

Annual Report 2001-2002

P L A N N I N G

& B U I L D I N G

F O R F U T U R E

G E N E R A T I O N S



Port of Greater Cincinnati
Development Authority

Port of Greater Cincinnati Development Authority

In the latter part of 2000, the City of Cincinnati, Ohio and Hamilton County, Ohio collaborated to create the Port of Greater Cincinnati Development Authority. This new entity would reconstitute an existing port authority that the two governments had formed earlier to spearhead the redevelopment of brownfield sites.

Our newly created Port Authority was given a dual mission of overseeing The Banks Central Riverfront Project envisioned by the City, the County, and the Riverfront Advisors Commission, as well as continuing the brownfield redevelopment activities of our predecessor agency.

Thus, we began our mission with a vision for a strong, vibrant Greater Cincinnati Region and rich opportunities to plan and build on economic development successes for future generations.

Our Mission

The mission of the Port of Greater Cincinnati Development Authority is two-fold:

- It is charged with the implementation of the Central Riverfront Urban Design Master Plan for the mixed-use redevelopment of Cincinnati's Central Riverfront Area, commonly referred to as "The Banks."
- It is also charged with facilitating the redevelopment of properties in Hamilton County that are environmentally contaminated or perceived to be contaminated and are now vacant, abandoned, idle or underutilized due to the real or perceived contamination.



To the Greater Cincinnati Community,

The past year has been a very active one for the Port of Greater Cincinnati Development Authority. For while we are only two years old, we have matured and grown, demonstrating the important role that a port authority can play in encouraging and implementing economic development in our region.

In Ohio, port authorities are a unique tool for economic development, and we are confident that the Port of Greater Cincinnati Development Authority will grow and contribute in the same way that other port authorities have done in their regions throughout the state.

We continue to make progress in setting the stage for The Banks development. We have taken the bold step forward in these first two years to seek nationally prominent firms for this important development project. The result has been that we have attracted a great pool of national development talent interested in the project. Despite current economic conditions, we are confident that in the not-too-distant future, everyone's vision of a totally revitalized and active riverfront will become a reality.

In this annual report, we outline the progress we are making on seven brownfield projects that have the potential to generate 1,400 new jobs and leverage \$190 million in private sector investments. This work demonstrates our continued efforts to place neighborhood properties back into productive use and illustrates many of the different ways that a port authority can encourage and efficiently move projects forward.

An economic inclusion policy – the concept that all races, ages and genders are afforded the opportunity to participate in all phases of Port Authority projects – has been adopted by our board. It is a forward-looking approach to the way development takes place in our region. I am extremely proud of the position that the Board has taken in regard to this issue. And the good news is, we have already made progress in this area. Through our small business networking sessions, we have reached out to small businesses and developed a pool of minority contractors who are highly interested in The Banks project.

Finally, I want to thank the very small staff of the Port Authority who have literally done the work of a much larger staff in a cheerful and competent manner. Like the Board, Tim Sharp and Kim Satzger realize that we are in the “entrepreneurial phase” of our growth and development. And of course I thank my colleagues on the Board, many of them former Riverfront Advisors, who believe in the dream of our region and who have committed themselves to evolving the Port of Greater Cincinnati Development Authority as a strong economic development tool to realize that dream.

Jack Rouse
Chairman of the Board
Port of Greater Cincinnati Development Authority

Chairman of the Board

Why a Port Authority?

Historically, port authorities were created to conduct maritime activities, and later airport activities. But in Ohio, port authorities have evolved as an economic development tool. As independent units of government, Ohio port authorities may conduct the traditional waterborne and air transportation activities, as well as own property and provide financing for local economic development initiatives.

Ohio law defines the authorized purposes of a port authority as...

activities which increase, foster, aid, or promote air or water transportation, economic development, or residential facilities within the jurisdiction of the port authority.

The law further defines a port authority facility as...

all real or personal property, or combination thereof, related to or used in any commercial, industrial, distribution, transportation, residential, recreational, educational, cultural, or research facility, including aviation facilities and waterport facilities.

Cincinnati's Port Authority

A Powerful Economic Development Tool Kit

The Port of Greater Cincinnati Development Authority is governed by a board of directors that represents a broad mix of business expertise, including development, design, finance and marketing. They bring to the organization a wealth of experience and knowledge as well as a sensitivity to business needs and market forces.

As under Ohio law, a port authority has a broad range of project management and funding capabilities - "tools" - that position it to play a unique role within communities. A port authority's "tool kit" consists of these important capabilities that enable it to participate creatively in a variety of ways in economic development projects:

Project Financing:

A fundamental strength of port authorities is leadership in developing innovative project financing.

Special Financings, Projects and Programs:

Revenue Bonds: Port authorities may provide conduit financing in the form of revenue bonds. These bonds are based on the credit worthiness of the borrower and backed by a letter of credit from a financial institution. The proceeds of the revenue bonds may be used for public facilities or properties to be owned by the port authority. Examples of these financings include Empowerment Zone Tax Exempt Bonds, Tax Increment Financing Bonds, and Tax Exempt Industrial Development Bonds.

Project Incentives: Port authorities may act as the central point of contact, investigating and procuring local, state and federal business-retention and expansion incentives.

Grant Programs: Ohio's port authorities may apply for local, state, and federal grant funds, which generally are used for public infrastructure improvements made in support of local economic development efforts.

Common Bond Fund Programs:

These programs provide credit enhancements and long-term, fixed-rate loans that make it possible for companies to access capital markets which may not otherwise be accessible. The common bond fund programs are a tool that supplements the financing options available to small- and medium-sized companies within the community. In addition, the Port of Greater Cincinnati Development Authority has access to the Ohio Enterprise Bond Fund Program.

Lease Financing Options:

This involves the ownership and leasing of a project to provide financial and accounting advantages to corporate users. Lease financings have been used to convey a variety of incentives, such as sales tax exemption on building materials incorporated into buildings owned by a port authority and accounting advantages to the lessee/user of the project. Lease financings have typically been undertaken by port authorities in the categories of capital lease, operating lease, or synthetic lease.

Property Ownership:

Port authorities may own and improve property if doing so helps to create business development opportunities. This is especially helpful when a property has a negative value, as in the case of a brownfield site where barriers such as liens and environmental issues are impediments to redevelopment. Further, a port authority may lease, for its use or to other public or private entities, real or improved property.

Project Coordination:

Port authorities can facilitate and coordinate the various regulatory approvals needed from multiple agencies or jurisdictions, particularly for brownfield projects. As a result, the development process is streamlined, and projects can move forward more quickly and efficiently. Thus, port authorities enhance and supplement a community's ability to accomplish development projects.

These tools, along with a lean organizational structure and can-do attitude, afford the Port of Greater Cincinnati Development Authority the flexibility to forge partnerships with local, state and federal governments, as well as the private sector in ways that encourage economic development.

A Policy of Economic Inclusion

We place a high priority on economic inclusion, the concept of ensuring that all ages, races and genders are afforded the opportunity to participate in the design, construction, execution and operation of Port Authority projects. Thus, one of the Port Authority's first successes was the development and adoption of the Economic Inclusion Policy, which declares our commitment to empowering entrepreneurs, generating jobs, building the tax base and providing opportunities for wealth creation in every segment of society.



"The Port Authority's inclusion of African American and other minority-owned businesses must reflect the diversity of the community that it serves in Hamilton County and the City of Cincinnati. This is a business imperative that we must embrace if we are to be successful in achieving our mission."

Steve Love, Board Vice Chairman
Port of Greater Cincinnati
Development Authority

As part of the Port Authority's plan to communicate and implement its economic inclusion policy, we held a series of outreach sessions in February 2002 to educate targeted groups – especially Minority, Women, and Small Business Enterprises – about The Banks project. More than 300 small businesses participated, and the contacts developed at these networking sessions were incorporated into a database, which will be provided to the developer selected for The Banks project in order to achieve maximum participation by those groups.

In our current contracts for professional services, we have sought opportunities to engage Minority, Women, and Small Business Enterprises, either in a one-on-one relationship or through a partnering arrangement with majority firms.

WE PLAN AND BUILD FOR FUTURE GENERATIONS

Accomplishments for 2001-2002

Over the past two years, we have worked with virtually all sectors of this community to achieve our goals in the areas of The Banks riverfront project and brownfield redevelopment. In the economic development arena, the Port of Greater Cincinnati Development Authority has emerged as a leader and a creative problem solver in the effort to leverage local land resources to create jobs, expand the tax base and maximize private investment in the region.

In 2001, the newly created Port Authority was like any startup business that needed to set up its operations. Thus, much effort was devoted by the board and the administration to developing office

procedures, setting up accounting and fiscal reporting systems, establishing bylaws, building a staff as well as creating personnel, board and general office policies. Once our operational "infrastructure" was established, we could begin to focus all our attention on the mission entrusted to the Port Authority.

On the following pages, you will learn about our progress on various fronts – how we are planning and building for future generations of Cincinnatians. While many of our projects are yet in process, and still others are unfolding, we have achieved much, and our momentum going into the future is strong. We continue to move forward with commitment and confidence as a dynamic force for the Cincinnati/Hamilton County Region.



PORT AUTHORITY OUR TOOLS AT WORK: Acquisition and Coordination of Public Funds

We were successful in acquiring and/or implementing these grant resources for projects to improve the Greater Cincinnati/Hamilton County Area:

- Congestion Mitigation Air Quality federal grant (for The Banks project) – \$10,400,000
- Economic Development Administration federal grant (for The Banks project – invited to submit full application based on pre-application) – \$2,000,000
- Clean Ohio Fund state grant (for the Kemper Road project) – \$1,500,000
- Clean Ohio Fund state grant (for the Center Hill project) – \$350,000
- U.S. Environmental Protection Agency federal grant (for Kemper Road and Center Hill projects) – \$150,000

We supported other agencies in efforts to acquire these grant resource for local initiatives:

- Brownfield Job Training federal grant (with City of Cincinnati Employment and Training Division) – \$200,000
- Regional Initiative Fund private foundation grant (with Hamilton County Development Co.) – \$55,000

TOTAL grant funds: \$14,655,000

The Banks

Vision

The Banks is a focal point of the Greater Cincinnati Region, unlocking the rich potential of the scenic waterfront, bringing people together, creating a new “front door” for our community and energizing regional economic growth.

Mission

To redevelop Cincinnati’s riverfront area as a 24-hour, seven-day-a-week, diverse, pedestrian-friendly, urban neighborhood with a mix of uses consisting of residential housing, specialty retail, restaurants, entertainment, office, boutique hotel space, public greenspace and parking.



Milestone: The Banks

Creating the Vision

When the Riverfront Advisors Commission was chartered by the City/County Riverfront Steering Committee in February 1999, they were charged with creating a comprehensive development program to build on the bold riverfront initiatives being undertaken by the community at the time. Not only were two new sports stadiums being built, but attractions such as the National Underground Railroad Freedom Center and the National Steamboat Monument were in the planning stages. At the same time, significant public improvements were under way in anticipation of the private sector investments to come. While the most dramatic was the reconfiguration of Fort Washington Way to make land available for The Banks, seven other major street and utility infrastructure projects have been constructed, or are under way, in support of riverfront initiatives. Thus, eight city blocks of land will be ready for development with streets and utilities in place.

The Committee's goals were to capitalize on the growing excitement over these major projects and to use them as a springboard for new initiatives. The convergence of these projects represented a once-in-a-lifetime opportunity to re-energize Cincinnati to a degree that few communities ever have the chance to do. It became clear that by building on the surging enthusiasm for riverfront development, the right plan could infuse new vitality, enhance the quality of life, catalyze economic growth and renew community pride.

The result of the Riverfront Advisors' efforts was a far-reaching and spectacular vision for "The Banks," a development that will create a 24-hour, seven-day-a-week diverse, pedestrian-friendly urban neighborhood with a mix of uses consisting of residential housing, specialty retail, restaurants, entertainment, office, boutique hotel space, public greenspace and parking. Located on the Ohio River, The Banks will become the focal point of the Greater Cincinnati Region, unlocking the rich potential of the scenic waterfront to bring people together, to create a new "front door" for our community and to energize economic growth.



"The Banks is one of the great waterfront development sites in the world. The citizens of Cincinnati are to be commended for boldly seizing this once-in-a-generation opportunity to enhance their quality of life and to strengthen their great downtown."

Donald K. Carter FAIA AICP
Principal, Urban Design Associates

Nowhere Else...

This ambitious undertaking has not gone unnoticed in the development community. Nowhere else has approximately 15 acres – eight city blocks – of prominent waterfront property been pre-assembled, at one time, with the opportunity to tap into surrounding anchors that generate approximately five million visitors annually.



Artist rendering of The Banks looking west along Freedom Way

The Port Authority's Role

The Port Authority was chosen as a development mechanism because its unique "tool kit" could be used to assemble the necessary pieces of the development puzzle. And this is exactly what we have done. From the time we began working on the project in 2001, through 2002, we have been building the foundation of a spectacular project and have accomplished major milestones:

Spread the word through the development profession

- With the plan for The Banks in hand, the Port Authority's board and staff participated with a Cities Pavilion Exhibit at the 2001 Urban Land Institute National Conference as a way of spreading the word through the development profession that new and exciting opportunities are available in the Greater Cincinnati Area.

Began the selection process for a developer

- A Request for Qualifications was released nationwide in July 2001, the first phase of the competitive process to select a developer for The Banks. Twelve teams, representing local and national firms, submitted responses. The Port Authority reviewed the submissions, listened to teams' presentations and evaluated the merits of each.

Invited three firms to submit RFPs

- Of the twelve final firms, three were invited by the Port Authority to participate at the next level in the Central Riverfront Development Area developer selection process by responding to a Request for Proposals (RFP): Lincoln Properties, Staubach/Towne



Artist rendering of the National Underground Railroad Freedom Center currently under construction within The Banks project.



Artist rendering of the view of The Banks from Paul Brown Stadium

Partners and Madison Marquette. Nine teams were similarly determined to be eligible for the North of Third Street Development Area.

Will issue up to \$50 million in revenue bonds for the Freedom Center

- The Port Authority will issue up to \$50 million in tax-exempt revenue bonds for the construction of Freedom Center improvements. Located at the northern terminus of the Roebling Suspension Bridge, the National Underground Railroad Freedom Center is a national interpretive and educational center designed to relate the lessons of the Underground Railroad Movement to contemporary freedom movements across the globe. The \$110 million Freedom Center will be organized into three five-story pavilions totaling 160,000 square feet, with a park south of the facility connecting the Freedom Center to the Central Riverfront Park. The facility is due to open in the summer of 2004.

Acquired outside funds for park design and development

- Commissioned by the Cincinnati Park Board and Cincinnati Recreation Commission, the Central Riverfront Park is conceived as a grand civic space as well as a major western expansion of the existing riverfront park complex. Stretching from the Interstate 75 Brent Spence Bridge to Broadway Avenue, the 52-acre park has been planned as a magnificent green space that showcases the Roebling Suspension Bridge as the gateway to Cincinnati. The park will also serve as a special-event venue, accommodating major events such as Oktoberfest, Taste of Cincinnati, Ujima and Riverfest.

The prominence of the Central Riverfront Park as a critical element of The Banks development has been the catalyst for a partnership between the Port Authority and the Cincinnati Parks Board. Together, we will develop a final park design as well as an implementation plan. Another major role for the Port Authority is in the area of funding. We have pursued public

funding opportunities at the federal, state and local levels. As a result of our combined efforts with the Park Board, the Army Corps of Engineers and our Congressional delegation, \$200,000 was included in the 2003 Omnibus Bill for development of the park design. In addition, key Port Authority board members are spearheading a private fundraising effort to complement our public initiatives.

Pursuing alternate funding for garages

- The Port Authority also faced the challenge of finding alternate funding sources for parking garage construction when sales tax revenues – originally anticipated to fund the garages – fell short of expectations. Thus, we have aggressively pursued grant funding in order to bring The Banks project and all its elements to fruition.



**PORT AUTHORITY OUR TOOLS AT WORK:
Bond Financing**

The Port Authority is currently working on several projects in which it will provide conduit financing in the form of revenue bonds. Two such projects include:

- CDO Tech/Value Pac Project – \$9 million in bonds
- National Underground Railroad Freedom Center – up to \$50 million in bonds

Total bond financings: up to \$59 million

Seeking \$2 million for Freedom Way design and roadway improvements

- Working with the City of Cincinnati, the Port Authority submitted a pre-application – and was invited to submit a full application – requesting a \$2 million grant from the Economic Development Administration’s Public Works and Economic Development Facilities Assistance program to fund the design and roadway improvements for a portion of the Freedom Way improvement within The Banks project.

Acquired \$10.4 million grant for The Banks Intermodal Facility

- The Port of Greater Cincinnati Development Authority was successful in its submittal of an application for a \$10.4 million federal Congestion Mitigation/Air Quality grant for the creation of The Banks Intermodal Facility to replace the existing Cinergy Field Plaza Garage and surrounding surface parking lots with below-grade parking facilities. This is a joint project between the Port Authority, the City of Cincinnati, Hamilton County and the Southwest Ohio Regional Transit Authority to provide a regional transportation hub near the riverfront.



National Steamboat Monument on the Ohio River



Artist rendering of The Banks project area

Brownfield Redevelopment

Vision

Sufficient Cincinnati/Hamilton County land resources are available to fuel the region's economic vitality and enhance its quality of life.

Mission

To recycle abandoned or underutilized properties, with real or perceived environmental contamination, into productive new uses that strengthen the economic health and improve the quality of life for Cincinnati/Hamilton County neighborhoods and communities.



Milestone: Brownfield Redevelopment

Redeveloping Brownfields, Revitalizing Neighborhoods

While Cincinnati's high-profile riverfront development attracts most of the public spotlight, the Port of Greater Cincinnati Development Authority has also been entrusted with the cleanup and reuse of contaminated sites known as brownfields.

According to the U.S. Environmental Protection Agency, *a brownfield is a property that is environmentally contaminated – or perceived to be contaminated – and now vacant, abandoned, idle or underutilized due to the real or perceived contamination.*

The redevelopment of brownfield property presents unique redevelopment challenges including:

- potential legal liability frequently resulting from contamination which predates the current ownership,
- laws and regulations from multiple state and federal agencies which make the remediation process confusing, as well as the development and permitting processes slow, and
- costs associated with the clean-up may be expensive and difficult to estimate accurately and control.

In spite of these challenges, there is a national trend toward the redevelopment of brownfield properties because these properties offer distinct advantages such as being in or near densely populated areas that are supported by existing public infrastructure and mass transit, as well as frequently existing in neighborhoods rich in architectural and cultural heritage.

In carrying out our brownfield mission, we collaborate with Cincinnati/Hamilton County communities to assist in the revitalization of their neighborhoods.

The Port Authority's involvement may include:

- Property ownership
- Development finance
- Acquisition and coordination of public funds
- Pre-development project management
- Facilitation of regulatory approvals
- Coordination of stakeholder/community involvement
- Environmental assessment
- Environmental clean-up

Creating the Strategic Vision

The development of a systematic approach to our brownfield efforts was seen as vital to our success. To arrive at such an approach, we engaged our Brownfield Community Advisory Committee, a citizens group representing many sectors of our community. We then conducted a series of forums to gather input from various groups including real estate professionals and corporate real estate specialists, banking, insurance and legal professionals, civic and environmental organizations, City and County government representatives, economic development representatives and community and neighborhood representatives.

Together we launched a two-step strategic planning process. The first step, which has been completed, was to create a strategic vision that would guide planning efforts for brownfield redevelopment and further define our role. The second step, still in process, will involve the development of a detailed implementation plan.

From Education to Action

We believe that one of our most important goals is to educate the development, banking, insurance, legal and neighborhood communities about the potential of remediated brownfield sites.

To that end, we provided educational programs on brownfield redevelopment:

- Port Authority staff made presentations at the 2001 and 2002 Annual Environmental Law Committee Seminar of the Cincinnati Bar Association to educate the participants about the local brownfield redevelopment environment, specific projects and the Port Authority's role.
- In November 2002, we hosted a seminar entitled, "Turning Liabilities into Assets," assembling locally and nationally known brownfield experts to highlight the latest innovative development tools for overcoming the challenges associated with brownfield reuse. The seminar was well received and attended by over 150 participants representing the local development, real estate, financial banking, and local communities.

Projects Net Success

While all brownfield redevelopment projects are market-driven, these properties are by far the most complex development projects because of the layers of environmental, regulatory and property issues that affect redevelopment efforts. The Port Authority's job is to move these complicated projects through the necessary processes and see them to conclusion in spite of extended predevelopment timetables. Frequently, the Port Authority's intervention has resulted in significantly streamlining multi-governmental regulatory and permitting approvals.



PORT AUTHORITY OUR TOOLS AT WORK: Property Ownership

The Port Authority owns a former USEPA Superfund site, consisting of 9.3 acres on Kemper Road in Sharonville, Ohio. This property was purchased at sheriff's sale after the Port Authority was successful in having forgiven more than \$7 million in liens (from the USEPA and Key Bank) against the property. The current plan is to redevelop the site with 80,000 square feet of office/flex space.

This project provides a good example of how the Port Authority can use its property ownership "tool" to buy a property that has a negative value, remove financial and environmental barriers to development in order to turn a community liability into a community asset.

In two years of operation, we have facilitated the following seven brownfield redevelopment projects that have the potential to create up to 1,400 new jobs and leverage private investments in excess of \$190 million:

Kemper Road Project

A nine-acre site that housed numerous industrial concerns since 1930, had been the site of a U.S. Environmental Protection Agency (EPA) emergency action to remove 350,000 gallons of hazardous waste. The Port Authority was instrumental in having in excess of \$7 million in liens on the property forgiven and in securing \$60,000 in US EPA funding for the environmental assessments, as well as \$1.5 million in Clean Ohio Funds to perform remediation activities. The Port Authority will administer the grants and has negotiated a development agreement with a private developer for the redevelopment of the property.

"Right from the start, this has been a cooperative team effort involving the City of Sharonville, Hamilton County and the Port of Greater Cincinnati Development Authority. This is a victory for everyone. Sharonville and Princeton School District will reap the benefits of this win."

Virgil G. Lovitt, II
Sharonville Mayor

It is projected that the site will generate 300 jobs, 80,000 square feet of office/flex space, more than \$5 million in private investment and leave the site environmentally remediated.

Center Hill Landfill Project

In late 2001, the City of Cincinnati selected a developer for a 60-acre former landfill under its ownership. However, environmental remediation would have to be completed before the development

could take place. At the City's request, we worked with the developer to apply for a Clean Ohio Fund grant to conduct environmental assessments. Since Clean Ohio Fund regulations stipulate that the party responsible for the contamination (the City, as owner) may not apply for the funds, the City asked the Port Authority to act as the "volunteer" for the site assessment and remediation activities. We were able to secure \$60,000 from the U.S. EPA for the Phase I environmental assessment, which was completed in June 2002. We also applied for \$350,000 from the Clean Ohio Fund for the Phase II environmental assessment.

The successful completion of this project may generate up to 600 new jobs, deliver a new 500,000-square-foot office, manufacturing and warehouse space to the marketplace, leverage private investment of up to \$40 million and place a vacant, underutilized property back into productive use.

CDO Tech/Value Pac Project

Since the end of 2002, the Port Authority and the Cincinnati Empowerment Zone have been assisting Value Pac, a subsidiary of the minority-owned CDO Technologies, develop a 40,000-square-foot manufacturing plant on an eight-acre tract that had formerly been a brownfield site. The Port Authority Board adopted a Declaration of Intent to issue \$9 million in tax-exempt revenue bonds, which will allow Value Pac to buy the land, build the facility and purchase equipment. In addition, the company will receive \$1.1 million from the Empowerment Zone to train and employ 200 residents from Zone neighborhoods.

This project creates a win-win situation for all involved since it will create up to 200 new jobs, place a vacant, underutilized property back into productive use and leverage private investment.

Artist rendering of the completed Kemper Road project. Inset: Kemper Road site today.

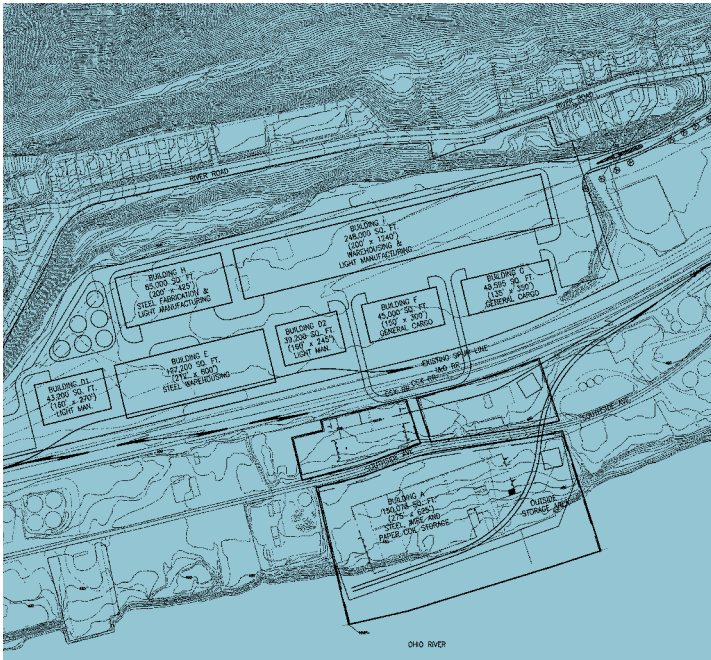


Rendering courtesy of Neyer Properties, Inc.



Mill Creek Restoration Project

We entered into a partnership with the Mill Creek Restoration Project, a private nonprofit with the mission of spearheading the reclamation and restoration of the Mill Creek watershed. The Mill Creek, designated in 1997 by American Rivers as “the most endangered urban river in North America,” flows through the geographic heart of Cincinnati and along economically depressed neighborhoods. This partnership will allow us to assist the Mill Creek Restoration Project by providing administrative services such as engaging environmental professionals and facilitating project funding for Phase I and II environmental assessments for the City of Cincinnati’s Mill Creek Greenway Program. More than 100 Phase I environmental assessments have been completed along the Mill Creek in the Caldwell-Seymour, Queen City Center-Salway, and South Mill Creek areas. Phase II assessments are underway in the Caldwell-Seymour area of the Mill Creek.



River Road Maritime Project topographic map

River Road Maritime Project

The River Road Maritime facility, consisting of some 60 acres at the former Penn Central Railroad Riverside rail yards, may be redeveloped as a state-of-the-art maritime industrial campus that will include surrounding properties. A significant asset, the inter-modal infrastructure, is already in place. The Port Authority has been working with the City of Cincinnati and the developer, and may play several roles in the process, including property ownership of the public dock, providing financing assistance through revenue bonds, gaining all necessary site and public approvals, as well as acquiring funding for the construction of the public infrastructure components.

When completed, this project will have a major impact through the potential creation of more than 300 jobs, the leveraging of more than \$100 million in private investment, the improvement of transportation facilities for Cincinnati businesses, the construction of more than 500,000 square feet of office, warehouse and manufacturing space and the development of a traditional port facility.

River Road Fuel Depot Project

For 45 years, the U.S. Department of Defense and the U.S. Air Force operated a fuel storage and distribution terminal at a 67-acre site located along the north and south sides of River Road. The Air Force closed the depot in 1996, and after that, it sat idle. In 2002, we became aware that the federal government intended to declare the property “surplus” and return it to the community for reuse. The Port Authority sent a letter to the federal government indicating its interest in redeveloping the property. In response, we released a Request for Proposals to private entities that had expressed an interest in redeveloping the depot property and began review of the submitted proposals. In addition to selecting the private developer for the site, we will facilitate the various local and federal processes involved in the transfer of Air Force property. When completed, the project will place a vacant, underutilized facility back into productive reuse, maximize private investment in the site and result in the cleanup of a contaminated property.

Lincoln Heights Project

In 2002, the Port Authority helped the Village of Lincoln Heights to procure environmental professionals to assess the environmental conditions of potential brownfield sites in preparation for future economic development activities. We crafted the request for qualifications and will work closely with the Village throughout the environmental consultant selection process.

The opportunities represented by brownfield redevelopment in Cincinnati and Hamilton County are abundant. Our efforts to maximize these opportunities not only enriches our community with new jobs and facilities today, but also defines the environmental legacy we will leave for our children and generations to come.

Milestone: Strategic Partnerships

Our capacity to forge relationships with a variety of groups and individuals determines, in large part, our ability to achieve our goals. We enjoy the flexibility of operating without bureaucratic obstacles and yet we are closely connected with governmental agencies and jurisdictions. This positions us to leverage public-private partnerships that benefit the parties involved, as well as Cincinnati and Hamilton County.

In addition to the partnerships we forge to accomplish each project, we have been a participant in these:

Urban Land Assembly Program

Established by Hamilton County’s Office of Economic Development in 2001, the Urban Land Assembly Program assembles land and/or buildings, especially brownfields, as developable sites, in “first-ring” communities (adjacent to Cincinnati’s city limits). The Port Authority partnered with Hamilton County to create an inventory and environmental analysis of brownfields and other underutilized properties and buildings in Hamilton County. When possible, we present these sites to the local development community. We were also co-applicants with the county in applying for a \$55,000 Regional Initiative Fund grant to support the Urban Land Assembly Program.

Strategic Program for Urban Redevelopment

In 2001, the City of Cincinnati formed the Strategic Program for Urban Redevelopment, combining the expertise of various City departments and the Port Authority to analyze the redevelopment potential of industrially and commercially zoned properties throughout Cincinnati. Sixteen districts were identified and, together with the City of Cincinnati, we have been promoting these sites to the development community.

Community COMPASS for Hamilton County

In late 2001, we became involved by serving on the steering committee in creating the Comprehensive Master Plan and Strategies (COMPASS) for Hamilton County. This planning process was launched by the Planning Partnership, an unprecedented alliance of Hamilton County governments and planning commissions, as well as civic and private sector organizations.

Urban Land Institute Advisory Services Panel

In 2001, we were invited to participate in the City of Cincinnati's program to determine whether a retail strategy was still appropriate for the Race Street corridor. We also were able to provide advice on integrating the corridor with other important downtown projects and districts.

Milestone: Legislation

The expertise of our staff is frequently engaged to assist in the writing of legislation. Over the past two years, we have assisted in the following bills, which have been critical to the creation of our "tool kit:"

Clean Ohio Fund for Brownfields

We were actively involved in 2001 in the drafting and passage of State of Ohio House Bill 3, the \$200 million Clean Ohio Fund for Brownfields, which is important to our brownfield redevelopment efforts.

Tax Increment Financing District Legislation

Also in 2001, we were involved in the creation and passage of State of Ohio House Bill 6/Senate Bill 405, the Tax Increment Financing District legislation, which will assist both The Banks and brownfield development.

THE FUTURE

We Continue to Plan and Build for Future Generations...

As the Port of Greater Cincinnati Development Authority emerges from its inaugural business activities in 2001-2002, we look forward to the future. The fruits of our start-up period will position the Port Authority to be a valuable tool for the development community.

A key component of the future is to secure future year Port Authority operational funding. While traditional governmental entities rely on tax revenues to support operating expenses, the Port Authority does not levy taxes. The City and County initially provided start-up operational funding so that we could assist in projects and generate project-based revenues to support operations. The Port Authority is envisioned to be a self-sustaining entity.

Our recent successes in brownfield projects will position our organization for the future by providing fee revenue streams to support operations in years to come. These projects also illustrate the growing frequency with which municipalities, townships and the local development community tap into our tool kit for help with development projects.

With this strong foundation, the Port of Greater Cincinnati Development Authority is well positioned to play a key role in the planning and building of a healthy, vital Greater Cincinnati Region for future generations.

FINANCIAL INFORMATION

Statement of Revenues, Expenses and Changes in Retained Earnings

For the period from inception (December 7, 2000) to December 31, 2001

Operating revenues	\$1,000,000
Public funding	
Total operating revenues	1,000,000
Operating expenses	
Salaries and benefits	207,047
Professional fees	333,354
Occupancy	24,148
Travel	13,539
Equipment and supplies	3,704
Other Operating Expenses	19,191
Total operating expenses	600,983
Operating income	399,017
Interest income	4,911
Net income	403,928
Retained earnings at beginning of period	—
Retained earnings at end of period	\$403,928

See audited financial report 2001

Statement of Revenues, Expenses and Changes in Retained Earnings

For the year ended December 31, 2002

Operating revenues	
Hamilton County Grant	\$ 350,000
City of Cincinnati Grant	200,000
Princeton School District Grant – Kemper Road	180,000
Mill Creek Restoration Project	43,964
Other Income	28,015
Interest Income	4,263
Total operating revenues	806,242
Operating expenses	
Salaries, health, retirement and other related fringe benefits (full and part-time employees)	317,236
Legal Services	102,953
Other Operating Expenses	95,424
Environmental Professional Services	72,939
Professional Consulting Services	62,801
Urban Design Services	37,591
Real Estate Services	44,079
Business Communications Services	24,108
Accounting and Auditing Services	21,573
Public Relation Services	9,440
Engineering Services	1,509
Total operating and project expenses	789,652
Net income	16,590
Retained earnings at beginning of period	403,928
Retained earnings at end of period	\$420,518

See accountants compilation report 2002

2001 Board Members

Jack Rouse, Board Chairman and *CEO, Jack Rouse Associates*
 Steve Love, Board Vice Chairman and *Vice President, Economic Inclusion and Community Development, Greater Cincinnati Chamber of Commerce*
 Clifford Bailey, *President and CEO, Tech-Soft Systems*
 Stephanie Byrd, *Vice President and Chief Customer Officer, The Drake Center*
 Robin Corathers, *Director, Mill Creek Restoration Project*
 John Fonner, *Director of Technology Adoption, CincyTechUSA, Greater Cincinnati Chamber of Commerce*
 Louis D. George, *CEO of New Ventures, The Sheakley Group of Companies*
 Joe Hale, *President, Cinergy Foundation*
 Thomas Humes, Jr., *President, Great Traditions Land & Development Co.*
 Eric H. Kearney, *President, Abdiel Business Ideas, LLC*
 Ronald B. Kull, *Associate VP University Architect, University of Cincinnati*
 Greg Martin, *Exec. Sec., Southwest Ohio District Council of Carpenters*
 Norm Miller, *Director of Real Estate, University of Cincinnati*
 Paul Muller, *Principal, Muller Architects*
 Charlotte Otto, *Global External Relations Officer, The Procter & Gamble Co.*
 Janet Reid, *Partner, Global Lead Management Consulting*
 David Siebenburgen, *Chairman, Delta AirElite*
 Nicholas J. Vehr, *Vice President, Economic Development, Greater Cincinnati Chamber of Commerce*

2002 Board Members

Jack Rouse, Board Chairman and *CEO, Jack Rouse Associates*
 Steve Love, Board Vice Chairman and *Vice President, Economic Inclusion and Community Development, Greater Cincinnati Chamber of Commerce*
 Clifford Bailey, *President and CEO, Tech-Soft Systems*
 Otto Budig, *President, Budco Group, Inc.*
 Robin Corathers, *Director, Mill Creek Restoration Project*
 John Fonner, *Director of Technology Adoption, CincyTechUSA, Greater Cincinnati Chamber of Commerce*
 Louis D. George, *CEO of New Ventures, The Sheakley Group of Companies*
 Joe Hale, *President, Cinergy Foundation*
 Betty Hull, *Senior Account Manager, Northlich*
 Thomas Humes, Jr., *President, Great Traditions Land & Development Co.*
 Eric H. Kearney, *President, Abdiel Business Ideas, LLC*
 Ronald B. Kull, *Associate VP University Architect, University of Cincinnati*
 Greg Martin, *Exec. Sec., Southwest Ohio District Council of Carpenters*
 Paul Muller, *Principal, Muller Architects*
 Charlotte Otto, *Global External Relations Officer, The Procter & Gamble Co.*
 Janet Reid, *Partner, Global Lead Management Consulting*
 David Siebenburgen, *Chairman, Delta AirElite*
 Nicholas J. Vehr, *Vice President, Economic Development, Greater Cincinnati Chamber of Commerce*

Brownfield Community Advisory Committee (BCAC) 2001-2002

John Fonner, BCAC Chair and *Director of Technology Adoption, CincyTechUSA, Greater Cincinnati Chamber of Commerce*
 Robin Corathers, BCAC Co-Chair and *Director, Mill Creek Restoration Project*

Tim Baird, *Bear Creek Capital*
 Lois Broerman, *North Fairmont Community Center*
 Elizabeth Brown, *U.S. Department of Housing & Urban Development*
 Tom Brush, *Common Ground Mediation*
 Ed Burcham, *The Procter & Gamble Co.*
 Stephanie Byrd, *The Drake Center*
 Andria Carter, *Sesh Communications*
 David Crowley, *Crowley's Inc. (2001)*
 Michael Dourson, *TERA*
 Sandra Flemister, *Hargrove Engineering Co.*
 Lynn Haber, *TERA*
 Frederick Hargrove, *Hargrove Engineering Co.*
 David N. Kirk, *DNK Architects*
 Renee Mahaffey Harris, *LISC*
 David Main, *Hamilton County Development Co.*
 Greg Martin, *Southwest Ohio District Council of Carpenters (2001)*
 Kevin McMurray, *Frost Brown Todd LLC*
 Paul Muller, *Muller Architects*
 Patricia Myers Brown, *Seed Corp.*
 Eugene Robinson, Jr., *Writer and Community Advocate*
 Frank Russell, *Community Design Center, University of Cincinnati*
 Ramona Sellers, *ASMAE*
 Pauline Van Der Haer, *Dorian Development*

BCAC Advisors

Robyn Bancroft, *AMOS Project*
 William Fischer, *City of Cincinnati (2002)*
 Evonne Kovach, *City of Cincinnati (2001)*
 Ron Miller, *Hamilton County Regional Planning Commission*
 Bonnie Phillips, *City of Cincinnati*

Port Authority Administrators



Tim Sharp
President



Kim Satzger
Director of Planning and
Brownfield Development



**Port of Greater Cincinnati
Development Authority**

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