

2016 Annual Report



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 **develop** sites; providing a growing, vibrant economy.”*

2016 CHAIRMAN'S COMMENTS



Steve Keiser

The year 2016 might best be characterized as “The Year of Great Uncertainty”, around the globe, throughout the United States, and even here in Washington County. Whilst businesses and economies pray for an environment of stability and predictability, we instead lived through major shifts in the political world, mass movements of people across borders, and stagnant economic conditions worldwide. And of course, there was that presidential election.

APEG President and CEO John Molinaro described the effect very well in his organization’s recent newsletter. “Every presidential election cycle is accompanied by a slowdown of company decisions regarding investments in new plants and equipment,” wrote Molinaro, “During the primaries, as the field narrows, companies look at candidates’ positions and track records and try to predict how each would affect their plans if elected as president.” This year, that scenario was of course wildly unpredictable, and uncertainty prevails to this day!

A frequent question heard in this part of Ohio is “when is the shale oil and gas activity coming back?” Over the past several years, predictions of an enormous long-term boom here, similar to North Dakota’s early experience with the Bakken formation, faded as world energy prices fell. We were reminded once again that the oil and gas market has always been quite cyclical, and this time was no different. Despite the nature of the market, our resources and capabilities in oil and gas related businesses are so strong, that we must find a way to participate.

As 2017 begins and the country adjusts to and learns how the newly installed politicians intend to impact economic development, we are all watching intensely for clues. We know that strategies for our own companies and for the organizations we serve will need to adjust to new economic and political conditions.

The only thing we can confidently predict today is that 2017 will almost certainly be “The Year of Great Change”. With that in mind, our immediate task is to ensure that the Southeastern Ohio Port Authority makes whatever structural and operational adaptations are required in the pursuit of our unchanging mission, promoting solid economic development in Washington County, regardless of the challenges.

We greatly appreciate your cooperation and support in the years ahead.

A handwritten signature in black ink that reads "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.

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 financing with multiple lenders including commercial banks, the Ohio Development Services Agency or JobsOhio and other public sector resources. 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. water distribution facilities, manufacturing sites, or development sites.

While the Southeastern Ohio Port Authority (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. The Port can issue tax-exempt (and therefore, lower interest bonds) on behalf of a private entity for the construction of a new plant or equipment.

The Southeastern Ohio Port Authority serves as the economic development department for Washington County and is the first point of contact for companies who want to locate here or expand their existing business. Our mission is to retain existing businesses and jobs, to attract and recruit new business, industry and jobs, and to develop or redevelop existing land or buildings to support economic growth here at home.

Public-Private Partnership

SeOPA is funded through a public-private partnership with Washington County. The County appropriated funding of \$75,000 to the Port in 2016. The Commission issued a fundraising challenge to provide an additional \$25,000 if the Port's raised \$25,000 more than their \$75,000 goal. Thanks to the efforts of the Board of Directors, staff and our committed contributors, the Port Authority exceeded our \$75,000 goal and met the Commissioners challenge to raise \$100,000 dollars.

The Board and Staff thank our many businesses and individuals who continue to support the Southeastern Ohio Port Authority and our economic development efforts in Washington County. It's a team effort and we could not do it without all of our contributors, the County Commission, and our committed Board of Professional Business leaders.

2017 Board of Directors and SeOPA Staff

2017 Board of Directors:

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

Dennis A. Blatt, Superintendent, Washington County Career Center, joined Board Jan. 2014. *People and Processes Committee (Chair)*.

David M. Haas, Secretary-Treasurer, Vice-President, Morrison, Inc., joined Board Oct. 2005. *Long Range Planning Committee, Finance and Fundraising Committee (Chair), Legal/Lease Committee, Executive Committee*.

Ed Harra, Past President, Green Valley Co-Op/Agland, joined Board Feb. 2015. *Long Range Planning Committee and Representative to Polymer Alliance Zone Executive Committee*.

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

Jim Hensler CPA, REA & Associates, joined Board Jan. 2016. *Finance and Fundraising Committee*.

Stephen C. Keiser, Chairman of the Board, Vice-President and Chief Operating Officer, Christy & Associates, joined Board Feb. 2011. *Long Range Planning Committee (Chair), People and Processes Committee, Executive Committee*.

Nathan J. Long, Vice-Secretary/Vice-Treasurer, Plant Manager, American Electric Power, joined Board Feb. 2011. *Long Range Planning Committee, Executive Committee, People and Processes Committee*.

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

Thomas P. Webster, Immediate Past-Chairman, Attorney at Law, McCauley, Webster & Emrick, joined Board Jan. 2004. *Long Range Planning Committee, Legal/Lease Committee (Chair), Executive Committee, Sites and Marketing Committee, Nominating Committee (Chair)*.

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

Eric Young, Chief Financial Officer, Memorial Health Systems, joined Board Feb. 2015. *Long Range Planning Committee, Finance and Fundraising Committee*.

Joan Zoller, Owner, Trademark Solutions, joined Board Jan. 2016. *Sites and Marketing Committee*.

Retiring This Year:

Bradley J. Ebersole, Ph.D., President, Washington State Community College, joined Board Feb. 2012. *Long Range Planning Committee, Legal/Lease Committee. (Retiring 6-30-17.)*

Norman E. (Jack) Haessly, President & CEO, Haessly Hardwood Lumber Co., Joined Board Aug. 2006. *ODNR Tree Farm Committee Chairman, Long Range Planning Committee, Executive Committee. (Retired from Board 1-31-17.)*

Daniel K. McGill, Executive Vice-President and Chief Commercial Lending Officer, Peoples Bank, Joined Board June 2011. *Finance and Fundraising Committee. (Retiring 3-31-17.)*

Scott Oran, Plant Manager, Kraton Polymers, joined Board Dec. 2012. *Personnel Committee Chairman. (Retired from Board May, 2016)*

Staff:

James M. Black, Executive Director, appointed Executive Director, October 2014. *SeOPA Board 2007-2014.*

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

SeOPA Financial Summary for 2016

Unaudited Year Ending 2016 Financial Summary

Income

Line Items

	Actual Rev YTD
1 Interest, Refunds, Reimbursements	5,863.14
2 Ingenuity Center Lease/Option Income	70,950.00
3 Grants, Loans, Admin Fees, Fund Transfers	46,181.16
4 Washington County Intergovernmental Transfer	75,000.00
5 Fundraising Direct Contributions	78,700.00
6 Total Appropriated Revenue	\$ 276,694.30
7 Available Beginning Balance	\$ 222,214.78
8 Total Revenue & Beginning Balance	\$ 498,909.08

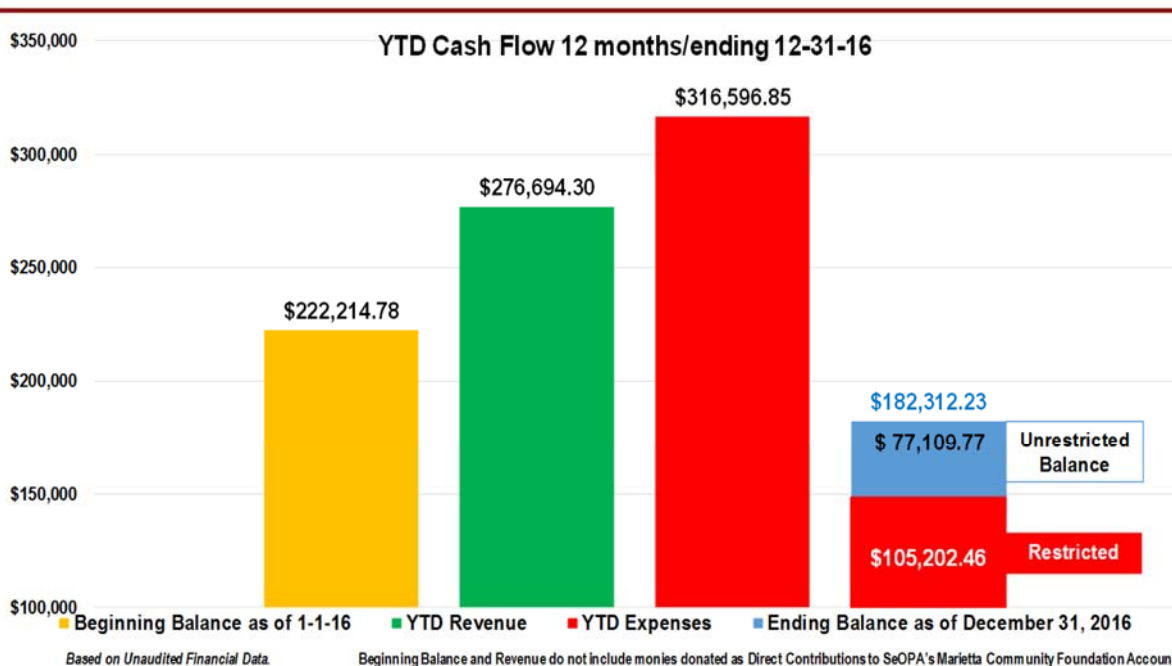
Expenses

Line Items

	Actual Exp YTD
9 General Office: Rent, Supplies, Copier, Software, Cell Phone, Bank Fees	12,443.25
10 Marketing and Outreach: Travel, Memberships, Meetings	13,263.70
11 Executive Director Consultant Fees: Hourly Rate, Travel, Expenses	49,084.49
12 Ingenuity Center: Utilities, Insurance, Taxes, Security, Legal	63,224.89
13 Professional Fees: Legal, Audit, Bonding-Insurance,	26,877.82
14 Wages, Benefits & Payroll Exp.	111,022.70
15 Grant, Loan Expenses	40,680.00
16 Total Appropriated Expenses	\$ 316,596.85
17 Ending Balance = Beginning Balance + Revenue - Expenses	\$ 182,312.23



December 31, 2016 Financial Summary



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.seohiport.com
- Use of Commercial real estate listing services—MLS.
- Facebook Page located at <https://www.facebook.com/PortAuthorityEconomicDevelopment>
- Monthly MailChimp E-Blasts.



Outreach Continues:

Our Staff and Board of Directors work with our collaborative partners to support economic development in Washington County, i.e. Buckeye Hills—Hocking Valley Regional Development District; Wood-Wirt-Washington Planning Commission; utility companies; local, state, regional, and national government entities; Ohio Port Council; Ohio Economic Development Association; Eastern Ohio Development Alliance; JobsOhio; Appalachian Partners for Economic Growth (APEG); Chambers of Commerce; Frontier Local Economic Development Association; Shale Crescent USA; The Economic Roundtable; and many other economic development partners.

SeOPA Economic Performance for 2016

The Southeastern Ohio Port Authority met and exceeded our performance goals as set forth in the 2016 Strategic Plan.

1. At year end, our Sites and Buildings Database had a total of **92 sites & buildings available** in Washington County which are linked to the JobsOhio’s database for statewide exposure.
2. Our 2016 Goal for **Leads, Inquires and Submissions** was **60**. Staff responded to **57** local leads and inquires; **27** JobsOhio leads with **19** sites/buildings submitted for a **total of 84 Leads and Inquires or 140% of goal.**
3. For **Site Placements**, our **2016 Goal** was **12**. Staff coordinated site visits generated **12 Placements** in Washington County with **75 new jobs for 100% of goal.**
4. Our 2016 Goal for **Business Retention & Expansion (BRE) Visits** was **40** visits. Staff completed **52 BRE Visits** for **130%** of goal.
5. Marketing & Outreach — staff attended **173** monthly collaborative partner meetings and events to exceed our 2016 Goal of 75% for Outreach and Marketing.

Grants/Loans awarded, in process or completed in 2016:

- \$45,500 Local Government Innovation Fund — Local Government Efficiency Program Grant for Continuous Quality Improvement for Port Authority Staff and Office Operation .
- \$5,000 American Electric Power Local Economic Advance Program (LEAP) Grant.

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

**Except February & November*

Southeastern Ohio
Port Authority

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James M. Black
Executive Director

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Janet K. Nelson

**Executive Assistant
 & Office Manager**

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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.