



Attracting private capital to Northeast Ohio for public good.

2015 ANNUAL REPORT



2015 PROJECTS

ARHAUS CORPORATE HEADQUARTERS

A new facility, the 743,000-square-foot Arhaus Corporate Headquarters and Distribution Center in the Village of Boston Heights, Summit County, Ohio, streamlines the company's existing operations by consolidating two non-adjacent facilities from other Northeast Ohio locations. Arhaus will retain all 230 employees and anticipates creating over 100 additional jobs within the next three years.

The Arhaus Project represents the second opportunity for DFA to work with Premier Development Partners, LLC. The Arhaus project is an excellent example of the public/private partnership model in action. The DFA, working with FirstMerit Bank and Huntington, as the bond purchasers, and Premier Development Partners, LLC as the developer, issued a total of \$31,000,000 of conduit taxable development revenue bonds.



On left, is Costco Wholesale Club; and to the right, is Arhaus Distribution Center and Headquarters.

RAMCO

RAMCO Specialties, Inc. is building a new corporate headquarters, manufacturing and distribution center in Summit County. The DFA issued \$13,600,000.00 of conduit taxable development revenue bonds in cooperation with First Merit Bank, as the bond purchaser.

This new 65,000-square-foot facility streamlines the company's existing operations by consolidating three facilities from their current Hudson location. The new facility enables RAMCO to install new equipment, move production that is currently completed in Taiwan back to Hudson, and allow for expansion to a total of 182,000 square feet once the new building is completed. RAMCO will retain all 130 employees and anticipates creating over 20 additional jobs within the next four years.



Artist's rendering of new RAMCO facility.

BOSTON HEIGHTS 8 & 80 TAX INCREMENTAL FINANCING

The \$5.4M Tax Incremental Financing provided by DFA enabled the Village of Boston Heights and a private developer to complete land acquisition, environmental remediation and demolition on the TIF Site, along with the construction of water and sewer lines, storm water and flood remediation, gas, electric, and communication service facilities, public streets, and pedestrian access. The public infrastructure improvements have already attracted the construction of a new COSTCO store.

EIGHT PROJECTS WERE FINANCED IN THREE NORTHEAST OHIO COUNTIES DURING 2015.

VILLAGE OF REMINDERVILLE

The Village and DFA partnered to finance a new Community Recreation Center that will provide numerous amenities that are similar to what national chain gyms offer, including round-the-clock access. In addition to specialized fitness programs, top-of-the-line fitness equipment, a walking track, lap pool, community rooms, latchkey program, and casual kiddie zone, there will also be basketball and volleyball courts, which will allow Reminderville to host competitive leagues and tournaments.



LAWRENCE SCHOOL

Development Finance Authority of Summit County issued \$7,700,000 Tax-Exempt Refunding Revenue Bonds, Series 2015 to refinance and refund \$8,945,000 of Series 2005 Variable Rate Demand Bonds as issued by the Summit County Port Authority. The proceeds of the original issue were used for the School's campus in Sagamore Hills, Ohio.

Lou Salza, head of Lawrence School, expressed his excitement over the project. "We are deeply grateful for the expert advice, hard work, and care from so many that helped bring this deal together. Lawrence Upper School campus continues to have the distinction of being the only independent upper school designed and built specifically for secondary students with learning differences, in the country," he shared. "It is a remarkable facility with remarkable students and a great staff accomplishing remarkable things. We are here doing this work because many people cared enough to provide their wisdom, work, and wealth. On behalf of all the families currently enrolled and those who will be here in the years and decades to come, thank you!"

 Lawrence School

MERCY HEALTH YOUNGSTOWN

Mercy Health's St. Elizabeth Hospital in Youngstown is undergoing a 32,000 square-foot renovation of its current facility, creating a Behavioral Health Institute (BHI). The \$10,970,396 renovation consists of modifications to vacant floors of St. Elizabeth in an effort to adapt to the changing needs of the Youngstown community, particularly the need for increased geriatric care. St. Elizabeth is the only provider of behavioral health services within a 90 mile radius. The BHI expands the hospital's current behavioral health services from just adult care, to include geriatric care, outpatient services, and increased inpatient admission. The BHI will have 24 adult acute beds and 14 senior medically frail beds, with the ability to service up to 100 patients per day.

The creation of post-acute services and intensive outpatient programs is expected to reduce the need for frequent inpatient hospitalization. This project, creating approximately 80-90 construction jobs, enables BHI to create 20 new, full-time permanent jobs primarily in the health care field, and retain at least 50 existing full-time permanent jobs. Development Fund of the Western Reserve provided a \$5M NMTC allocation and partnered on this project with another CDE, Finance Fund, who brought an additional \$5M Federal NMTC Allocation and \$2.5M State NMTC Allocation.

 MERCYHEALTH

NEW CASTLE SCHOOL OF TRADES—EAST LIVERPOOL CAMPUS

New Castle School of Trades (NCST) is a vocational school with successful campuses in Western Pennsylvania. Its soon-to-be newest location, in downtown East Liverpool, Ohio (Columbiana County), will provide job-ready training in truck driving, heavy equipment operation, welding, and electrical installation/maintenance. NCST anticipates construction to take place this winter/spring and enrollment to begin in Fall 2016.

This \$7,282,072 project is utilizing \$5.2M of Federal New Markets Tax Credits (provided by PNC Bank), \$1M of State of Ohio New Markets Tax Credits (provided by Development Fund of the Western Reserve), \$2,356,567 in Historic Tax Credits as well as an \$850,000 Tax Increment Financing Loan (provided by the Columbiana County Port Authority).

The School will be located in an area primed for redevelopment. The long, vacant buildings make up nearly a city block in historic downtown, where the poverty rate is 37% and the median family income is just 45% of the statewide average. The renovation will provide 33 permanent, full-time jobs while training thousands in the tri-state area for high paying, high-demand jobs.



Groundbreaking ceremony attended by Columbiana County officials and representatives from NCST

RESTAURANT DEPOT

Restaurant Depot is a membership-based wholesaler that serves the food and equipment needs of local restaurants, non-profits, caterers, and other small businesses. There are successful locations in 30 states nationwide, with three located in Ohio (Cleveland, Columbus and Cincinnati).

Capital One, in addition to being the NMTTC investor, also provided a \$1M allocation. DFWR, among other capital sources, allocated \$5.5M in New Markets Tax Credits to help finance the facility.

The site is a former brownfield purchased through the City of Akron for development. Restaurant Depot has created approximately 250 construction jobs using primarily local contractors. In addition to the construction jobs, 33 full-time, permanent union jobs were also created. That number is expected to rise to over 50 jobs in the next five years. Restaurant Depot worked with the Summit County Jobs Center to ensure local residents were considered and interviewed for the jobs.



Summit County Executive Russ Pry, Akron City officials and Restaurant Depot representatives at the Ribbon Cutting Ceremony



Joseph G. Dancy
DFA Board | Chairman

Patricia McKay
DFWR Board | President

Chris Burnham
DFA | President
DFWR | Executive Director

IN 2015, DEVELOPMENT FINANCE AUTHORITY AND DEVELOPMENT FUND OF THE WESTERN RESERVE COMBINED TO FINANCE OVER \$94 MILLION, LEVERAGING AN ADDITIONAL \$16.1 MILLION.

THE DEVELOPMENT FINANCE AUTHORITY OF SUMMIT COUNTY (DFA), ALONG WITH THE COUNCIL OF DEVELOPMENT FINANCE AGENCIES (CDFA) APPLAUDS THE CREATION OF THE CONGRESSIONAL MUNICIPAL FINANCE CAUCUS

Public finance, through use of private activity bonds, has played a historic role in support of local community investment, while strengthening the well-being of our community, county, and the entire country.

Recently, the United States Congress formed a Municipal Finance Caucus. Its purpose is to discuss opportunities and challenges local communities encounter to build and strengthen themselves while using the ability to issue debt tax-exempt for eligible public and private activity purposes. An example of a project financed tax-exempt with assistance of the DFA in 2005, and again in 2015, is Lawrence School. In 2005, Lawrence School became the only comprehensive school in Ohio for Learning Disabled/Attention Deficit Disorder students in grades 1-12. The Lawrence School mission is “to teach students who have distinct learning styles, ignite their potential, and inspire academic and social success.” Frankly, we’re proud to be able to assist clients like Lawrence School with accessing capital to meet important community missions, and Congress should be proud as well.

The Caucus will hopefully determine how to preserve the municipal bond exemption, appreciate and understand the regulatory environment, and ensure a continued and robust municipal bond market.

Along with the creation of the Municipal Finance Caucus, CDFFA is advocating passage of the Modernizing Manufacturing Act, HR 2890, a cooperative package to improve and update the Qualified Small Manufacturing Private Activity bond market, also known as Industrial Revenue Bonds (IRBs). The legislation, if enacted, will support our country’s most important and productive industry—manufacturing—by increasing access to capital for manufacturers. Simply put, HR 2890 will increase capital limitations on bonds to match current markets (the limits have not changed since the 1970s), and expand the definition of manufacturing to include modern processes and technology.

“THE PURPOSE OF THE CAUCUS IS “TO DISCUSS THE OPPORTUNITIES AND CHALLENGES THAT LOCAL COMMUNITIES FACE...”

DFA 2015 REVENUE

Summit County Economic Development Grant	\$ 75,000.00
Project Administrative Fees	\$ 392,889.00
On-Going CAK Lease Administration	\$ 97,883.00
Loan Processing Fees	\$ 240,625.00
New Markets Tax Credit (NMTC)-Closing Fees	\$ 157,500.00
Asset Management Fees	\$ 83,472.22
Interest, Lease/Easement, and Misc. Income	\$ 77,146.21
TOTAL	\$ 1,124,515.43

DFA 2015 EXPENSES

Salaries	\$ 359,514.01
Contract, Project, and Professional Services	\$ 178,522.20
Employee Benefits	\$ 114,413.13
Letter of Credit and Bank Fees	\$ 97,708.00
Economic Development Investments	\$ 72,500.00
Held for Economic Development Investment	\$ 50,000.00
Community Development Loans	\$ 24,700.00
Professional Development	\$ 21,561.00
Rent, Insurance, Misc. Supplies, and Equipment	\$ 78,668.00
Marketing	\$ 27,715.00
TOTAL	\$ 1,025,301.34

2015 DFA BOARD OF DIRECTORS

SPECIAL THANKS TO DFA BOARD MEMBER TIMOTHY FITZWATER FOR HIS 16 YEARS OF DEDICATED SERVICE

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Rachel Bridenstine

Coordinator,
Finance & Compliance



Development Finance Authority of Summit County

BACK ROW: Rachel Bridenstine, Lori Sallaz,
Alyson Moritz, Laurie Ann Stoddard

FRONT ROW: Greg Mencer, Chris Burnham



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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DevelopmentFinanceAuthority.org



DEVELOPMENT FUND
of the WESTERN RESERVE



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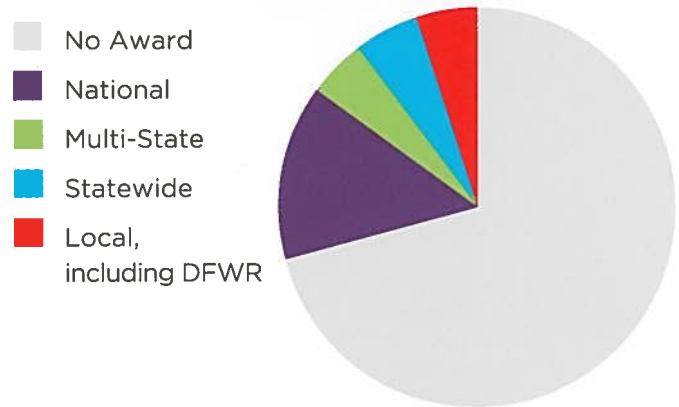




DEVELOPMENT FUND
of the WESTERN RESERVE

This year, Development Fund of the Western Reserve (DFWR) was one of only 76 certified development entities (CDE) to receive an allocation of New Markets Tax Credits (NMTC). Thirty-seven (49%) awards are to organizations with a national footprint. **DFWR is one of only 13 local CDEs nationally to be granted an award, and DFWR is the only CDE specifically created to serve all of Northeast Ohio.** The DFWR allocation was \$45M.

This \$45M allocation is the second award to DFWR. The first award, \$20M, was fully deployed into three projects in Kent, Lorain and Akron, resulting in the creation of 747 jobs. \$6.75M of the recent allocation will be used to help DFWR capitalize a "Targeted Loan Fund" to help finance projects located in NMTC-eligible census tracts the Akron area. In December, DFWR closed two transactions, Mercy Health in Youngstown and Jetro Restaurant Depot in Akron, resulting in the retention and creation of 443 jobs.



263 Total Applicants		
Service Area	Allocatees	Percentage
No Award	187	
National	37	49%
Multi-State	12	16%
Statewide	14	18%
Local	13	17%

DFWR SEEKS TO CAPITALIZE TARGETED LOAN FUND

Development Fund of the Western Reserve (DFWR), a 501(C)3 charitable organization, intends to use \$6.75M of its \$45M 2014 New Markets Tax Credits (NMTC) allocation to create a Targeted Loan Fund designed to provide flexible, non-conventional financing to operating businesses and real estate projects with loan amounts ranging in size from approximately \$750,000 to \$2M. DFWR expects to raise approximately \$4.5M of private capital to leverage the NMTC allocation and fund the loan pool. The Fund is targeted to provide access to capital in Akron's distressed neighborhoods and downtown.

DFWR is partnering with Village Capital Corporation (VCC), a Community Development Financial Institution (CDFI) to help underwrite the loans. VCC has provided over \$81M in loans to over 210 projects, primarily in Cleveland, since its inception in 1992.

DFWR and VCC are proposing a community partnership with local funders, including community-based lenders, investors and philanthropic contributors, to raise private capital through grant financing and program-related investment (PRI) that can be used as a portion of the leveraged loans in the NMTC structure. By utilizing this below market and patient form of debt capital, DFWR will be able to offer extremely favorable rates to businesses and development projects that would otherwise lack access to such capital due to the distressed area of the project and the smaller loan amount. Funding commitments have been made by the Akron Development Fund, GAR Foundation, Summit County, FirstEnergy, and the Medical Mutual Community Investment Fund of Akron Community Foundation.

Medical Mutual Community
Investment Fund of:

