2015 Annual Report

SOUTHEASTERN OHIO
PORT AUTHORITY
WASHINGTON COUNTY ECONOMIC DEVELOPMENT

Ready to Move In — Ingenuity Center, 300 Commerce Drive, Marietta OH 45750
35,000 sq. ft. manufacturing facility—for lease or sale.

Southeastern Ohio Port Authority Mission Statement:

*"To enhance the economic environment in the Washington County, Ohio region through leadership and collaborative, innovative partnerships to **retain** existing jobs, **recruit** new companies and **redevelop** new sites; providing a growing, vibrant economy."*

Leveraging
Economic Development
throughout Southeastern Ohio and Washington County

*Established in 2002 by
Washington County Board of Commissioners*

2015 CHAIRMAN's COMMENTS

Steve Keiser

2015 was a challenging year for economies everywhere - internationally, nationally, and yes, locally. Not only did global oil and gas prices collapse, drastically changing opportunities for the Shale Play in our region, but recession and currency crisis around the world had an adverse effect. Despite the setback in development possibilities available, we believe that Washington County and our region have unique characteristics that enable us to overcome such economic downturns.

In the face of tough economic conditions, the Port Authority set out to reexamine its Mission, and to optimize its Processes so that it could perform as effectively and efficiently as possible in any environment. We successfully obtained a Local Government Innovation Fund Efficiency Grant and began a Lean Six Sigma training program. This initiative has resulted in improvements to how we work together, how we conduct meetings, and how we solve problems.

Using continuous improvement tools, the Long Range Planning Committee reviewed and updated its Strategic Plan, refocusing current short-term activities to accomplish the long-term objectives. The Plan reconfirmed the Port Authority's basic emphasis, "Retain, Recruit, Redevelop", and we will pursue those objectives with laser focus.

Although we are disappointed that shale oil and gas drilling, cracker plants, and other related activities won't happen as quickly and dramatically as we would like, there are many other economic development possibilities in Washington County. The shale resources and pipelines are still here, we have rivers, rail, interstate highway, other manufacturing, great communities to live in, and most importantly highly skilled people who can make the best of our assets. Our future will be bright if we manage it right.

Thank you for your continued support.

Steve

Stephen C. Keiser
Chairman
Board of Directors

ABOUT THE SOUTHEASTERN OHIO PORT AUTHORITY

What is a port authority?

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

The Southeastern Ohio Port Authority (SeOPA) is a statutory agent of Washington County created by the County Commission in 2002.

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.

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. The Washington County Commission created the Southeastern Ohio Port Authority to be Washington County's economic development agency.

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.

Public-Private Partnership

SeOPA is funded through a public-private partnership. The County Commission appropriated $75,000 to the Port Authority in 2015. They also levied a fundraising challenge which provided an additional $25,000 if the Port's fundraising efforts exceeded the $75,000 targeted goal. Thanks to the efforts of the Board of Directors, staff and our committed contributors, the Port Authority exceeded their targeted goal of $75,000, met the Commissioners challenge and raised over $100,000 dollars.

The Board and Staff of the Southeastern Ohio Port Authority hereby give our sincere thanks to the many businesses and individuals who continue to contribute to the support of our economic development efforts in Washington County. It's a team effort and we couldn't do it without our contributors, the County Commission, and our committed Board of Professional Business leaders.

2015 Board of Directors and SeOPA Staff

Board of Directors:

David M. Archer, Pioneer Group, President and CEO. Appointed to Board Oct. 2005.

Dennis A. Blatt, Washington County Career Center, Superintendent. Appointed to Board Jan. 2014. *Personnel Committee.*

Bradley J. Ebersole, Ph.D., Washington State Community College, President. Appointed to Board Feb. 2012. *Long Range Planning Committee, Legal/Lease Committee.*

David M. Haas, *Secretary-Treasurer,* Morrison, Inc., Vice-President. Appointed to Board Oct. 2005. *Long Range Planning Committee, Fundraising Committee, Legal/Lease Committee, Executive Committee.*

*Norman E. (*Jack*) Haessly,* Haessly Hardwood Lumber Co., President & CEO. Appointed to Board Aug. 2006. *ODNR Tree Farm Committee Chairman, Long Range Planning Committee, Executive Committee.*

Ed Harra, Past President Green Valley Co-Op/Agland. Appointed Feb. 2015. *Long Range Planning Committee.*

Charlotte R. Hatfield, **Ph.D.,** Appalachian Partnership for Economic Growth, Communications Director. Appointed to Board Jan. 2003. *Sites and Marketing Committee.*

Stephen C. Keiser, Chairman of the Board, Christy & Associates, Vice-President and Chief Operating Officer. Appointed to Board Feb. 2011. *Long Range Planning Committee Chairman, Personnel Committee, Executive Committee.*

Nathan J. Long, *Vice-Secretary/Vice-Treasurer,* American Electric Power, Plant Manager. Appointed to Board in Feb. 2011. *Personnel Committee, Long Range Planning Committee, Executive Committee.*

Daniel K. McGill, Peoples Bank, Executive Vice-President and Chief Commercial Lending Officer. Appointed June 2011. *Fundraising Committee Chairman.*

Scott Oran, Kraton Polymers, Plant Manager. Appointed to Board Dec. 2012. *Personnel Committee Chairman.*

Hal Payne, Ken Miller Supply, General Manager. Appointed to Board Jan. 2014. *Long Range Planning Committee, Executive Committee.*

Thomas P. Webster, McCauley, Webster & Emrick, Attorney at Law. Appointed to Board in Jan. 2004. *Long Range Planning Committee, Legal/Lease Committee Chair, Immediate Past-President, Executive Committee.*

Evan Wetz, *Vice-Chair,* Wetz Companies, Vice President of Operations. Appointed to Board Feb. 2011. *Sites and Marketing Committee Chairman, Long Range Planning Committee, Executive Committee.*

Eric Young, Memorial Health Systems, Chief Financial Officer. Appointed to Board Feb. 2015. *Long Range Planning Committee.*

2016 New Board Members:

Jim Hensler, REA & Associates, CPA. Appointed to Board Jan. 2016.

Joan Zoller, Trademark Solutions, Owner/Sales. Appointed to Board Jan. 2016.

Staff:

James M. Black, (Consultant) *Executive Director.* Appointed as Interim Director, March, 2014. Hired as Executive Director, October 2014. Served on Board from 2007-2014.

Janet K. Nelson, *Executive Assistant and Office Manager.* Hired April, 2006.

Michele R. Tipton, *Sites and Marketing Coordinator*. Hired April, 2013.

SeOPA Financial Summary for 2015

Unaudited Year Ending 2015 Financial Summary
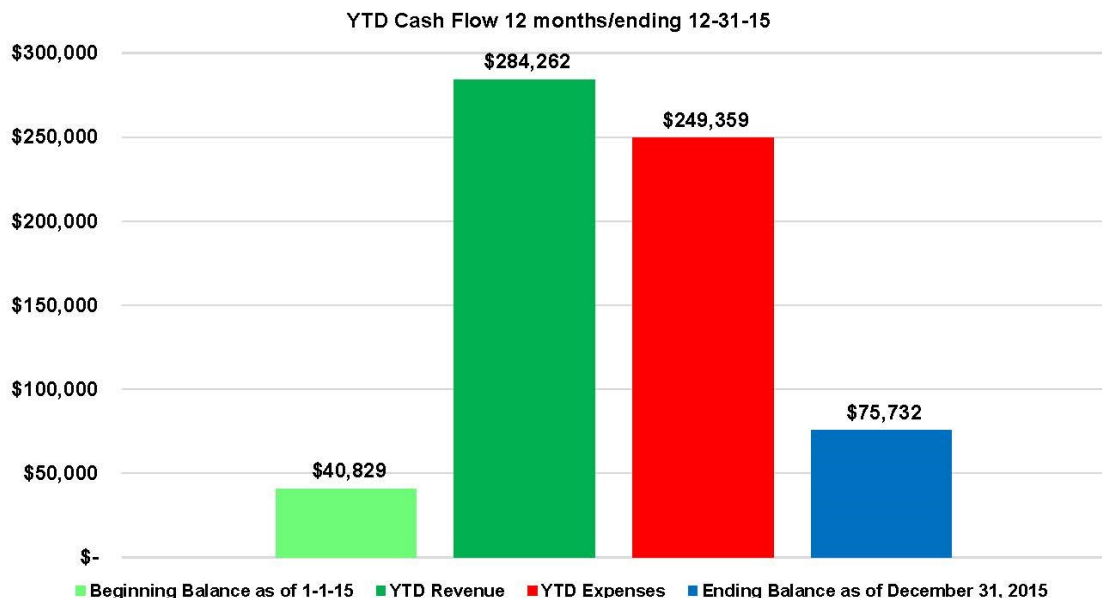
2015 Beginning Balance　　　　$40,829.00

Income

Line Items	Actual Rev YTD
1 Interest, Refunds, Reimbursements	429
2 Ingenuity Center Lease/Option Income	29,370
3 Grants, Loans, Admin Fees, Fund Transfers	50,588
4 Washington County Intergovernmental Transfer	100,000
5 Fundraising Direct Contributions	103,875
6 **Total Appropriated Revenue**	$ 284,262
7 **Available Beginning Balance**	$ 40,829
8 **Total Revenue & Beginning Balance**	$ 325,091

Expenses

Line Items	Actual Exp YTD
9 General Office: Rent, Supplies, Copier, Software, Cell Phone, Bank Fees	11,653
10 Marketing and Outreach:Travel, Memberships, Meetings	14,704
11 Executive Director Consultant Fees: Hourly Rate, Travel, Expenses	58,863
12 Ingenuity Center: Utilities, Insurance, Taxes, Security, Legal	40,524
13 Professional Fees: Legal, Audit, Bonding-Insurance,	8,877
14 Wages, Benefits & Payroll Exp.	114,738
15 Grant, Loan Expenses	-
16 **Total Appropriated Expenses**	$ 249,359
17 **Ending Balance = Beginning Balance + Revenue - Expenses**	$ 75,732

SOUTHEASTERN OHIO PORT AUTHORITY
WASHINGTON COUNTY ECONOMIC DEVELOPMENT

December 31, 2015 Financial Summary

YTD Cash Flow 12 months/ending 12-31-15

- Beginning Balance as of 1-1-15: $40,829
- YTD Revenue: $284,262
- YTD Expenses: $249,359
- Ending Balance as of December 31, 2015: $75,732

Based on Unaudited Financial Data.

Marketing Washington County — Sites and Buildings

Marketing Efforts Include:

- SeOPA database of available sites and buildings. It is linked directly to Ohio InSite (State of Ohio's Database). **www.seohioport.com**

- Properties listed with Commercial real estate listing services.

- Backlit advertising sign in the Mid-Ohio Valley Regional Airport.

- Three sites listed as top sites for APEG's (Appalachian Partnership for Economic Growth) exclusive marketing efforts.

- Sites listed in the EODA (Eastern Ohio Development Alliance) Utica Shale Real Estate book available to brokers.

SeOPA Economic Performance for 2015

Due to our web-site renovation, Ohio Insight, expanded economic development relationships in ten counties and additional staff outreach efforts, lead generation increased:

1. At year end, our sites and buildings database had a total of **82** sites & buildings available in Washington County.
2. Staff responded to **14** JobsOhio leads.
3. Staff conducted **34** new business visits to available sites for possible business relocation.
4. Site visits generated **6** placements in Washington County with an estimated **85** new jobs.
5. Business Retention & Expansion visits — **22** visits
6. Outreach — staff attended **187** meetings and events

Grants/Loans awarded, in process or completed in 2015

- $200,000 Clean Ohio Grant Two Rivers-Kardex Phase II Study—completed.
- $260,700 Third Frontier Internship Program Grant—completed June 30th.
- $45,500 Local Government Innovation Fund — Local Government Efficiency Program Grant—in process.

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
WSCC Library
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Janet K. Nelson
Executive Assistant & Office Manager
janet@seohioport.com
Michele Tipton
Sites & Marketing Coordinator
michele@seohioport.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.