



## Southeastern Ohio Port Authority 2009 Annual Report

*It has been a year of both great challenge and opportunity. When things are bad and times are tough, good businesses take actions necessary to make it through, and emerge stronger on the other side of the downturn. The Port Authority is no different, and we have emerged in 2010 leaner and with broader support.*

*The year 2009 was a difficult time for fundraising. We appreciate the private and public entities who stepped up and helped us with our efforts, especially the continued support of the Washington County Commissioners and the new support of the City of Belpre and the City of Marietta. We believe several projects are ready to come to fruition, and with your help we can continue to enhance the economic future of Washington County.*

*David Haas, Chairman 2009-2010*

### About the Southeastern Ohio Port Authority

The Southeastern Ohio Port Authority (SeOPA) is a statutory agent of Washington County. While SeOPA does not operate as a traditional "port," state law grants port authorities power in areas of financing, real estate development, and management of foreign trade zones. The Port Authority is an economic development organization with a mission to enhance the economic competitiveness of Washington County and to be a catalyst for job creation and investment by business, industry and local entrepreneurs. A board of 11 business and community leaders, appointed by the County Commission, governs the Port Authority. Each year, the Port Authority relies on private donations and county appropriations to support its operating budget. In 2009, the County Commission was joined by 88 businesses and individuals that recognized the need for a public-private partnership in economic development and donated funds to sustain the Port Authority.

### Looking Back at 2009

The year 2009 would certainly be forgettable from an economic development perspective if it were not so memorable for the wrong reasons. The effects of a housing and financial crisis, while originating from distant locations, rippled through the Mid-Ohio Valley with tidal-wave-like impacts starting in the fall of 2008 and cresting in 2009.

Solsil, a high-purity-silicon maker, had purchased land in 2008 in Waterford Township and was prepping for the construction of a 150,000 square-foot building before putting the project indefinitely on hold in 2009. Later in 2009, AMP Ohio canceled its planned \$3-billion clean coal power plant in nearby Meigs County. Area employers saw sales plummet, and over 1,000 people lost their jobs from mid 2008 through 2009.

Fortunately, by late 2009, the worst of the Great Recession was over, and hope for better times in the future began to emerge:

- Thermo Fisher Scientific's Marietta facility, which was named one of the Best Plants in North America by *Industry Week Magazine* in early 2009, announced an expansion that will create 116 new jobs. The \$2 million investment was a recognition of the outstanding quality and performance of the Thermo Fisher Scientific work force.

*(continued on page 2)*



### Looking Forward in 2010

Successful economic development requires a forward-looking approach. Despite a tepid economic recovery, the Port Authority sees new opportunities on the horizon. Some of these projects we can talk about; others need to remain confidential at this time.

Here are some of the things we can talk about:

- The Marietta Community Foundation has a vision for an ambitious project designed to promote the wonderful quality of life and impressive assets of the Marietta area to stressed-out and time-strapped urbanites. The multi-media project is still being formulated but will work to convince small business owners, entrepreneurs, tele-commuters and retirees they can have a better life and a more profitable business here in Washington County. The Community Foundation has asked the Port Authority to help manage this

*(continued on page 3)*

## Looking Back at 2009 *(from Page 1)*

The Port Authority assisted Thermo Fisher on obtaining state tax incentives.

- Farrar Scientific launched a ground-breaking product to serve the needs of the pharmaceutical industry. The Port Authority worked with the Washington County Commissioners to provide a \$35,000 revolving loan and prepared an application to Ohio's Advanced Energy program for much larger financing. The Port Authority has also been advocating with federal legislators to expedite the review of Farrar's new product by federal regulators. The Port Authority expects exciting things from Farrar Scientific in 2010, including a formal product launch and employment growth.
- The Port Authority convinced the Ohio Department of Transportation to fund a Container-on-Barge feasibility study, which is now underway. Container-on-Barge is a mode of transporting international shipping containers utilized in other parts of the country and world. The goal of the study is to create a business model for its utilization in the Mid-Ohio Valley. The concept may take years to realize; however, rising fuel prices, a widened Panama Canal and backlogs at West Coast deep water ports will make Container-on-Barge more relevant in the future.
- With the help of State Rep. Jennifer Garrison, the Port Authority has been working with the Ohio Department of Natural Resources to ensure the shuttered 98-acre ODNR tree farm in Reno is reused with the best interest of the community in mind. A memorandum of understanding is now being negotiated that will result in a mixed-use master plan concept for the property with a goal of maximizing development potential but also a harmonious existence with neighbors.
- Through the Ohio Department of Development's Third Frontier Internship Program, the Port Authority was granted \$98,400 in funds to reimburse up to 50% of the cost to hire a math, engineering, computer or science intern. For the 2007-2009 Grant Period, the Port Authority connected 14 companies and 48 interns from Washington County and other parts of Ohio.
- The Port Authority assisted three Washington County companies to obtain grant funding from TechGrowth Ohio for their high-growth potential businesses. TechGrowth Ohio is a Third Frontier Initiative program run out of the Voinovich Center at Ohio University. It can provide grants and equity financing to technology companies or companies with patentable products.



- The Port Authority continued to market Washington County through electronic postcards and news bulletins. With the help of Offenberger & White, this cost-effective tool helps spread the good word about living and working in Washington County.
- In the face of extremely difficult times for fundraising, the Port Authority took steps to reduce expenses in 2009. Those steps included: relocating its office to the campus of Washington State Community College, salary and wage reductions, as well as, cuts to marketing and general office expenses. The Port Authority's 2010 budget reflects even further cuts. A primary focus of the Port Authority is now the pursuit of revenue generating projects.

The **Southeastern Ohio Port Authority Office** is located in the Carson K. Miller Library on the Washington State Community College campus. After entering campus, stay to the right. Go to the top of the hill and make a right. The library is the first building. After entering the main doors, turn right.

New address is **710 Colegate Drive, Marietta OH 45750**. Phone: **740-568-1958**.

## 2009 Board of Directors

### Chairman

**David Haas**  
Vice-President  
Morrison, Inc.

### Vice-Chair

**Bobby Poage**  
Operations Leader  
Kraton Polymers

### Secretary-Treasurer

**Tom Webster**  
Attorney at Law  
McCauley, Webster  
& Emrick

### Vice-Secretary-Treasurer

**Mark Bradley**  
President & CEO  
Peoples Bancorp Inc.

### Dave Archer

President  
Pioneer Pipe Inc.

### Jim Black

Business Consultant

### Ron Cooley

President & CEO  
The Peoples Savings Bank

### Jack Haessly

President  
Haessly Hardwood  
Lumber Co.

### Charlotte R. Hatfield, PhD

President  
Washington State  
Community College

### Nancy Putnam Hollister

Former Lt. Governor

### Larry Unroe

Business Consultant

## Monthly Board Meetings

4th Tuesday 7:30 a.m.

Washington State Community College

Open to the Public

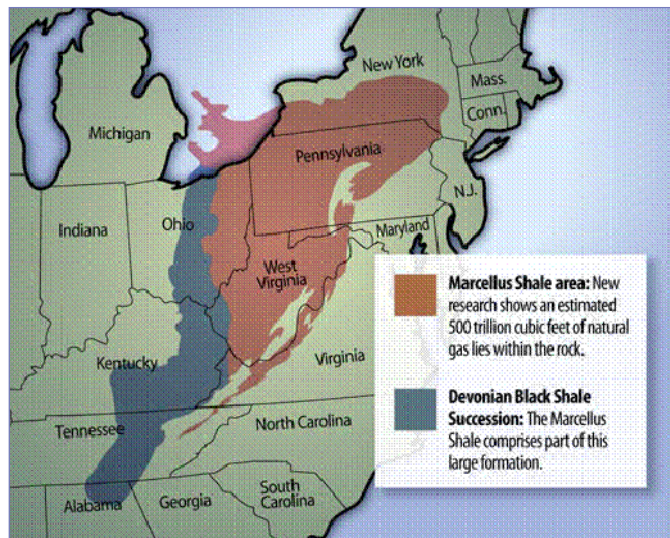
Meeting announcements posted on

[www.pioneerspirit.us](http://www.pioneerspirit.us)

## Looking Forward in 2010 *(continued from page 1)*

campaign and is working with a team of professional marketing experts to develop the campaign.

- The Marcellus Shale formation is a deep, natural gas-rich geologic formation that extends through West Virginia, eastern Ohio, Pennsylvania and New York. Experts estimate the Marcellus Shale could contain 500 trillion cubic feet of natural gas. The Port Authority has added a page to its website, *Pioneering Energy*, in an effort to help Washington County companies capture business tied to future drilling activity in the region and to promote Washington County as a base of operations for companies looking for a play in Marcellus Shale.



Source: Appalachian Fracture Systems, Modified from U.S. Geological Survey sources as printed in *Buffalo Business First*.

- The City of Belpre, a developer, and the Port Authority have been working collaboratively on a project that could result in the reuse of a vacant facility and new construction on some prime property in Belpre. Look for more to come later in the year.
- The Seven North Commerce park suffered the loss of partners Kean Weaver in late 2008 and Jim Bryden in late 2009. Both men cared about the Washington County community and worked with the Port Authority on the development of the Seven North Commerce Park, a 24-acre business park in Marietta Township across Ohio Route 7 from Dimex. The park is ready for tenants, and the estates are working with the Port Authority to sell lots. Please contact Mike Jacoby for more information at (740) 568-1958.



### Southeastern Ohio Port Authority

710 Colegate Drive  
Marietta, OH 45750  
**(740) 568-1958**

Fax (740) 373-7496  
[www.pioneerspirit.us](http://www.pioneerspirit.us)

**Mike Jacoby**  
Executive Director  
[mike@pioneerspirit.us](mailto:mike@pioneerspirit.us)

**Janet Nelson**  
Executive Assistant  
[janet@pioneerspirit.us](mailto:janet@pioneerspirit.us)

## Port Authority Funding

The Port Authority is funded through a private-public partnership. In 2009, eighty-eight businesses and individuals donated monies to the Port Authority. The County Commissioners provided funding in the amount of \$50,000.

The Port Authority uses a "fund accounting" system to track appropriations, income, expenditures and encumbrances on a cash-basis. The Port Authority dollars are divided among five funds by purpose. This separation by funds is for management purposes, and is required for certain grants. For various projects, dollars are moved between funds either as advances (repaid) or transfers (not repaid).

The **General Operating Fund** supports the operations of the Port Authority. In 2009, the General Operating Fund beginning balance was \$115,681.59. Income was \$211,415.11, and expenses were \$281,629.37. The General Fund ended the year with a balance of \$45,467.43 for a net loss of \$27,925.57. (*The \$42,288.69 RLF was subtracted from Gen. Fund upon transfer to Special Projects.*) The \$42,288.69 was held by the Port Authority after the Kardex Revolving Loan payoff in late 2008. With the permission of the County Commissioners, the balance of the RLF was reallocated in 2009 for other projects, including a loan to Farrar Scientific.

The **Brownfield Assessment Fund** was capitalized with a grant from the U.S. EPA for environmental assessments on properties potentially contaminated by petroleum. The Port Authority received no operating funds from the EPA Grant program. This grant expired in early 2009, and remaining funds were returned to the EPA. The fund was closed in 2009.

The **Third Frontier Internship Program Fund** tracks state funds awarded to the Port Authority. Participating companies are reimbursed half the cost (up to \$3,000) of hiring high-tech interns. The Port Authority receives a small administrative fee from each 3FIP grant.

The **Business Park Fund** accounts for monies used for the construction of the Seven North Commerce Park. The project received reimbursement grants from the State of Ohio. Because grants were reimbursements, a line of credit was required to pay contractors. Revenues include line of credit proceeds and grant reimbursements. Expenses include construction costs and line of credit principal and interest payments.

The **Special Projects Fund** was created in 2009 with pass through funds from the Bartlett School sale and \$42,288.69 from RLF repayment. New fund activity includes a six-month, \$35,000 loan to Farrar Scientific and monies for expenses related to a planned building project.

### Southeastern Ohio Port Authority Fund Reports for 2009

Cash basis (unaudited) as of December 31, 2009

#### 1 General Operating Fund

Beginning Balance	\$	115,681.59
Revenue		
Direct Private Contributions	\$	91,557.00
Intergovernmental Transfer (Washington County)	\$	50,000.00
Third Frontier Internship Administration	\$	10,144.00
Interest Income - Other	\$	318.76
Advances In (Business Park & Waterford Building)	\$	836.24
Miscellaneous Income	\$	55,559.11
<b>Total Revenue</b>	<b>\$</b>	<b>211,415.11</b>
Expenses		
Wages, Benefits & Payroll Exp.	\$	147,944.47
Bonding/Insurance	\$	2,083.00
General Office	\$	6,584.69
Marketing	\$	7,231.74
Outreach	\$	9,937.31
Professional Fees	\$	4,922.03
Rent w/ utilities	\$	2,700.00
Advances Out (Special Projects)	\$	500.00
Transfer Out (Special Projects)	\$	44,788.69
Transfer Out (Church Payment)	\$	50,000.00
Transfer Out ( Bus Park Loan Int. & Insurance)	\$	4,937.44
Miscellaneous	\$	138.36
<b>Total Expenses</b>	<b>\$</b>	<b>281,629.37</b>
<b>Net Income</b>	<b>\$</b>	<b>(70,214.26)</b>
<b>Ending Balance</b>	<b>\$</b>	<b>45,467.43</b>

#### 2 Brownfield Assessment Fund

Beginning Balance	\$	22862.80
Revenues	\$	443.62
Expenses	\$	23306.42
Net Income	\$	0
Ending Balance	\$	0

#### 3 Third Frontier Internship Program Fund

Beginning Balance	\$	4,684.33
Revenue	\$	85,202.07
Expenses	\$	70,409.01
Net Income	\$	14,793.06
Ending Balance	\$	19,477.39

#### 4 Business Park Fund

Beginning Balance	\$	7,630.89
Revenue	\$	139,426.94
Expenses	\$	146,478.23
Net Income	\$	(7,051.29)
Ending Balance	\$	579.60

#### 5 Special Projects Fund

Beginning Balance	\$	
Revenue	\$	95,288.69
Expenses	\$	88,000.00
Net Income	\$	7,288.69
Ending Balance	\$	7,288.69

<b>Total Fund Balances</b>	<b>\$</b>	<b>72,813.01</b>
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