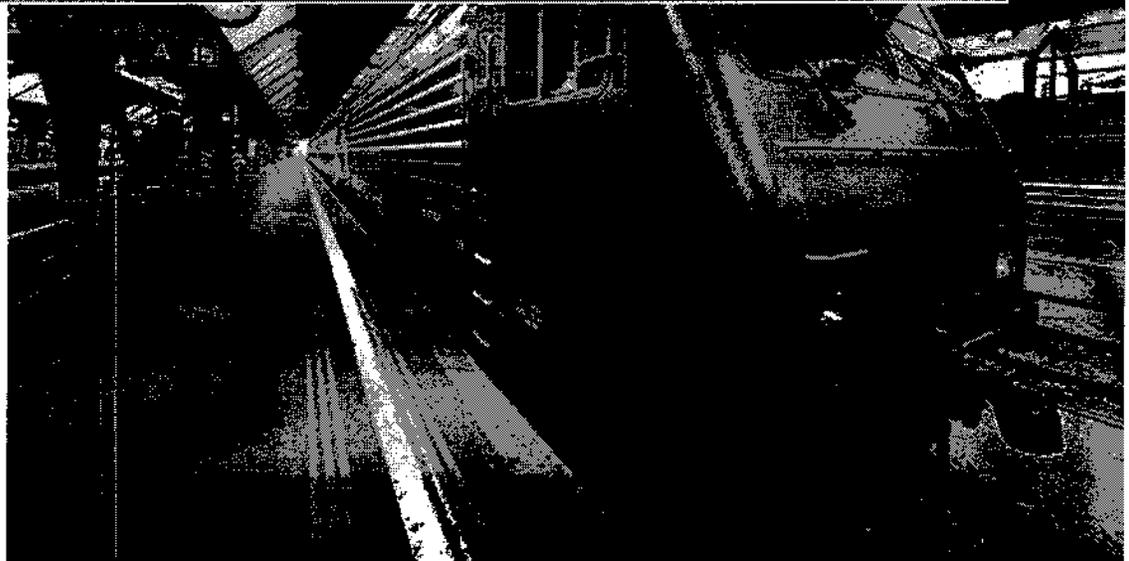


2008

**Motion to Create the new
Cincinnati-Hamilton County
Port Development Authority**



Hamilton County Commission President

Todd Portune

Hamilton County Board of County

Commissioners

3/26/2008



Hamilton County

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March 26, 2008

MOTION

To Create a new Port Development Authority capable of initiating Bond Funded Development

I/WE MOVE, for the purpose of sparking new development opportunities throughout Hamilton County; to redevelop Brownfields; and to potentially serve as a county and community Land Bank, capable of turning abandoned, vacant and tax delinquent properties and converting them in conjunction with local jurisdictions into productive lands, that the Hamilton County Commission shall propose to meet with the Mayor and City Council for the City of Cincinnati in a joint, plenary session, to publicly discuss and debate the required elements of and structure for a new Port Authority for Cincinnati and Hamilton County as follows:

A. Structure:

1. Revisit the legislative documents that created the current Cincinnati-Hamilton County Port Development Authority and agree to take such steps necessary as to terminate, or revise the contours of the existing authority and adopt new legislative documents that will transform said Port Authority into a Port Development Authority, capable of generating Port Authority bond funding and to permit aggressive Brownfield redevelopment and to sit as a Land bank entity to transform vacant, abandoned or tax delinquent foreclosure property into productive lands throughout Hamilton County;
2. Structure the new Port Development Authority to be governed by a Board of Directors that consists of experienced individuals in the fields of business,

development, bond funding and Labor of not more than ten individuals, appointed in equal numbers of five (5) Members appointed by the City of Cincinnati by the Mayor of the City with the consent of the City Council and by the President of the Hamilton County Commission upon the advice and five (5) Members appointed by the Hamilton County Commission President with the consent of the Board of County Commissioners. The City and the County's five Members shall serve staggered terms of one Member for two [2] years, two Members of four [4] years and two Members of six [6] years until the expiration of the first two year term limited Members and Four year term limited Members who shall then be reappointed or replaced, at the discretion of the City or County respectively for six year terms. At the conclusion of said process the Port shall be governed by Members who all serve for six [6] year terms. Under no circumstance shall a Board Member serve for more than two full terms regardless of the length of term appointed. Board Members shall all serve at the complete discretion of their respective appointing authority, the City Council and Mayor of Cincinnati and Hamilton County Commission. The Board shall select via majority vote a Chair whose authority shall extend only to convene special meetings and to run the meetings according to the strict guidelines contained in this Motion or under any such other rules adopted by the Port. Meetings shall be run under the Robert's Rules of Procedure.

3. Require continuity of the existing Port Authority as it transforms into the new Port bond funded Development Authority through retaining the existing Director, Kim Satzger, and Staff of the current Port Authority to be appointed by the Board of the new Authority;
4. Require the Board to convene in regularly scheduled public meetings at a frequency of not less than one time per month and at times convenient to the Board and to the General Public. The Board may convene in special or emergency meetings scheduled with 12 hour public notice and publication in a newspaper of general circulation or via such other medium known to reach not less than one-tenth of the population of Hamilton County with such special or emergency meetings called by the Chair of the Board or two Board Members or the Director of the Port with the support of one Member.

B. Financial Elements and Steps to obtain Bond Financing Capability:

1. Engage a financial advisor/underwriter selected from firms within the State of Ohio;
2. The City of Cincinnati and Hamilton County shall initially capitalize the Port with a \$10 Million Reserve fund that shall include an initial contribution of not more than \$1.25 Million each from the City of Cincinnati and Hamilton County with the balance to be raised via any one of numerous sources and options as generally discussed in the attached documents discussing the Bond Funded Financing Development Authority for Columbus and Franklin County, Ohio;
3. Begin dialogue with the Ohio Department of Development and in particular to solicit the opportunity to meet with Ohio Lt. Governor Lee Fisher, Quentin Davis, Director of the ODOD and ODOD Chief Economic Development Officer Mark Barbash for

the purpose of placing the initial request for state aid in the form of a \$2.5 Million grant/loan from ODOD to contribute to the needed start-up \$10 Million Bond Fund Program Reserve;

4. Engage counsel to begin drafting common bond fund documents necessary in order for the Port to move ahead in establishing a bond funded program;
5. Solicit and secure a Port Development Authority bond fund program Trustee to provide the requisite fiscal oversight on the program; and
6. Solicit and Secure a Letter of Credit (LOC) from a local financial institution to complete the financing necessary to establish the initial start-up funds necessary in the Bond Fund Program Reserve.

C. Other Powers and Authorities of the Port:

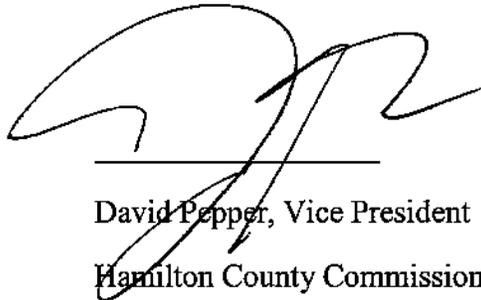
1. Empower the Port Authority to engage in Brownfield Redevelopment; Land-banking activity; placing abandoned, vacant and tax foreclosed properties to higher and better uses; initiating bond funded financing and development; possess all powers available to Port Authorities except the power to tax without City and County consent; obtain title to real estate conveyed pursuant to Ohio House Bill 294 Administrative Tax Delinquency Foreclosure procedures administered under the Hamilton County Board of Revision; such other authority, including without limitation the ability and capacity to own or operated river, rail, air, highway or other bulk terminal facilities or operational facilities in a manner consistent with other Port Development Authorities around the State of Ohio; such other powers as the City and County deem fit;
2. Establish the Bond Fund Program of the new Port Development Authority to include, without limitation:
 - a. Eligible Borrowers:
 - 1) Industrial or commercial companies
 - 2) Infrastructure projects (i.e. TIF and Special Assessment Projects)
 - 3) Non Profit or 501©(3) entities
 - 4) Governmental
 - 5) Community Development Corporations
 - 6) Land-bank entities
 - b. Eligible Projects:
 - 1) Acquisition and/or renovation of existing buildings, including buildings of all types on vacant, abandoned and delinquent tax foreclosed properties
 - 2) Construction of new buildings including housing

- 3) Acquisition of land
 - 4) Purchase and installation of equipment
 - 5) Financing Costs and Soft Costs
- c. Terms of Bond Financing:
- 1) Up to 30 years for governmental, infrastructure or non-profit borrowers
 - 2) Up to 20 years for industrial and commercial loans
- d. Types of Bonds:
- 1) Tax-exempt bonds to be made available for industrial, non-profit [501©(3)] exempt facilities, government and land-banked approved redevelopment projects involving properties and/or facilities/improvements acquired via tax delinquent foreclosure proceedings on abandoned and vacant buildings
 - 2) Taxable bonds available for commercial projects.

I/WE FURTHER MOVE for the initial joint and Plenary City Council-County Commission meeting to occur within 30 days from the date of this Motion.



Todd Porzune, President
Hamilton County Commission



David Pepper, Vice President
Hamilton County Commission

Statement of Intent and Purpose

As we enter the last quarter of the first decade of the Port Authority's existence several things have become self-evident, among them that the current Port lacks the powers and authority necessary to effectuate all of the kinds of development needed in the county. This proposal will

address those gaps and allow for the Cincinnati-Hamilton County Port Development Authority to enter the ranks of Ohio's fully functional Ports.

At the same time, Hamilton County faces a foreclosure crisis, that includes among its manifestations, vacant, abandoned and tax delinquent properties. This structure provides one option to allow for the land-banking of properties and to meet the increasing demands, and concerns, of local jurisdictions and community groups – especially those from within the city of Cincinnati and the First Suburbs jurisdictions.

This proposal is not cast in stone – it is instead the framework from which Hamilton County will embark on conversations with the City of Cincinnati. Nonetheless, it represents a Port Development Authority structure the county officials can work with and are excited to pursue.