



Southeastern Ohio Port Authority 2008 Annual Report

The year 2008 proved challenging. While affected by a volatile global economy, we believe most Washington County businesses remain focused on the future and new opportunities. We are pleased that the Southeastern Ohio Port Authority has been a strong partner for businesses planning for the future. The development of the Seven North Commerce Park, the proposed financing structure for Solsil, Inc., the exploration of electric co-generation facilities, and the pursuit of Container-on-Barge shipping are just some of the ways the Port Authority is helping Washington County to build its future. This is a long-term process requiring teamwork and perseverance. We extend our sincere gratitude to our donors and the Washington County Commissioners for sharing in our vision of a more prosperous future.

David Haas, Chairman 2009

Mark Bradley, Outgoing Chairman

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 2008, the County Commission was joined by 80 businesses and individuals that recognized the need for a public-private partnership in economic development and donated funds to sustain the Port Authority.

Seven North Commerce Park

The Seven North Commerce Park is open and ready for tenants. This 24-acre business park was developed jointly by the Port Authority and Triad Holdings, P.L.L. The Port Authority secured \$500,000 of state grants for infrastructure development. The completion of the Seven North Commerce Park marks an exciting new opportunity for business growth in the Mid-Ohio Valley.

Seven North Commerce Park, which is four miles east of Interstate-77 on S.R. 7 North, features a rare 24 acres of flat, utility-served land above the floodplain with state highway frontage. Targeted uses include light manufacturing, commercial and office buildings. Lots range from 2 to 12 acres. Other amenities of the park include: water, sanitary sewer and storm sewer lines installed, buried 12 kV electric service, and covenants that protect the integrity of the development.

For more information, please call **(740) 373-3233** or go to www.pioneerspirit.us.



Hypothetical Site Layout

Solsil Project Status

For over a year, the Port Authority has been working with Solsil, Inc. Solsil, a subsidiary of Globe Specialty Metals of New York, has been co-located with Globe Metallurgical at its Beverly facility. Solsil refines silicon, a metalloid and the second most common element in the earth's crust, through a metallurgical process to over 99.999% purity for use in the photovoltaics industry.

Because of the cutting edge technology developed by Solsil and growth projections in the photovoltaics industry, Solsil has sought a stand-alone facility for expansion. The start-up company originally sought out existing facilities, which could have resulted in a move outside of Washington County. However, Solsil management ultimately decided to build a new 150,000-square-foot facility on a site in Waterford Township.

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Global Commerce on the Ohio River

Ever wondered why more and more of the semi-truck trailers you see on the highway seem to be made of corrugated metal with Chinese, Danish and German company names on the side? The metal boxes are actually international shipping containers, and they are only temporarily attached to wheels. In fact, these containers are stacked, sometimes 7,000 at a time, on huge ships for transport across the Atlantic and Pacific oceans.

Once unloaded, the containers are often put on rail cars for transport by land. Near their final destination, they are put on truck axles. These containers are used to import consumer goods like clothing, toys, and electronics. The containers are then filled with American exports like agricultural products and industrial machinery for shipment back overseas.

With more and more global trade and west coast deep water ports at capacity, the time may be right for moving containers on the Intercoastal Waterway, including the Mississippi and Ohio Rivers. The Southeastern Ohio Port Authority is currently working with the Ohio Department of Transportation, as well as other state and federal government officials, to explore in detail the feasibility of a container-on-barge port on the Ohio River. For more information about this project, please contact Mike Jacoby at (740) 373-3233 or mike@pioneerspirit.us.



Solsil Update *(from Page 1)*

Working with the Ohio Department of Development, in late 2008, Solsil obtained approval for \$10 million in low-interest financing for facility construction. Plans call for Solsil to lease the facility from the Port Authority with the option to purchase at lease expiration. This financing structure through the Port Authority affords companies interest savings and certain tax advantages.

As of February 2009, the global economic downturn has slowed demand and raised uncertainty for the photovoltaics industry. Hence, like many other industries, Solsil has proceeded slowly and cautiously. Solsil indicates it still intends to move forward with the construction of the new facility, subject to market conditions.

Ohio Enterprise Bonds to finance Solsil's facility are tentatively scheduled to be sold when the bond market becomes more favorable. Construction would start soon afterward. The Southeastern Ohio Port Authority continues to believe the long-term outlook for photovoltaics is strong. We also believe Solsil is uniquely positioned to be a market leader in upgraded metallurgical silicon.

The Port Authority is cautiously optimistic about the Solsil project but also keenly aware that the variables ultimately dictating the success of this project are subject to ever-changing, global market conditions.

2008 Accomplishments

The Southeastern Ohio Port Authority achieved the following in 2008:

- The Port Authority utilized over \$30,000 in federal EPA funds to pay for phase one and phase two environmental assessments on six properties potentially contaminated with petroleum through a U.S. EPA Brownfield Assessment program. These funds are designed to identify and remediate environmental liabilities, which often prohibit redevelopment.
- Through the Third Frontier Internship Program, the Port Authority granted (or will grant) nine companies \$55,851.43 in funds as reimbursement for up to 50% of their cost in hiring 23 math, engineering, computer and science interns.
- The Port Authority worked with over 20 business prospects, submitting site & building, incentive, demographic and work force information. An inventory of over 60 sites and buildings is maintained online at www.pioneerspirit.us. Although prospect activity has slowed in recent months, four of these projects remain active.

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2008 Board of Directors:*Chairman*

Mark Bradley
President & CEO
Peoples Bancorp Inc.

Vice-Chair

David Haas
Vice-President
Morrison, Inc.

Secretary-Treasurer

Tom Webster
Attorney at Law
McCauley, Webster
& Emrick

Vice-Secretary-Treasurer

Bobby Poage
Operations Leader
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Dave Archer
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Jim Black
Business Consultant

Ron Cooley
President & CEO
The Peoples Savings Bank

Jack Haessly
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Haessly Hardwood
Lumber Co.

Charlotte R. Hatfield, Ph.D.
President,
Washington State
Community College

Nancy Putnam Hollister
Former Lt. Governor

Larry Unroe
President & CEO
Marietta Memorial Hospital

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

Washington State Community College
Open to the Public

Meeting announcements posted on
SeOPA web-site

www.pioneerspirit.us

2008 Accomplishments (from Page 2)

- The Port Authority prepared and submitted a grant application for a force-main sewer extension to the project site of Solsil, Inc., in Waterford Township.
- SeOPA continued marketing efforts on behalf of Washington County. The Port Authority partnered with George Broughton to post a banner visible from Interstate 77 at the GWB II complex about one mile south of Exit 6. The Port Authority continued E-News Bulletins to local and national audiences. The Port Authority also started an E-Postcard Campaign. The Port Authority website averaged about 3,500 visits per month in 2008.
- Through the Teen Career Awareness Initiative, the Port Authority organized visits by 240 eighth graders to nine businesses in Washington County. The visits exposed students to different career options and allowed professionals in the work world to reinforce the importance of education and career planning. This effort is designed to address the significant population of high school graduates that fail to have a plan for higher education or career training beyond high school.

Remembering Kean Weaver

On December 10, 2008, Washington County lost a tremendous asset and community leader with the tragic death of Kean Weaver. Kean Weaver came to Marietta College from the Pittsburgh area to study petroleum engineering and to play baseball.

After college, he founded Triad Resources and grew it into a large multi-state oil & gas company. Between all the Triad companies, Kean employed nearly 150 people.

Kean was a larger-than-life personality, a consummate entrepreneur, a philanthropist, a real estate developer, an advocate for Washington County, a good friend and a dedicated father. Kean was a critical partner of the Port Authority in the development of the Seven North Commerce Park. He is greatly missed. But his legacy will live forever.



**Southeastern Ohio
Port Authority**

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Port Authority Funding

The Port Authority is funded through a private-public partnership. In 2008, eighty businesses and individuals donated funds to the Port Authority.

In mid 2008, after consultation with the State Auditor's Office, the Port Authority implemented a governmental accounting or "fund" accounting system. This system is a form of cash accounting. Revenues and expenditures are recorded when they enter or leave Port Authority accounts.

Under fund accounting, Port Authority dollars are divided among five funds by purpose. This separation by funds is for management purposes, and it is required for some grants. For some 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. For 2008, the General Operating Fund ended the year with \$21,161.02 in net income. However, when the Kardex loan principal payoff, which remains county money, is subtracted, the General Operating Fund shows a \$21,127.67 net loss.

The Brownfield Assessment Fund is U.S. EPA funding set aside for environmental assessments on properties potentially contaminated by petroleum. The Port Authority receives no operational funding from the EPA Grant program.

The Third Frontier Internship Fund uses state funds to reimburse companies for half the cost (up to \$3,000) of high-tech interns. The Port Authority receives a small administrative reimbursement for this program.

The Business Park Fund accounts for monies used for 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 Waterford Building Fund is for the Solsil project. Initially, the Port Authority served as a conduit for an engineering study to examine how to extend a public sewer line to the project site. Once the Solsil Project is underway, the fund will track other income and expenses for the Port Authority.

*OBDC-Ohio Business Development Coalition
*MCF-Marietta Community Foundation

Southeastern Ohio Port Authority Fund Reports for 2008

Cash basis (unaudited) as of December 31, 2008

1 General Operating Fund

Beginning Balance	\$	94,532.62
Revenue		
Direct Private Contributions	\$	107,300.00
Intergovernmental Transfer (Washington County)	\$	50,000.00
Grant Support (OBDC & MCF)*	\$	17,583.22
Third Frontier Internship Administration	\$	11,604.50
Kardex Loan-Principal & Interest	\$	45,318.59
Interest Income - Other	\$	876.17
Advances In (Business Park & Waterford Building)	\$	15,955.08
Miscellaneous Income	\$	3,028.81
Total Revenue	\$	251,666.37
Expenses		
Wages, Benefits & Payroll Exp.	\$	154,603.00
Bonding/Insurance	\$	2,119.00
General Office	\$	7,799.03
Principal & Interest to County on Kardex Loan	\$	2,773.00
Marketing	\$	14,715.96
Outreach	\$	4,446.19
Professional Fees	\$	6,301.73
Rent w/ utilities	\$	7,200.00
Advances Out (Business Park & Waterford Building)	\$	26,729.54
Transfer Out (Line of Credit Interest)	\$	3,679.54
Miscellaneous	\$	138.36
Total Expenses	\$	230,505.35
Net Income	\$	21,161.02
Ending Balance	\$	115,693.64

2 Brownfield Assessment Fund

Beginning Balance	\$	40,806.05
Revenues	\$	25,000.00
Expenses	\$	42,955.30
Net Income	\$	(17,955.30)
Ending Balance	\$	22,850.75

3 Third Frontier Internship Program Fund

Beginning Balance	\$	5,486.83
Revenue	\$	72,011.43
Expenses	\$	72,813.93
Net Income	\$	(802.50)
Ending Balance	\$	4,684.33

4 Business Park Fund

Beginning Balance	\$	-
Revenue	\$	765,109.58
Expenses	\$	757,478.69
Net Income	\$	7,630.89
Ending Balance	\$	7,630.89

5 Waterford Building Fund

Beginning Balance	\$	-
Revenue	\$	5,000.00
Expenses	\$	5,000.00
Net Income	\$	-
Ending Balance	\$	-

Total Fund Balances	\$	150,859.61
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