

2013 Annual Report



Leveraging
Economic Development
throughout Southeastern Ohio and Washington County

*Established 2003 by
Washington County Board of Commissioners*



“The Southeastern Ohio Port Authority strives to enhance the competitiveness of Washington County and to be a catalyst for job creation and investment by business, industry, and entrepreneurs.”

CHAIRMAN'S REPORT by Tom Webster

2013 was a really “exciting” year for the Southeastern Ohio Port Authority (SeOPA). We experienced great success and some setback. I am extremely honored to have been the Chairman of the Board for the last year.

I reviewed Terry Tamburini's list of things to “Look for in 2013” from the 2012 Annual Report -- I thought this would be a good start to evaluate our year.

- **The completion of the Ingenuity Center by late fall** - we didn't quite meet this deadline due to weather-related construction delays in the spring and summer. However, construction will be complete in February, 2014. Advertising the Ingenuity Center for potential lessees is in high gear. We hope to have a new company in the facility as soon as possible.
- **Another building or two at the Belpre Campus of Marietta Memorial Hospital** – the MHS Campus now features 3 completed buildings and a fourth building under construction and almost completed. The City of Belpre has executed a deed for the current volunteer fire department property to 601 Plaza, LLC. The new fire department building will be built by the PM Company, and the deeds will then be recorded. The SeOPA was the “conduit” for these deeds, so that the City of Belpre did not have to bid the sale of the fire department property.
- **A new motel on State Route 7 in Marietta** - project completion is imminent.
- **The Colony Hippodrome work begins** - work has begun, completion delayed due to funding issues.
- **Work expected on Mill Creek Road** - Project delayed until 2014 or 2015.
- **Environmental analysis on Remington Rand facility** - Contract for services being negotiated with Pandey Environmental Company from Columbus for Phase II environmental audit. Two Rivers, LLC, owner of the property, will also be a party to the transaction. All costs paid through a grant from OWDA and Two Rivers.
- **AMP - Gorsuch Plant** - property to be ready soon for redevelopment. Project about complete.
- **Marketing efforts enhanced** - Marketing started in Oil and Gas publications. Grant obtained from AEP for marketing. Thanks to Nate and AEP.

NEW DEVELOPMENTS IN 2013:

- Negotiations completed to bid for and purchase the **Army Reserve Center** from the US-GSA. Public/Private partnership created with Mark Mondo and SEOPA to purchase the real estate. The staffs of Congressman Johnson's office (thanks Jackie, et al) and Senator Portman's office (thanks Todd, et al) have been instrumental in supporting our project with GSA, the House and Senate Committees, and the Legislative process. We hope to announce the closing in March or April 2014. Development should commence in 2014 - commercial development as well as a new Veterans' Memorial Park.
- **Route 7 Sewer Project** - The City of Belpre and various businesses north of Belpre located along Route 7 are in the process of trying to obtain financing to

CHAIRMAN'S REPORT *continued*

extend public sewer north to Eramet and the AMP Ohio properties. We hope to have funding information within the next 3 to 6 months and a completion date of 18 months to 2 years. This project will allow current businesses to comply with Ohio EPA rules, retain employees, and expand their current facilities, and be a catalyst to attract new business to this area.

- **A new look for SeOPA** -- new Web Site, new logo and new e-mail. Through Stonewall Digital and the expertise of Tom Crooks and Mike Popp, the Port Authority has a new, more user-friendly web site, a logo, and new e-mail addresses (@seohiport.com). Our goal is to provide up-to-date, relevant information about Washington County business opportunities and available sites and buildings to attract new businesses and new jobs to our area. We are particularly proud of this new web-site and hope to keep expanding the scope to include more sites and buildings that are available for new or relocating businesses.
- **The Shale Play** - the Port Authority, as a member of the Eastern Ohio Development Alliance, participated in a special marketing venture targeted to companies involved in the oil and gas play. Three separate events showcased available sites and buildings in Washington County. The Port Authority actively participates in programs that will prepare us to meet the challenges for businesses involved in the oil and gas industry.
- **Work Force Development** - In order to meet the anticipated demands for skilled workforce from the ever evolving Oil and Gas Play, the Port Authority has joined forces with Washington State Community College, Washington County Career Center and the local trades to enhance workforce development. Meetings are being planned with Appalachian Partners for Economic Growth and Jobs Ohio to discuss resources for local programming for work force development.
- **The Third Frontier Internship Program** - through the efforts of Michele Tipton, we continue to coordinate intern opportunities with students and businesses in a ten county area in Southeast Ohio. (Our goal is to aid local businesses, provide hands on experience for students, as well as, lessen the "brain drain" from our area.)

In closing, I want to thank all of our **Board Members** for their commitment to our mission; I also want to thank the **Washington County Commissioners** for their continued financial support; and I want to give a very special thank-you to all the businesses and individuals who continue to support the efforts of the Port Authority through your private contributions.

Last, but not least, I want to thank Terry Tamburini, Janet Nelson, and Michele Tipton for their unbounded energy and commitment to our organization—their efforts always exceed our expectations.

Hopefully, 2014 will be as great a year as 2013.

Tom Webster, Chairman

ABOUT THE SOUTHEASTERN OHIO PORT AUTHORITY

The Southeastern Ohio Port Authority (SeOPA) is a statutory agent of Washington County created by the County Commissioners. Port authorities were originally created to operate actual maritime ports, lake and river ports, as well as airports. Over time, the legal powers of ports have proven useful in serving the public interest for economic development as well as navigation.

While SeOPA does not operate a traditional port, under the Ohio Revised Code, port authorities are given certain powers in the areas of real estate development, financing and management of foreign trade zones and constructing facilities. Unlike a city or county, SeOPA can buy land and construct a building that could be leased or sold to a business of its choosing at a privately negotiated price. SeOPA can issue tax-exempt (and therefore, lower interest bonds) on behalf of a private entity for the construction of new plant or equipment.

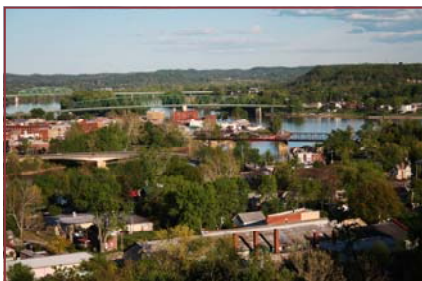
SeOPA is funded through a public-private partnership. Over the years, up to 50 businesses and individuals have pledged funds to support the economic development efforts of the Port Authority.

SeOPA has adopted a Plan of Work, which we use to set priorities and guide our efforts. The Plan of Work is not a static document and will no doubt evolve with time.

Nonetheless, we have created four over-riding goals:

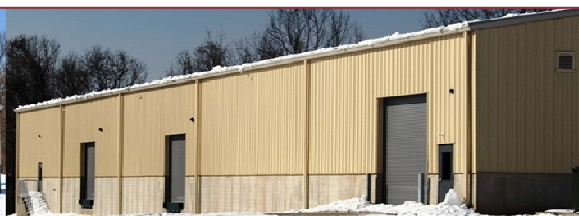
1. Business attraction. SeOPA will work to communicate why Washington County is a good business location and a great place to live. SeOPA will then target businesses, industries, and people for recruitment.
2. Retention & Expansion (R&E) of Existing Businesses and Industries. Most “new” jobs in a community are typically created by existing businesses and industries in a community. Making sure a community is doing everything it can to keep area companies satisfied and help them to grow is a vital economic development function.
3. Community Leadership and Stewardship. Unfortunately, economic development is never so simple and straightforward that the product (or community) you are promoting is functioning perfectly without any problems. All communities have problems. Great communities figure out a way to address their problems together. SeOPA continues to work with partner groups to address the most pressing community issues that affect our business climate.

Building SeOPA for the long-term. As an organization that relies primarily on the support of donors, SeOPA continues to build good will, demonstrate project success, and develop viable revenue streams to support current operations and future growth.



SEOPA PROJECTS

- Ingenuity Center, 35,000 sq. ft. manufacturing facility, under construction at 7N Commerce Park in Reno. Expected completion in first quarter of 2014.
- SeOPA received a \$200,000 Clean Ohio Assistance Grant for a Phase II Environmental Study on the Two Rivers former Sperry-Kardex property on Greene Street in Marietta.
- SeOPA & APEG continue to work with Tri-County Sewer & Water to secure funds to build a new sewer line from Waterford Tank to Beverly in Waterford Township.
- Marietta Health Systems completed Phase I, II, & III of the Belpre Campus supported by OPWC/ARC for access improvement and \$143 million in bond refinancing through SeOPA. Phase IV will be completed early 2014.
- SeOPA's 3rd Frontier Internship Program grew 98%—57 interns placed at companies in ten county region. 21% retained f/t employment. Received \$164,500 in ODSA grant funds for 3FIP for Fiscal Year 12-13.
- SeOPA continues to work with CSX, JobsOhio and local business entities to facilitate Rail to Ohio River connectivity in the County.
- SeOPA secured \$11.3 million from the Ohio Enterprise Bond Fund and the Ohio Water Development Authority to construct the Good River Distribution, LLC water plant to provide process and fire water to 5 Riverview Complex industries and retain 500+ jobs. SeOPA owns GRD LLC and receives lease payments until debt is paid & title transfer.
- The Third Frontier Internship Program was awarded \$190,000 in State reimbursement funds to place up to 67 interns at businesses in a ten county area for fiscal year 2013-14.
- Work continues with SeOPA, 6 industries, City of Belpre, Burgess & Niple and BH-HVRDD on 3.2 million sewer connectivity project for industries along St. Rt. 7 to Belpre.
- Negotiations continue with SeOPA & Government Services Administration on US Army Reserve Center purchase on St. Rt. 7N — Mondo Polymers is primary developer.



Ingenuity Center

GSA Army Reserve Center



MHS Belpre Campus



SeOPA Outreach 2013

"That which is measured improves. That which is measured and reported improves exponentially." - Karl Pearson

As with most economic development organizations, SeOPA understands how important it is to measure performance. First, measuring performance helps economic developers ensure that they are spending their time on high-value activities (accountability to self, organization, board of directors and elected officials) and second, it helps funders of economic development activities know what they are receiving in return for their investment.

Performance measurement is more complex and difficult in economic development than in many other fields. While the Port Authority plays a critical role in the health of Washington County's economy, **the results of our efforts often are not immediate or may appear disconnected from our efforts. Much high-value work involves building relationships and making connections, and this work may not pay off for months or even years.**

In addition, much of the Port Authority's impact is influenced by market, demographic, and other forces outside of the Port Authority's control.

(excerpts from Making It Count: Metrics for High Performing EDOS, 2-3-14, Economic Development Research Partners)

SeOPA Economic Performance for 2013

- Increased lead generation:
 - With 47 sites/buildings available—responded to 57% of requests with matches—visited 60% of sites listed. Increase due to Web-site renovation, Ohio Insight & Lois Databases, and expanded ED relationships in ten counties
- Loans made:
 - OWDA Funds — Good River Distribution, LLC Water Plant
 - Ohio Enterprise Bond Funds — Good River Distribution, LLC Water Plant
- Development of new sites/buildings:
 - Ingenuity Center
 - Good River Distribution, LLC
 - Memorial Health Systems — Belpre Campus
- Website visits — 85% increase
- Retention & Expansion visits — 55 visits
- New Business visits — 38 visits
- Outreach — relationship building visits — 165 visits
- Grants received
 - \$200,000 Clean Ohio Grant Two Rivers Kardex Phase II Remediation Study
 - \$750,000 Jobs Ohio Grant Ingenuity Center
 - \$250,000 Appalachian Regional Commission Ingenuity Center
 - \$250,000 Community Development Block Grant Ingenuity Center
 - \$484,970 Rural Development Initiative Grant Ingenuity Center
 - \$484,970 Rural Industrial Park Loan Ingenuity Center
 - \$5,000 AEP LEAP Grant for Marketing
 - \$149,613 Third Frontier Internship Program Grant Admin & Internships

2013 SeOPA Staff and Board of Directors

Terry Tamburini, *Executive Director*, retired December 31, 2013. Executive Director search ongoing.

Janet K. Nelson, *Executive Assistant*, Belpre, OH hired p/t April, 2006, moved to f/t Oct. 2006.

Michele R. Tipton, *Outreach Coordinator*, Vincent, OH hired p/t MOU-WSCC/SeOPA Oct. 2012, f/t hire April, 2013.

Thomas P. Webster, *Chairman of the Board and Executive Committee*, Attorney at Law, McCauley, Webster & Emrick, 225 Putnam Street, Marietta OH 45750. Appointed to Board in 2005.

Steve Keiser, *Vice-Chairman, Executive Committee, and Website-Marketing Committee Chair*, Vice-President & Chief Operating Officer, Christy & Associates, Inc., 329 S. Seventh St., Marietta OH 45750. Appointed to Board in 2011.

David Haas, *Secretary-Treasurer, Executive Committee, and Ingenuity Center Project*, Vice-President, Morrison, Inc., 410 Colegate Drive, Marietta OH 45750. Appointed to Board in 2005.

Ron Cooley, *Vice-Secretary/Vice-Treasurer and Executive Committee*, President & CEO, The Peoples Savings Bank, PO Box 246, New Matamoras OH 45767. Appointed to Board in 2007.

Jim Black, *Executive Committee, and Ingenuity Center Project Chair*, Business Consultant, 632 Lovers Lane, Beverly OH 45715. Appointed to Board in 2007.

Norman E. (Jack) Haessly, *Executive Committee and ODNR Tree Farm Project Chairman*, President & CEO, Haessly Hardwood Lumber Co., 25 Sheets Run Road, Marietta OH 45750. Appointed to Board in 2006.

Evan Wetz, *Executive Committee, and Sites and Buildings Committee Chair*, Vice President of Operations, Wetz Companies (Wetz Warehouse, R.O. Wetz Transportation, Riverview Logistics) 1300 Blue Knob Road, Marietta OH 45750. Appointed to Board in 2011.

Dave Archer, President, Pioneer Group, 2021 Hanna Road, Marietta OH 45750. Appointed to Board in 2005.

Scott Cantley, CEO, Memorial Health Systems, 401 Matthews Street, Marietta OH 45750. Appointed to Board in 2011.

Bradley Ebersole, Ph.D., President, Washington State Community College, 710 Colegate Drive, Marietta OH 45750. Appointed to Board in 2011.

Charlotte R. Hatfield, Ph.D., Director—Communications, APEG, Fifth Street, Marietta OH 45750. Appointed to Board in 2005.

Nate Long, Plant Manager, American Electric Power Muskingum River Plant, 1501 Sparling Road, Waterford OH 45786. Appointed to Board in 2010.

Daniel K. McGill, *Fundraising Committee Chair*, EVP Chief Commercial Lending Officer, Peoples Bank, 138 Putnam Street, Marietta OH 45750. Appointed to Board in 2011.

Scott Oran, Plant Manager, Kraton Polymers, PO Box 235, Belpre OH 45750. Appointed to Board in 2012.

John Willoughby, Plant Manager, Eramet Marietta, LLC, 16705 State Rte. 7 South, Marietta OH 45750. Appointed to Board in 2013.

2013 Executive Committee: Tom Webster, Steve Keiser, Dave Haas, Ron Cooley, Jim Black, Jack Haessly, and Evan Wetz.

2013 Committee Chairman: Fundraising—Dan McGill, Sites & Buildings—Evan Wetz, Ingenuity Center—Jim Black, Website & Marketing—Steve Keiser, ODNR Tree Farm Project—Jack Haessly

Former Board Members:

Mark Bradley, Robert Kirkbride, Ken Schilling, Dan Kohler, R. John Lehman, Bobby Poage, Larry Unroe, Nancy Hollister, David Wickline, and Mark Gaddy.

Past Board Chairman: Charlotte Hatfield, 2005, 2006; Mark Bradley, 2007, 2008; David Haas, 2009, 2010, 2011, 2012; and Tom Webster, 2013.

Past Board Vice-Chairs: Mark Bradley, 2005, 2006; Dave Haas, 2007, 2008; Bobby Poage, 2009, 2010; Jack Haessly, 2011; and Steve Keiser, 2012, 2013

Past Secretary-Treasurer: Tom Webster, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012; and Dave Haas, 2013.

Past Vice-Secretary/Vice-Treasurers: Bobby Poage, 2007, 2008; Mark Bradley, 2009; and Ron Cooley, 2010, 2011, 2012, 2013.

Co-Chairman Fundraising: Mark Bradley and David Haas, 2005-2011.

Southeastern Ohio Port Authority Financial Summary Narrative for 2013

The Port Authority is funded through a private-public partnership. In 2013 \$70,650 in contributions were received from 70 businesses and individuals. The Washington County Commission provided \$90,000 in support.

The Port Authority uses a “fund accounting” system to track appropriations, income, expenditures and encumbrances on a cash-basis. The summary sheet below list Revenue and Expenses by Operating Accounts, Project Accounts and corresponding Bank Accounts.

The **Operating Account** supports the operations of the Port Authority. In 2013, the Operating Account had a beginning balance of \$52,338.65 which is a total of Peoples Checking, Peoples Savings, WesBanco Money Market & WesBanco Savings. *The Peoples Savings Bank Debit Card is listed separately.* Revenue for General Operating was \$298,809.85 and expenses were \$288,365.36. The General Operating account ended the year with a balance of \$62,783.14.

Transfers In and Transfers Out for the Ingenuity Center are listed next under Operating Accounts. \$993,700.36 was transferred in as Revenue and \$992,015.28 was transferred out for Expenses for a balance of \$1,685.08.

3FIP is the next line item under the Operating Account which shows \$14,634.70 transferred out for 3FIP expenses.

The Good River Distribution LLC is listed next in the Operating Account. The large numbers reflect one remaining wire-transfer in and out — a pass-through for funds from OWDA in the amount of \$2,503,173.50. \$8,955.49, the balance, was revenue paid by Good River Development LLC as lease payments to SeOPA.

The Peoples Savings Bank Debit Card, the last line item under Operating Accounts, had a beginning balance of \$365.84. Transfers in plus refunds total \$6,360.36 in Revenue with expenditures of \$6,409.50 for a balance of \$316.64.

The **Project Accounts** are listed by the Bank holding the funds. The beginning balance for Settler’s was \$20,674.76. \$50,000 in ODNr funds were held in Settlers and transferred out to General Operating over the year. \$553,260.71 in ODSA Funds were grant proceeds received for the Ingenuity Center and transferred out to cover construction expenses.

The **Third Frontier Internship Program** is a grant received by SeOPA to fund interns in a ten county area. Participating companies are reimbursed half the cost (up to \$3,000) of hiring high-tech interns. The Port Authority receives an administrative fee to facilitate the 3FIP grant. 3FIP is also in Settlers under Project Accounts, \$140,117.10 was transferred from the State to cover 3FIP Company Reimbursement costs. \$8,999.07 was transferred as Administrative Fees for a total Revenue of \$149,116.17 with expenses of \$122,990.21 leaving a balance of \$36,463.34. *(which includes beginning balance.)*

A separate Peoples Account was set up for the **Ingenuity Center**. Revenue transferred into the account totaled \$1,600,995.90 *(grants and construction loan funds)* with \$1,546,934.65 in expenses transferred out. Balance encumbered is \$54,061.25.

As you will see the balance for the Operating Accounts and the Project Accounts equals 159,967.61 which in turn equals the balance in the Bank Accounts at year end.

The Southeastern Ohio Port Authority operates on a cash basis during the year with data converted to accrual at year end for State auditing purposes.

Refer to spreadsheet on following page.

Southeastern Ohio Port Authority Financial Summary for 2013

SeOPA Cash Basis Report 2013--Period Ending 12/31/2013

Operating Accounts		Beg Yr Balance	YTD Revenue	YTD Expenses	Fund Balance	
1	Peoples -- General Operating	\$ 52,338.65	\$ 298,809.85	\$ 288,365.36	\$ 62,783.14	
2	Peoples -- transfer In/out Ing. Ctr.		\$ 993,700.36	\$ 992,015.28	\$ 1,685.08	\$ 59,105.65
3	Peoples -- transfer In/out 3FIP			\$ 14,634.70	\$ (14,634.70)	
4	Peoples -- transfer In/out GRD LLC		\$ 2,512,128.99	\$ 2,503,173.50	\$ 8,955.49	
5	The Peoples Savings Bank-Debit Card	\$ 365.84	\$ 6,360.30	\$ 6,409.50	\$ 316.64	
Project Accounts		Beg Yr Balance	YTD Revenue	YTD Expenses	Fund Balance	
6	Settler's--ODNR		\$ 50,000.00	\$ 50,000.00	\$ -	
8	Settler's -- ODSA Funds Ing. Ctr.	\$ 10,337.38	\$ 553,260.71	\$ 553,260.71	\$ 10,337.38	
7	Settler's--3FIP	\$ 10,337.38	\$ 149,116.17	\$ 122,990.21	\$ 36,463.34	\$ 46,800.71
9	Peoples -- Ingenuity Center	-	\$ 1,600,995.90	\$ 1,546,934.65	\$ 54,061.25	\$ 54,061.25
10	Total	73,379.24	6,164,372.28	6,077,783.91	\$ 159,967.61	\$ 159,967.61
Bank Accounts		Beg Yr Balance	YTD Deposits	YTD Disbursements	Account Balance	
11	Peoples Checking	40,050.77	\$ 3,804,433.43	\$ 3,798,152.84	\$ 46,331.36	
12	The Peoples Svgs Bank-dbt cd	365.84	\$ 6,360.30	\$ 6,409.50	\$ 316.64	
13	Peoples Savings	1,948.85	\$ 0.98		\$ 1,949.83	
14	WesBanco Money Market	10,286.68	\$ 104.74		\$ 10,391.42	
15	WesBanco Savings	52.35	\$ 100.05	\$ 36.00	\$ 116.40	\$ 59,105.65
Project Accounts		Beg Yr Balance	YTD Deposits	YTD Disbursements	Account Balance	
16	Peoples Ingenuity Center		\$ 1,600,995.90	\$ 1,546,934.65	\$ 54,061.25	
17	Settlers Bank-3FIP, ODSA, ODNR	20,674.75	\$ 752,376.88	\$ 726,250.92	\$ 46,800.71	\$ 100,861.96
18	Total	73,379.24	\$ 6,164,372.28	\$ 6,077,783.91	\$ 159,967.61	\$ 159,967.61
ASSETS Sale Date 4-26-11		Tax Appraised Value	Market Value	Parcel No.	Acres	
19	Route 7 Rear	26,200.00	\$ 93,325.00	230081356002	3.733	
20	300 Commerce Dr. Marietta	4,600.00	\$ 31,625.00	230081360002	1.265	
21		30,800.00	\$ 124,950.00		4.998	
22	Legal Description: R8 T2 S7 8 AC LOT 65 3.73 3 AC			R8 T2 S7 8 AC LOT 60 1.26 5 AC		

SeOPA New Logo, Website Renovation & Branding

New Website Making Impact

- Website renovation by Stonewall Digital — Tom Crooks, Mike Popp & staff
- Website received honorable mention for AVA Digital Award
- New url: (<http://seohiport.com>)
- Increased traffic to site by 85%



New Logo:



WHY WASHINGTON COUNTY?

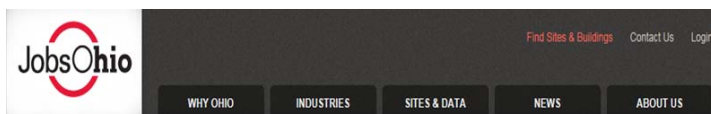
Located in the heart of the nation's industrial region, Washington County is strategically situated on the great inland waterways and crisscrossed by the interstate roadway system. 59 percent of the United States and Canadian populations are within 600 miles of Ohio.

[Learn More](#)



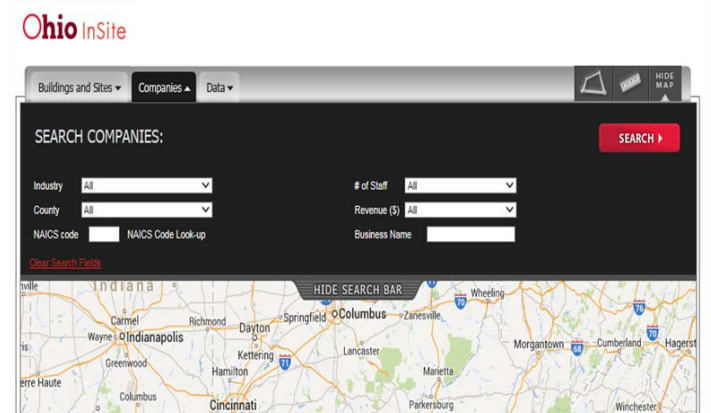
710 Colegate Drive | Marietta, OH 45750-9299 | 740-565-1958 | Fax: 740-373-7496

Executive Director | info@seohiport.com



JobsOhio Site and Building Inventory

- Web-site Site & Building Database affords management of site & building inventory.
- Currently, a total of 47 sites and buildings are available.
- In 2013, staff responded to 57% of site and building informational requests with matches.
- Staff and potential clients visited 60% of sites listed.



Monthly Board Meetings 4th Tuesday — 7:30 a.m.

Washington State Community College
710 Colegate Drive, Marietta OH
Center for Business & Technology

Open to the Public

Southeastern Ohio Port Authority

WSSC Library
710 Colegate Drive
Marietta, OH 45750
(740) 568-1958
Fax (740) 373-7496
www.seohiport.com

Janet K. Nelson
Executive Assistant
janet@seohiport.com

Michele Tipton
Outreach Coordinator
michele@seohiport.com

Directions: To SeOPA Office in Library at Washington State Community College. Enter drive, stay to the right, go to top of hill to student parking, make a right into parking area. Library is first building on right. Enter main library doors, turn right. SeOPA Office is straight ahead.