAN FUNDING**

*Laura Brunner & Susan Thomas*

Ms. Brunner started with a brief review of how the strategic planning process has evolved, focusing on the five initiatives that were prioritized.

Ms. Thomas called attention to the Financing and Funding Strategy with the board, with a projected \$250 million needed for the Strategy over the next seven years. Ms. Thomas reviewed the four sources of capital needed that have been identified: Public Funds; Philanthropy; Bank Financing; and Impact Investments.

Ms. Thomas reviewed Mission Investments, broken down into two types of investments that are made by foundations to further philanthropic goals. Mission Related Investments take the principle and invests it for impact, and Program Related Investments that are designed to achieve specific program objectives.

Ms. Thomas reviewed Impact Investments and the four characteristics that define them. Ms. Brunner stated the Port Authority is in conversations with a number of local organizations with the objective of raising the awareness about Mission and Impact Investing.

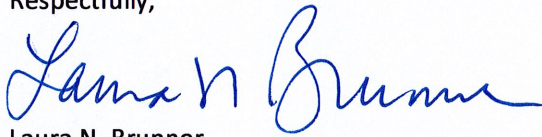
Ms. Brunner reviewed the funding process to-date with a breakdown of the results, totaling \$69 million between loans and grants since 2012.

The Board discussed and asked questions about the plan and funding, all of the questions were answered to the board's satisfaction.

**11. ADJOURNMENT**

The September, 2016 Board of Directors meeting adjourned at 9:10 a.m.

Respectfully,



Laura N. Brunner  
Secretary