



DFA

DEVELOPMENT FINANCE AUTHORITY
OF SUMMIT COUNTY

Attracting private capital to Northeast Ohio for public good.®

2013 ANNUAL REPORT



DEVELOPMENT FUND
of the WESTERN RESERVE



Joseph G. Dancy
*DFA Board
Chairman*



Patricia McKay
*DFWR Board
President*



Chris Burnham
*DFA President &
DFWR Executive
Director*

Year in Review

In 2013, the Development Finance Authority of Summit County (DFA) continued to be a regional force for economic development. DFA assisted with financing health care, manufacturing, hospitality, and commercial and real estate projects in Summit, Huron and Lorain Counties.

○ Forward Looking

The DFA Board brings vision and skills that encompass banking, finance, health care, engineering, manufacturing, power generation and transportation. This combination of wisdom contributes to the on going development of our Strategic Plan. As the economy improves across most market segments throughout our region, DFA will continue to evaluate and implement new programs to support our mission while broadening the scope of services we offer.

○ New Program

We continue to look forward to how our programs and financing capabilities add more value to the prosperity of our region. As such, in 2013 DFA entered into an agreement to bring the **Cleveland International Fund (CiF) EB-5 Financing Program** into Summit County. This is the first time CiF is able to provide funding outside of Cuyahoga County. In the past three years, CiF has raised \$146 million to help finance five projects.

○ New Venture

The DFA also entered into a unique collaboration with Summit County, the Akron-Canton Airport, the City of Green and SB Equities. DFA will lead the development of Phase III of Port Green, a commercial/industrial park and foreign trade zone on airport property.

○ Advocacy

Of concern to DFA is legislation to ensure the preservation of tax-exempt bonds. In fact, DFA is an active participant in the advocacy effort of the Council of Development Finance Agencies (CDFA) and other interested parties which will modernize outdated rules, regulations and improve tax policy at the federal level through the proposed *American Manufacturing Bond Finance Act*. Tax-exempt bonds are an actively used tool to finance expansion for eligible manufacturing businesses and others by providing access to capital and reduced rates; this proposed legislation would provide better and more efficient access to capital, especially for manufacturing businesses.

Through our affiliate, the **Development Fund of the Western Reserve (DFWR)**, we are advocating ways to improve the Ohio New Markets Tax Credit (NMTC) program and to extend and make the federal NMTC program permanent. New Markets are a valuable tool to attract private capital into the poorest communities and neighborhoods of our region.

We thank all who assisted with our advocacy, especially the Greater Akron Chamber and Summit County Executive, Russ Pry.

IN 2013, DFA FINANCED \$106.145 MILLION, LEVERAGING AN ADDITIONAL \$75.72 MILLION.

2013 PROJECTS

SIX PROJECTS WERE FINANCED IN THREE NORTHEAST OHIO COUNTIES DURING 2013.

Summit County Combined General Health District Project

The Summit County Health District combined with the City of Akron and City of Barberton Health Districts in 2011. DFA assisted with financing renovations to the Fairway Center building complex in 2013 by issuing \$5,000,000 tax-exempt bank qualified debt.



University Edge

University Edge, adjacent to the University of Akron, is a mixed-use project consisting of 18,500 sq. ft. of retail and student apartments and community facilities in a two-building complex. The new facility can accommodate 578 students.



80 Exchange

The Cleveland-based NRP Group invested \$30 million in new construction of “The Depot” featuring 192 student apartments and a 320 space parking deck. DFA assisted with financing the project.

Pepperidge Farm

DFA assisted Pepperidge Farm with a \$93 million expansion of its Willard, Ohio plant in Huron County, resulting in the installation of a new Goldfish cracker production line and a 227,000 sq. ft. expansion.



Goodyear Ribbon Cutting

Goodyear CEO Richard Kramer and others, including Mayor of Akron Don Plusquellic, Summit County Executive Russ Pry and Lt. Governor Mary Taylor performed the traditional ribbon cutting for the new Goodyear Headquarters.



IN 2013, PROJECTS FINANCED BY DFA CREATED 104 JOBS AND RETAINED 704 MORE.

Lorain County Health & Dentistry (LCH&D)

Lorain County Health & Dentistry needed a larger facility to serve the growing demand for affordable primary care. DFWR, an entity managed by DFA, provided financing through the New Markets Tax Credit (NMTC) program. DFWR allocated \$6.5 million in federal NMTC and \$2.5 million State of Ohio NMTC.

The facility enables expansion of services to LCH&D's low income, uninsured and underserved clients in Lorain County and surrounding areas. A vision clinic was added to LCH&D's services in October 2013.



LCH&D 2013 DEDICATION



DR. JOYCE RAMSUE-THOMPSON AT LCH&D NEW VISION CENTER PROVIDES AFFORDABLE PATIENT VISION EXAMS USING STATE-OF-THE-ART TOPCON REFRACTION SYSTEM.



Advanced Cryogenic Enterprises

DFA helped to finance Advanced Cryogenic Enterprises (ACE) acquisition of a 54,000 sq. ft. facility at 1034 Home Avenue in Akron. ACE needed more space to expand its specialized ambient and cryogenic milling and granulation operations. ACE specializes in rare cryogenic milling and granulation of materials such as rubber, specialty plastics, film, organics and others. The key element in their production process is cryogenic temperatures. Cryogenic milling eliminates the possibility of any change in the chemical properties of the original material. The new facility enables ACE to significantly increase production, serve more clients and perform lab trials to multiple truckload capacities. ACE has the capability to granulate extruded materials down to 164 mesh grade powder, which translates to three thousandths of an inch.



DAVE IS HOLDING A PLASTIC MODIFIER IN THE FORM OF AN EXTRUDED PELLET. THIS MATERIAL IN FINAL FORM WAS PROCESSED INTO A 30 MESH POWDER, OR TWO HUNDREDTHS OF AN INCH.

DAVE NORTON, PRESIDENT OF ACE, IS STANDING IN FRONT OF THE MATERIAL CLASSIFIER MACHINE.



East End Hilton Garden Inn

The new Hilton Garden Inn hotel will provide jobs and economically revitalize the historic East End neighborhood of Akron with 135 full-service guest rooms and other amenities. DFA provided \$6.5 million in federal NMTC and \$2.5 million in State of Ohio NMTC to help finance the project. In addition, private equity sources and the CMB Investment Group X, LP EB-5 program participated in the financing. The site was once part of the Goodyear Headquarters property.

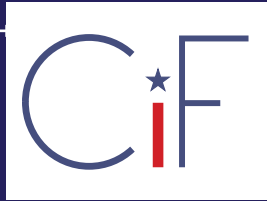
TWO NEW NMTC PROJECTS CREATED 562 JOBS AND RETAINED 42 MORE (INCLUDING CONSTRUCTION JOBS).

Cleveland International Fund's EB-5 Program was created by Congress in 1990 to stimulate the U.S. economy. It allows foreign investors to participate in U.S. projects in exchange for immigration to the United States.

New Program

We are excited to continue gauging how our programs and financing capabilities add value to the prosperity of our region.

As such, in 2013 DFA entered into an agreement to bring the **Cleveland International Fund (CiF) EB-5 Financing Program** into Summit County. This is the first time CiF is able to provide funding outside of Cuyahoga County. In the past three years, CiF has raised \$146 million to help finance five projects.



DFA and DFWR enabled clients to access private capital for important community and economic development projects.

We acknowledge PNC Bank, Huntington Bank, FirstMerit Bank and CMB Investment Group X, LP EB-5 program for their willingness to invest in our communities.

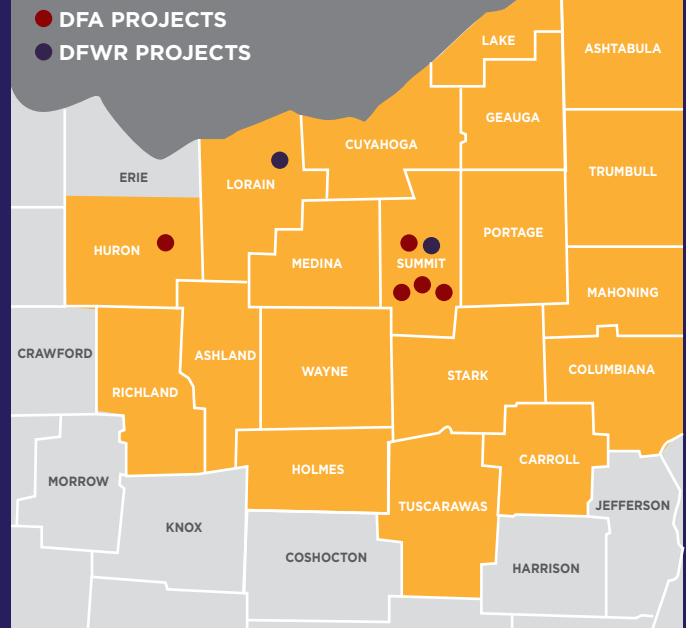
New Venture



Port Green Layout & Utility Locations

Port Green is a unique public-private partnership of the City of Green, Summit County, DFA, the Akron-Canton Airport and SB Equities which will diversify revenue for the CAK Airport and create jobs for the region by attracting private investment to the airport property. Construction will be completed in June 2014.

DFA & DFWR FINANCE PROJECTS THROUGHOUT NORTHEAST OHIO



Advocacy

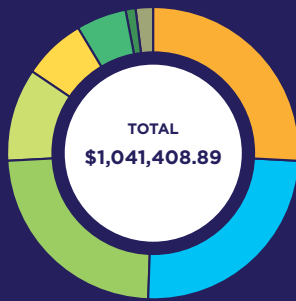
The Greater Akron Chamber provided leadership to advocate the extension of the New Markets Tax Credit program. In the photo, GAC Executive Vice President Rick Rebadow and Chris Burnham meet with U.S. Senator Rob Portman in his Capitol Hill office to discuss local projects in underserved areas that do not have access to traditional financing.



After giving the keynote address during the Lorain County Health & Dentistry building dedication, U.S. Senator Sherrod Brown talks with medical staff member Lisa Hachey, a Certified Nurse Midwife, and Shawn Frick, a representative of the National Association of Community Health Centers.

DFWR FULLY DEPLOYED \$20 MILLION NEW MARKETS TAX CREDIT ALLOCATION IN 19 MONTHS.

DFA 2013 REVENUE



Summit County Economic Development Grant
\$75,000.00

Project Administrative Fees
\$245,569.63

On-Going CAK Lease Administration
\$105,588.44

Loan Processing Fees
\$269,750.00

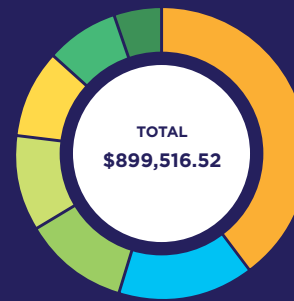
NMTC
\$258,538.08

Project Related Services
\$17,450.00

Interest Income & Other
\$13,761.03

Lease/Easement/Other
\$55,751.71

DFA 2013 EXPENSES



Salaries
\$357,637.30

Professional Services
\$135,012.04

Benefits
\$97,201.37

Miscellaneous Operating Expenses
\$87,458.63

Letter of Credit Fee
\$104,707.18

Economic Development Investments
\$72,500.00

Bad Debt Expense
\$45,000.00

2013 DFA BOARD OF DIRECTORS

CHAIRMAN

Joseph G. Dancy
Chief Tire Analysis Engineer
THE GOODYEAR TIRE & RUBBER CO.

VICE CHAIR

Kathy Stafford, Ph.D.,
Senior Advisor
AKRON GENERAL HEALTH SYSTEM

SECRETARY

Jon Taylor
VP, Controller & Chief Accounting Officer
FIRSTENERGY CORP

Timothy R. Fitzwater
President and CEO
NATIONAL CITY BANK
NORTHEAST REGION,
RETIRED

Steven M. Kasarnich
Trustee
OHIO CARPENTERS PENSION & ANNUITY FUND

Kristie VanAuken
Senior Vice President/CMCO
AKRON-CANTON AIRPORT

Grace K. Wakulchik
VP of Operations & Chief Operating Officer
AKRON CHILDREN'S HOSPITAL

2013 DFA MANAGEMENT

Christopher J. Burnham
President

Elizabeth S. Leonard
Finance Manager & Assistant Secretary to the Board

Norma Fox Horwitz
Project Manager

Bryan M. Edwards
Project Manager



Development Finance Authority of Summit County

BACK ROW: Jon Taylor, Kristie VanAuken, Joe Dancy, Tim Fitzwater
FRONT ROW: Grace Wakulchik, Steve Kasarnich, Kathy Stafford, Ph.D



Attracting private capital to Northeast Ohio for public good.®

DFA is self-supporting and operates for the benefit of the citizens and communities in our region at no direct cost to taxpayers.

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