

# **Warren County Port Authority**

## **Meeting Minutes September 23<sup>rd</sup>, 2019**

### **Opening:**

The meeting of the Warren County Port Authority was called to order at 3:00 pm on September 23<sup>rd</sup>, 2019 at the Warren County Administration Building, Room 350 by Warren County Port Authority Executive Director, Martin Russell.

### **Present:**

**Warren County Port Authority Board Members:** Mr. Harlow, Mr. Layer, Ms. Laine, Ms. Reindl-Johnson, Mr. Wolfe, and Ms. Zindel.

**Warren County Economic Development Staff:** Martin Russell, Matt Schnipke, and Brian Beaudry

### **Other Attendees:**

Andy Brossart – Bradley Payne Advisors

Caleb Bell – Bricker and Eckler

Sean Fraunfelter – Contract Accountant

Phil Smith – WCCVB CEO

## **A. Approval of Agenda**

The agenda and additional resources were distributed to the board for review and consideration without disapproval.

## **B. Approval of Minutes**

- The Board reviewed minutes from the June 11<sup>th</sup>, 2019 meeting. Mr. Harlow made a motion, seconded by Mr. Layer to approve the minutes of the June 11<sup>th</sup>, 2019 meeting with the proper date corrections. The motion passed unanimously with a roll call voice vote of present Board members.

## **C. Finance Report**

- Mr. Fraunfelter reviewed the finance reports for June, July and August 2019 with the Board. He stated the financials look normal, and highlighted a few items. He stated that the money for the approved workforce grant went out, and additional dollars for the Fairgrounds Event Center project came in from the County. He provided and

reviewed a Bond Fund summary for the Board as well. He noted that the current investment policy requires securities with a 2% yield or greater. He noted with the Feds lowering interest rates, it is becoming increasingly harder to find securities with this kind of short term yield. He noted that the Board might have to consider adjusting its investment policy by the end of the year to allow yields of 1.5% or higher for the primary reserve funds.

- **Ms. Zindel made a motion, seconded by Ms. Laine to approve the finance reports for June, July and August as presented. The motion passed unanimously with a roll call voice vote of present Board members.**

#### **D. Executive Directors Report**

- Mr. Russell stated that the Bond Fund received its rating and came in at BBB-investment grade. Mr. Brossart stated that S&P wants to see an increase in reserve levels, cash, and letter of credit. He also contextualized the rating stating that other funds have been in existence for 10-15 years, and that our fund is a unique unheard of case. Mr. Russell gave updates, stating the fund is pushing to a close on the Stillwater Crossing deal, the Fayette County deal is coming soon, and a few potential ESID deals before the end of the year.
- Mr. Schnipke stated that the State has announced it will craft a capital budget this upcoming biennium cycle. He stated the Chamber alliance will conduct its Prioritization Process, and asked any board members if they would like to participate on the panel this year. Both Mr. Wolfe and Ms. Laine stated they would be happy to serve again. Mr. Schnipke stated that the date the Chamber Alliance is working back from is December 2<sup>nd</sup> to have final recommendations submitted to the elected delegation. He stated that last cycle's efforts yielded just under \$3 million in grant funding throughout the County.
- Mr. Russell stated that staff will be flying into DC in late October to touch base with the federal elected delegation and other prep-trip meetings. Judge Oda provided some judicial contacts that staff will meet with and gauge potential options of incorporating them in next year's Fly-in.
- Mr. Schnipke reviewed the Western & Southern Open Tennis Tournament with the board, stating that it was another successful year with high attendance and great weather. He stated a few projects are in development from networking conducted at the event.
- Mr. Schnipke updated the board on the status of the ESID. He stated it has opened up the PACE market with Turtlecreek Township, Lebanon, and South Lebanon already joined. The end goal is to have all jurisdictions in the County joined.
- Mr. Schnipke provided an update on the Sports Park and Fairgrounds construction projects. He stated that the end of October is the target goal for substantial completion for the Sports Park. He stated there is some outstanding parking and

walking path paving still needing to be completed. He stated the owner's group have met and are working with Conger to update a plan for grass growth on the natural grass fields. He stated that steel has been erected and masonry and siding have commenced on the Fairgrounds building.

- Mr. Russell reviewed other project updates with the Board. He stated that the sales tax exemption deal for Modula fell through. He stated that Henny Penny in Preble County is expanding and will have a potential sales tax deal in October. There is interest for Port involvement in a new hotel development in Deerfield Township. He stated the City of Lebanon has reached out to the Port on a potential sales tax exemption on an assisted living portion of future development in the City. He also stated Otterbein's new corporate tower in Union Village has expressed interest in a sales tax exemption as well.

#### **E. Old Business**

- None

#### **F. New Business**

- Mr. Schnipke introduced and reviewed Resolution #2019-08 with the Board. He stated it is a resolution authorizing the granting of a highway easement and authorizing the execution of instruments in connection to the road widening on 741 for the Sports Park project. He stated the resolution grants an easement to ODOT for the improvements. Mr. Harlow asked if we are giving away an easement with nothing in return. Mr. Schnipke answered that this is necessary for the construction to commence on the needed roadway improvements for the park.
- **Ms. Reindl-Johnson made a motion, seconded by Mr. Layer to approve Resolution #2019-08 as presented. The motion passed unanimously with a roll call voice vote of present Board members.**
- Mr. Schnipke introduced and reviewed resolution #2019-09 to the Board. He explained it as a resolution approving agreements for general contractor services for improvements to State Route 741 to accommodate construction of the Warren County Sports Park at Union Village and authorizing and approving related matters. He stated that Rack and Ballauer was the lowest bidder at about \$756,000. He stated that Kleingers vetted and reviewed their low bid and has worked positively with them before. Mr. Harlow asked how close the second lowest bid was. Mr. Schnipke stated the margin was about \$30,000.
- **Ms. Zindel made a motion, seconded by Mr. Harlow to approve Resolution #2019-09 as presented. The motion passed unanimously with a roll call voice vote of present Board members.**
- Mr. Russell introduced and reviewed Resolution #2019-10 to the Board regarding a sales tax exemption deal for Neaton in Preble County. He stated it is a resolution approving and authorizing a transaction concerning the development and construction of real property for an approximately 153,000 square foot warehouse and

manufacturing facility. He stated the Port serves as Preble County's Port Authority through a 50/50 joint revenue sharing agreement. Mr. Schnipke stated the project has a \$10.5 million estimate. Mr. Schnipke stated the company has asked for a shorter 5 year lease term. Ms. Laine asked why and Mr. Schnipke, supported by Mr. Wolfe, stated that the Japanese parent-owned company wants the agreement to be in-and-out quickly to minimize the risk for the company.

- **Mr. Wolfe made a motion, seconded by Ms. Laine to approve Resolution #2019-10 as presented. The motion passed unanimously with a roll call voice vote of present Board members.**
- Mr. Russell introduced Resolution #2019-11 for the North Broadway development in Lebanon. He stated it is a resolution approving and authorizing a transaction concerning the development and construction of real property for a mixed-use residential and commercial development. He explained that the City reached out to the Port regarding future development in the North Broadway corridor near Lebanon's downtown and the Fairgrounds. The same developer for this project did Loveland Station and areas in the City of Hamilton. This development is a mix of 112 apartments, townhomes, and 10,000 - 15,000 square feet of commercial space. He stated the fee from the sales tax exemption deal would be roughly \$50,000 - 70,000.
- Ms. Laine stated this seems like a residential development and is not worth incentivizing, citing it could be a slippery slope. Mr. Harlow asked what percentage of the total development the commercial component comprises, stating it seems relatively low. Ms. Reindl-Johnson asked if the Port would have any responsibilities or repercussions as to rent vacancies in it were to get involved.
- Mr. Russell assured the board that there are no Port responsibilities as to rent vacancies. He stated that sales tax deals help fund the other programs the Port sponsors throughout the year. He stated the project is strongly supported by the City and is in its master plan. Mr. Bell stated that other Ports project portfolios are 80% housing or residential deals and their projects reflect the markets in their communities.
- Mr. Wolfe asked if developments need to have a commercial component. Mr. Russell stated that historically the Port has required some commercial component, citing the District of Deerfield as a recent example. He stated Peter's Cartridge has a commercial component and is a restoration of a dilapidated historical building. Mr. Wolfe asked if a 'No' vote would kill the deal. Mr. Russell stated that it might, and that a sales tax deal guarantees the revenue that could be done elsewhere. Mr. Bell stated the communities' request for assistance is relevant because the Port serves as a tool for the overall community. He stated the commercial ratio component is important, and Mr. Russell stated this is something staff can further investigate an industry standard. Mr. Harlow stated the Port should not be involved in single family residential development, echoed by Ms. Zindel. She stated there at least must be commercial components on these types of developments.
- **There being no further discussion, Mr. Harlow made a motion, seconded by Ms. Reindl-Johnson to approve Resolution #2019-011 as presented. The motion passed unanimously with a roll call voice vote of present Board members.**

## **G. Other Business**

- None

### **Adjournment:**

There being no other business, at 4:21pm, Ms. Laine made a motion, seconded by Ms. Reindl-Johnson, to adjourn the meeting of the Warren County Port Authority. The next meeting of the Warren County Port Authority is scheduled for October 28<sup>th</sup>.

Minutes submitted by: Brian Beaudry

Approved by: Matt Schnipke