

# 2014 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

2014 has been a year of both growth and challenges for the Southeastern Ohio Port Authority. As lead economic development agency for Washington County, we continue to respond to inquiries and leads from companies interested in expansion and/or relocation opportunities in the area.

Following the completion of the Ingenuity Center in early 2014, the Port Authority extended an option to lease to a local company interested in the site for expansion of their growing business. A long term lease on the Ingenuity Center is expected to be negotiated in first quarter 2015.

Memorial Health Systems Growth continues at the Belpre Campus. The original Belpre Fire Station has been torn down, and a new station has been built and occupied by Belpre VFD. A \$60 million dollar Bond Refinancing Project for new construction and facility updates was initiated by the Southeastern Ohio Port Authority on behalf of Memorial Health Systems in December 2014 with document completion and bond sales to occur first quarter 2015. Renovations and expansions will occur at both the Belpre and Marietta campuses.

Two Rivers Development's Green Street Property Phase II audit at the old Kardex property continues with completion expected first quarter 2015. The Phase II final report will be prepared by Pandey and Associates and will be available early 2015.

The Route 7 Sewer Project continues to progress. The City of Belpre with assistance from the Southeastern Ohio Port Authority prepared an application for an OWDA Planning Loan which will be submitted by January 12, 2015. OWDA will announce their decision on the Planning Loan application at their January 29<sup>th</sup> meeting. If the loan is approved, Burgess and Niple will begin their work in February 2015. Completion of the engineering is expected by the end of July 2015. Grant and loan application to fund the project will be submitted during the second half of 2015 with construction likely to commence July 2016.

2014 saw the Shale Play continue to move into southeastern and western Ohio. Forecasts of lower oil prices may impact future growth, however, the Southeastern Ohio Port Authority continues with plans to meet development needs associated with the construction of the Wood County WV "cracker" plant.

The Third Frontier Internship Program's final full year ended with 2014. Due to a change in the overall structure of the Third Frontier Initiative, the internship program will end June 30, 2015. According to the Third Frontier Board, the new program will be called The Ohio Third Frontier Technology Validation and Start-Up Fund which will provide grants to move technology developed by Ohio institutions of higher education and other nonprofit research institutions into the marketplace. The institutions can receive funding to demonstrate that a technology is commercially viable through activities such as testing and prototyping. The ultimate goal is to license the technology to start-up and early-stage companies.

Thanks to the efforts of Michele Tipton, the Port Authority placed 72 interns in companies located in a ten county area in 2014. These totals were well above our original target for intern placement. Thanks again, Michele.

It has been a long hectic year. We hope that 2015 will bring us one step closer to more businesses locating in our area. We hope that the "Shale Play" is reinvigorated and will lead not only to new business but also to growth in our existing businesses.

I want to personally thank our Executive Director, Jim Black, and our staff, Janet Nelson, Executive Assistant and Michele Tipton, Outreach Coordinator for their efforts which are always professional, and beyond their written job descriptions. I really appreciate you.

2015 – Look Out Here We Come!!

Thomas P. Webster, Chairman



US Army Reserve Transfer Ceremony with Senator Portman, Joseph O'Bradovic, GSA, Tom Webster, Chair, Congressman Johnson, and David Haas, Sec./Treas.

## ABOUT THE SOUTHEASTERN OHIO PORT AUTHORITY

The Southeastern Ohio Port Authority (SeOPA) is a statutory agent of Washington County created by the County Commissioners in 2002. SeOPA is funded through a public-private partnership. The County Commission allocated \$75,000 in support to the Port Authority in 2014. Over the years, the Port has come to rely on the businesses and individuals who have pledged funds to support the economic development efforts of the Port Authority in Washington County.

The Port Authority strives to provide long-term oversight for economic and workforce development in Washington County. The Port is here to support new investment and employment and to leverage public finance opportunities to underwrite major project development in the County. We pride ourselves in being able to work with local companies to retain and grow employment; to evaluate, build and maintain basic infrastructure to support a strong business foundation for those who live and work in our area. We will continue to provide community leadership and stewardship to make Washington County the best it can be.

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.

### **What is a port authority?**

A port authority is a political subdivision formed by a local community, township or county under Ohio Revised Code Section 4582.

### **How is a port authority created?**

Dependent upon the level of government a port authority is created by a resolution or ordinance. A port authority is a government entity that will facilitate economic activity, capital investment, job creation and retention in Ohio.

### **What does a port authority do?**

Ohio law allows port authorities to construct facilities, issue bonds, make loans, and sell or buy real and personal property. 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.

### **Why use a port authority?**

A port authority can structure, package and coordinate the financing transaction with multiple lenders including commercial banks, state financing and other public sector financing. Port authorities can own property: hold title under a capital lease; own property under an off-balance sheet lease; own infrastructure that is essential to a project, i.e. parking structures.

While SeOPA does not operate a traditional port, 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. It can issue tax-exempt (and therefore, lower interest bonds) on behalf of a private entity for the construction of new plant or equipment.

The Southeastern Ohio Port Authority is the lead economic development agency for Washington County and as such is the first point of contact for those companies interested in locating to the area, or interested in expanding their existing businesses. The Port works with the Appalachian Partnership for Economic Growth, JobsOhio and Ohio Development Services Agency to secure grants and loans to assist local development.



## SEOPA 2014 PROJECTS

- The Ingenuity Center, a 35,000 sq. ft. manufacturing facility at 7N Commerce Park in Reno was completed February, 2014. SeOPA received a total of \$2.2 million in grants and loans to fund the project. An option to lease was signed 4th Quarter 2014.
- SeOPA received a \$200,000 Clean Ohio Assistance Grant for a Phase II Environmental Study on the Two Rivers property, formerly Kardex, on Greene Street in Marietta. Work commenced in July 2014 with completion targeted for 1st Quarter 2015 by Pandey Environmental LLC.
- The Port Authority continues work with City of Belpre, six stakeholders, Burgess & Niple and funding sources on the Rt. 7 Sewer Extension from Blue Knob Road to Belpre. Belpre City Council approved the project 4th Quarter 2014. Request for OWDA Planning Loan submitted by January 15, 2015. Engineering to start Feb. 2015. Funding requests complete 2015-16. Construction set to begin July, 2016.
- SeOPA staff worked diligently to secure a suitable location for Oriana House. Work continues into 2015 with a public meeting and possible resolution 1st Quarter 2015.
- SeOPA staff fielded multiple requests for sites/building locations or relocations during 2014. Many are still in the works for 2015. Matched JC Fodale Energy Services to EZ Grout Building—many new jobs.
- Staff maintains Site & Building Data Base to provide referrals to JobsOhio for leads generated by the State in hopes of landing new companies to the area.
- Executive Director continues to work on the public/private development projects i.e. grain port, business park, rail access, and infrastructure.
- Staff continues to assist with Project Management and funding options for several local clients for start-ups and expansions. Inquiries and requests for assistance come in weekly.
- SeOPA served as a conduit for Memorial Health System bond financing in 2012 and 2014. Memorial was able to complete the following projects within their health system thru 2014:
  - Expansion of the first floor at Marietta Memorial Hospital – as the health system expands, demand for more space, new technology and comfortable patient and family treatment areas grow as well. Enhancements were made to their Radiology Services area including new registration areas, a more private waiting area, new low-dose radiation technology and an information hub along with the opening of the new Welfare League Gift Shop.
  - Addition of a second Cath Lab – Increasing room capacity from 4 to 10; patients can be seen more quickly. It increases their ability to provide expanded services such as electrophysiology – services that provide treatment for the heart's electrical system. New state of the art imaging offers the lowest dose radiation possible in the area as well.
  - Continued investment in their electronic health record which makes information accessible across their system. It also enables them to offer patients MyMemorialChart, a secure online portal to their own medical records.
  - Belpre Campus – The continued expansion of services such as the opening of the Freestanding Emergency Department open 24/7 on the Belpre Medical Campus. The need for Emergency Care services continues to rise in the valley and there was an access problem for patients. The addition of the Emergency Department provides additional convenient care to people in our region.

In 2015, MHS's planned expansion will provide continued quality services, great access and more local care for our community. Larger projects include the completion of endoscopy suites, expansion of a sleep lab to the Belpre Medical Campus, and the addition of two operating rooms at Selby General Hospital. An influx of patients seeking care has increased the need for more inpatient beds—to facilitate room and provide the best experience possible, the funds will assist in the move of Marietta Memorial Hospital's 25 acute medical beds and 10 rehabilitation beds to Selby. Other renovations to take place at Selby include upgrades to the exterior and patient rooms to enhance the care environment.



## SeOPA Outreach 2014

*"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 2014

- Increased lead generation:  
With 72 sites/buildings available—responded to 75% of requests with matches—visited 22 sites listed. Increase due to Web-site renovation, Ohio Insight & Lois Databases, and expanded ED relationships in ten counties. Staff continues to evaluate infrastructure needs of all sites and buildings and work towards securing water, sewer, electric, gas and fiber to all locations.
- Completion of New Construction and Expansion:  
Ingenuity Center \$2.2 million project  
Memorial Health Systems — Belpre and Marietta Campus \$142 million bond refinancing project from 2012
- Website visits — 31.5% return visits (1,009) 68.5% new visits (2,190)
- Retention & Expansion visits — 47 visits
- New Business visits — 44 visits
- Outreach — relationship building visits — 193 visits
- Grants awarded, in process or completed in 2014:
  - \$200,000 Clean Ohio Grant Two Rivers Kardex Phase II Remediation Study
  - \$750,000 Jobs Ohio Grant Ingenuity Center—completed
  - \$250,000 Appalachian Regional Commission Ingenuity Center—completed
  - \$250,000 Community Development Block Grant Ingenuity Center—completed
  - \$484,970 Rural Development Initiative Grant Ingenuity Center—completed
  - \$458,718.59 Rural Industrial Park Loan Ingenuity Center—awarded/used
  - \$10,000 AEP-APEG Community Economic Development Academy Grant—awarded
  - \$260,700 Third Frontier Internship Program Grant—awarded/used/extended

## 2014 SeOPA Staff and Board of Directors

### Staff:

**James M. Black, *Executive Director***, Beverly, OH. Appointed Interim Director, March, 2014; Hired as Executive Director, October 2014. Served on Board from 2007-2014.

**Janet K. Nelson, *Executive Assistant***, Belpre, OH. Hired as part-time 30 hours a week in April, 2006. Moved to full-time 40 hours a week in Oct. 1, 2006.

**Michele R. Tipton, *Outreach Coordinator***, Vincent, OH. Hired as part-time 20 hours a week Staff Assistant through Memorandum of Understanding to share employee hours with WSCC October 2012. Hired as full-time 40 hours a week Outreach Coordinator, April 16, 2013.

### Officers:

**Thomas P. Webster, *Chairman of the Board, Executive Committee, and Past Secretary and Treasurer***. Attorney at Law, McCauley, Webster & Emrick, 225 Putnam St., Marietta OH 45750. Appointed to Board in 2004.

**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 M. Haas, *Secretary-Treasurer, Executive Committee, and Immediate Past Chairman***, Vice-President, Morrison, Inc., 410 Colegate Dr., Marietta OH 45750. Appointed to Board in 2005.

**Nathan J. Long, *Vice-Secretary/Vice-Treasurer and Executive Committee***, Plant Manager, American Electric Power Muskingum River Plant, 1501 Sparling Rd., Waterford OH 45786. Appointed to Board in 2010.

**Norman E. (Jack) Haessly, *Executive Committee and ODNR Tree Farm Project Chairman***, President & CEO, Haessly Hardwood Lumber Co., 25 Sheets Run Rd., 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 Rd., Marietta OH 45750. Appointed to Board in 2011.

### Board Members:

**David M. Archer**, President and CEO, Pioneer Group, 2021 Hanna Rd., Marietta OH 45750. Appointed to Board in 2005.

**Dennis A. Blatt**, Superintendent, Washington County Career Center, 21740 State Route 676, Marietta, OH 45750. Appointed to Board in 2014.

**J. Scott Cantley**, President and CEO, Memorial Health Systems, 401 Matthews St., Marietta OH 45750. Appointed to Board in 2011.

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

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

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

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

**Hal Payne**, General Manager, Ken Miller Supply, 26270 State Route 7, Marietta, Ohio 45750. Appointed to Board in 2014.

**David Wesel**, President and CEO, Dimex Corporation, LLC, 28305 State Route 7, Marietta, OH 45750. Appointed to the Board in 2014.

**2014 Executive Committee:** Tom Webster, Steve Keiser, Dave Haas, Nate Long, Jack Haessly, and Evan Wetz.

**2014 Committee Chairman:** Fundraising—Dan McGill, Sites & Buildings—Evan Wetz, Ingenuity Center—Jim Black, Website & Marketing—Steve Keiser.

## SeOPA Financial Summary for 2014

### General Operating Report 2014--Period Ending 12/31/2014

#### Revenue

Checking Accounts	\$	46,648.00		
Savings & Money Market Accounts	\$	12,458.08		
Beginning Balance	\$	59,106.08		
Line Items		Appropriation		Actual Rev YTD
1 Direct Contributions		94,900.00		94,900.00
2 Intergovernmental Transfer		75,000.00		75,000.00
3 AEP Leap Grant				
4 Good River Distribution Admin. Fees		5,540.70		5,540.70
5 Marietta Community Foundation				
6 3FIP Misc Income		100.00		100.00
7 Interest Income - Other		5.48		5.48
8 GSA Income		495,200.00		495,200.00
9 Misc. Income		24,060.45		24,060.45
10 Ingenuity Center Funds Transferred In		75,021.60		75,021.60
11 Total Appropriated Revenue	\$	769,828.23	Total Appropriated Revenue	\$ 769,828.23
12 Available Beginning Balance	\$	59,106.08	Available Beginning Balance	\$ 59,106.08
13 Total Revenue & Beginning Balance	\$	828,934.31	Total Revenue & Beginning Balance	\$ 828,934.31

#### Expenses

Line Items		Appropriation		Actual YTD
14 Wages, Benefits & Payroll Exp.		112,143.20		112,143.20
15 Bonding/Insurance		7,980.00		7,980.00
16 General Office		13,028.44		13,028.44
17 Marketing		5,911.46		5,911.46
18 Outreach		8,092.30		8,092.30
19 Professional Fees		33,833.76		33,833.76
20 Rent w/ utilities		1,700.00		1,700.00
21 GRD LLC Wire-Transfer Fees		150.00		150.00
22 Ingenuity Center		108,896.01		108,896.01
23 GSA Project Costs		495,397.99		495,397.99
24 Rt. 7 Sewer Project		718.20		718.20
25 Misc. Expense		254.01		254.01
26 Total Appropriated Expenses	\$	788,105.37	Total Expenses	\$ 788,105.37
27 Ending Balance = Beginning Balance + Revenue - Expenses				\$ 40,828.94

Updated 01/14/15 by Janet Nelson, Executive Assistant

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### 2014 Financial Narrative

The Port Authority is funded through a private-public partnership. In 2014, \$94,700 in contributions was received from 90 businesses and individuals. The Washington County Commissioners provided public support in the amount \$75,000.

The Port Authority uses a "fund accounting" system to track appropriations, income, expenditures and encumbrances on a cash-basis.

The General Operating Account supports the operations of the Port Authority. In 2014, the Operating Account had a **beginning balance of \$59,106.08** which is a total of the Peoples Checking Account, the Peoples Ingenuity Center Account, a WesBanco Money Market Account and The Peoples Savings Bank Account.

As of 12-31-14, Total Revenue was **\$769,828.23** and Total Expense was **\$788,105.37** for a YTD Excess of Expenses over Revenue plus beginning balance of **\$40,828.94**.

#### The Southeastern Ohio Port Authority Bank Account Balances as of 12-31-14 by account:

##### Operating Accounts:

Peoples Bank — Checking	\$ 30,084.43
Peoples Bank Ingenuity Center — Checking	\$128,490.93
The Peoples Savings Bank — Checking	\$ 258.02
WesBanco — Money Market	\$ 10,486.49

##### Grant/Projects Accounts:

Settler's Bank— Checking	\$ 43,424.53
<b>Bank Accounts Balances Total</b>	<b>\$212,744.40</b>



## Marketing Washington County — Sites and Buildings

### New Website Impacts Marketing Efforts

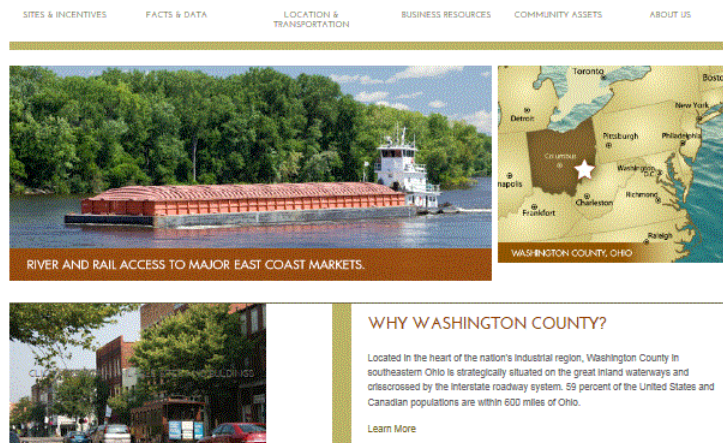
- Website URL: <http://seohiport.com>
- Website visits — 31.5% return visits (1,009), 68.5% new visits (2,190)

### Marketing Efforts Include:

Design and Printing of new Portfolios Packets for information requests.

News and articles featured by Ohio Economic Development Association, Marietta Chamber of Commerce, Belpre Area Chamber of Commerce, and the Appalachian Partnership for Economic Growth.

Events and Media Coverage: articles in The Marietta Times and Parkersburg News and Sentinel and coverage on WTAP-TV. Co-sponsor of Belpre Area Chamber of Commerce Town Talk; Open House and mini-expo for The Ingenuity Center; Ceremony for U.S. Army Reserve Center Deed Transfer.



710 Colegate Drive | Marietta, OH 45750-9299 | 740-568-1958 | Fax: 740-373-7496  
Executive Director | [info@seohiport.com](mailto:info@seohiport.com)



### JobsOhio Site and Building Inventory

- Web-site Site & Building Database affords management of site & building inventory.
- Currently, a total of **72** sites and buildings are available.
- In 2014, staff responded to **75%** of site and building informational requests with matches.
- Staff and potential clients visited **22** available sites and/or buildings 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](http://www.seohiport.com)

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### Janet K. Nelson

Executive Assistant  
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### Michele Tipton

Outreach Coordinator  
[michele@seohiport.com](mailto: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.