



DEVELOPMENT FUND
of the WESTERN RESERVE



DFA
DEVELOPMENT FINANCE AUTHORITY
OF SUMMIT COUNTY



Attracting private capital to Northeast Ohio for public good.

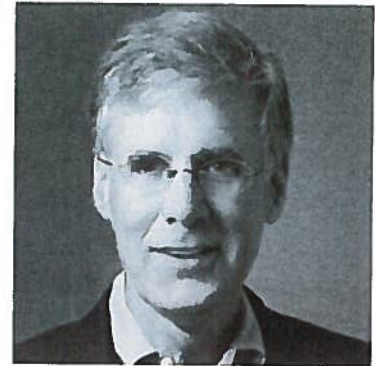
2017 ANNUAL REPORT



Jon Taylor
DFA Board | Chairman



Patricia McKay
DFWR Board | President



Chris Burnham
DFA | President
DFWR | Executive Director

COLLABORATION | CIVIC ENGAGEMENT | COMMUNITY IMPACT

2017 was a year driven by community collaborations, civic engagement and measurable impacts that should position Development Finance Authority of Summit County (DFA) and Development Fund of the Western Reserve (DFWR) to have long-term community and economic development impact for many years to come. In 2017, DFA, through unique collaborations with the County of Summit and Ohio Development Services Agency (ODSA), increased its Jobs & Investment Bond Fund reserves by \$4M, resulting in \$26M in new bond lending capacity. Also, through over \$2M in philanthropic grants and \$2M in private loans, investments and New Markets Tax Credit equity, DFWR, with leadership from numerous Akron-area community leaders, was able to capitalize the \$6.75M Akron Community Revitalization Fund (ACRF) which will be used to make loans in some of Akron's most distressed neighborhood and business districts. Additionally, we partnered with the County of Summit and the City of Barberton to begin energy efficiency demonstration projects by creating the Akron Summit County Energy Special Improvement District (ESID), which will soon be expanded to help finance energy efficiency projects throughout the County.

Our readers will find this annual report quite distinct from its predecessors, which were primarily project based. This year is devoted to recognizing the many individual community leaders, organizations and partnerships that enable us to attract private capital for public good to Akron and Northeast Ohio. We are so grateful to all of them for helping us make a positive difference in our communities and in the lives of others. Thank you for your time and attention.

Sincerely,

Chris Burnham,

Development Finance Authority President
Development Fund of the
Western Reserve Executive Director

Key Milestones in 2017:

APRIL 2017

County of Summit, Development Finance Authority of Summit County fund “Down Payment for Jobs” Program to Spur Local Development

Summit County announced the Down-Payment for Jobs Program to strengthen the DFA's Jobs and Investment Bond Fund (“Jobs Fund”) as an economic development tool for the region. Summit County Fiscal Officer Kristen Scalise directed \$2M of the County's \$300M inactive fund portfolio to the DFA's Jobs Fund reserves, which enables an additional \$14M in economic development revenue bonds. County Executive Ilene Shapiro said at the time, “The Down Payment for Jobs Program is another step forward for our community in providing an additional source of capital to important economic development projects.” Interest earnings from this deposit flow to the County's General Fund. The County funds are at minimal to no risk as nearly two-thirds of the debt issued from the Jobs Fund is secured by government payments, tax-increment financing and special assessments. The Jobs Fund currently possesses over \$17M in reserves that would be drawn upon prior to the County's deposit.

JUNE 2017

DFWR Seeks \$60M in New Markets Tax Credits (NMTC) Allocation

DFWR submitted to the Community Development Financial Institutions (CDFI) Fund a NMTC application requesting a \$60M allocation to assist with financing 10 projects in six different Northeast Ohio counties. Proposed projects were identified in Summit, Stark, Portage, Lorain, Ashtabula and Holmes Counties. The projects would assist in the retention of 528 jobs, creation of 570 direct full-time jobs and 216 part-time jobs, as well as 1,120 construction jobs, as well as leverage \$102.5M in additional investment. The application emphasized DFWR was specifically created to help attract much needed private capital to Northeast Ohio's second-tier industrial legacy and rural communities.

JULY 2017

WESTERN RESERVE ACADEMY, HUDSON, OHIO

DFA partnered with Western Reserve Academy (WRA) to enable the renovation and modernization of historic Seymour Hall, which first opened its doors to students in 1916. The \$14M project increases the number of classrooms to 29 and updates 33,000 square-feet of dedicated classroom space to enable the progressive learning environment, earning the school accolades regionally and nationally. DFA is supporting the generous gifts from donors with up to \$7,930,000 in tax-exempt bond financing. The financing may be used as needed to bridge any pledge payments from donors. First National Bank of Pennsylvania served as the private placement bond purchaser.

JULY 2017

Akron Community Revitalization Fund is Fully Capitalized

The Akron Community Revitalization Loan Fund (ACRF) was started to provide financing for business and community development projects within distressed areas/neighborhoods in Akron and began when DFWR dedicated a \$6.75M New Markets Tax Credit (NMTC) allocation to the Program. Severely distressed census tracts are defined as areas with a poverty rate of at least 30% and unemployment rate of at least 1.5 times the national average. The NMTC allocation, which provided \$2.25M cash equity capitalized by U.S. Bank as the NMTC investor, was leveraged with over \$2M in philanthropic and corporate grants, while also obtaining private loan and investment funding through PNC Bank and Greater Akron Chamber affiliate Akron Development Fund. A list of our sponsors can be found later in this report. The ACRF, which provides loans between \$500K and \$2M, has less stringent underwriting credit requirements and the Fund provides seven-year interest-only loans at least 50% below market interest rates. DFWR continues to accept further pledges and funding commitments which will be used to further grow lending capacity of the Fund.

AUGUST 2017

ODSA provides additional reserves to Jobs & Investment Fund (Bond Fund)

The Ohio Development Services Agency (ODSA) received approval from the Controlling Board to provide a 166 Direct Loan in the amount of \$2M to the Development Finance Authority of Summit County (DFA) for the purpose of increasing existing DFA's Jobs & Investment Bond Fund reserves. This additional reserve increases DFA's lending capacity by \$14M. As of December 31, 2017, the Jobs & Investment Bond Fund has issued over \$88.5M million for 23 projects in 8 Ohio Counties.



Western Reserve Academy, Seymour Hall

Key Milestones in 2017:

AUGUST 2017

Akron-Summit County Energy Special Improvement District (ESID)

DFA, Summit County, the cities of Akron and Barberton, and Coventry Township created and expanded the Akron Summit County Energy Special Improvement District (ESID), which enables property owners to finance energy efficiency improvements through a special assessment. NOPEC, the Northern Ohio Public Energy Consortium, through its Summit County gas aggregation program, is also partnering with the ESID in all Summit County townships as well as the cities of Macedonia and Twinsburg, and Villages of Reminderville, Clinton, Richfield, Northfield, New Franklin and Lakemore.

Energy Efficiency projects can be financed in a number of ways - through a NOPEC Revolving Loan Fund, the DFA Jobs & Investment Bond Fund, and various private lenders.

According to County Executive Ilene Shapiro, "The County of Summit is pleased to partner with the DFA, the Cities of Akron and Barberton and Coventry Township to provide energy efficiency demonstration projects other communities might replicate. Our plan is to work with our partners to expand the ESID to all Summit County communities, so that businesses, non-profits and local governments throughout the County can take advantage of this important financing tool."

With the ESID, property owners finance energy improvements such as new windows, roofing, lighting, heating and air conditioning. In addition to energy savings, projects can also benefit from reduced maintenance costs, lower greenhouse emissions and utility incentives.

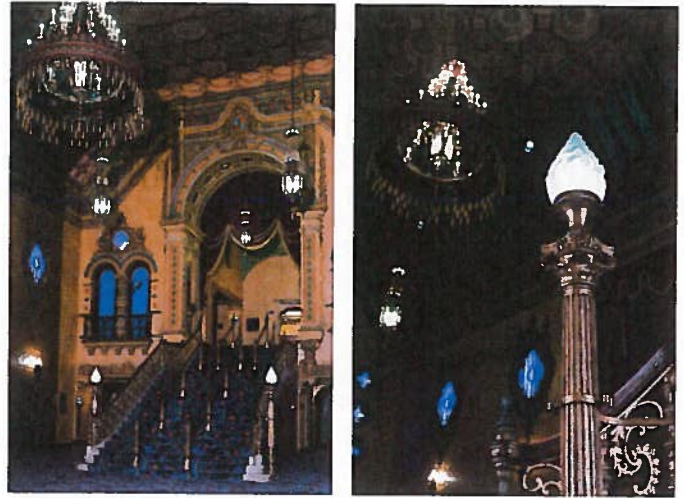
Akron-Summit County

ESID

Energy Special
Improvement District

SEPTEMBER 2017

Restoration of Civic Theatre Grand Lobby, Akron, Ohio



After one year of restoration work, a \$580,530.00 Electrical, Mechanical, and Roofing project managed by the DFA with financing assistance provided by Ohio Facilities Construction Commission and the Summit County Land Bank has been completed. The most costly portion of the project was the restoration of 12 chandeliers and 8 wall sconces being re-installed in the Great Hall and Arcade portions of the Akron Civic Theatre.

OCTOBER 2017

DFWR Receives Project of the Year Award

DFWR received the Project of the Year award from the Ohio Community Development Corporation Association (OCDCA) at its annual conference held in Toledo. OCDCA is a statewide membership organization that fosters vibrant neighborhoods and improves the quality of life in all communities through advocacy and capacity building of their member agencies. The Project of the Year award was for implementing the Akron Community Revitalization Fund (ACRF). The ACRF project was truly a collaborative effort with over 20 organizations, many individuals, and funders. This award is an acknowledgement of the strong community vision to improve the City of Akron's core vibrancy with innovative economic development tools.



Judy Jackson, OCDCA Board Member, Alyson Moritz and Rachel Bridenstine, DFWR, Edna Brown, Ohio State Senator

SEPTEMBER 2017

DFA releases its Strategic Plan

DFA updated a five-year strategic plan that calls for a growing role for the Development Fund of the Western Reserve (DFWR). The Authority created the private, nonprofit Community Development Entity (CDE) in 2011 to finance investments in low-income neighborhoods in Northeast Ohio communities. DFA and DFWR five-year goals include: increasing Bond Fund reserves and improving the bond rating; focus on energy efficiency projects; and develop a community development financial institution (CDFI) loan fund. Work on updating the plan was completed with the help of the Council of Development Finance Agencies (CDFA). Stakeholders from throughout the region reviewed and assessed the Authority and DFWR and made recommendations. Toby Rittner, President & CEO of CDFA, commenting on release of the Plan, said "The DFA is a high performing economic development entity. It's cutting edge, innovative, and pragmatic and has a really impressive record of success."

NOVEMBER 2017

Randall Residence at Yankee Trace, Centerville, Ohio

The Southwest Ohio Regional Bond Fund (sponsored by the Dayton-Montgomery County Port Authority), Northwest Ohio Bond Fund (sponsored by the Toledo-Lucas County Port Authority), and Jobs & Investment Bond Fund (sponsored by the Development Finance Authority of Summit County) issued \$14.5 million in tax-exempt Bond Funds Bonds to finance the Yankee Trace Assisted Living Public Improvements Project. The Project consists of various public improvements to the Yankee Trace Randall Residence Campus located in the City of Centerville, Ohio.

The public improvements include road, water, sewer, utility improvements, landscaping and common area improvements to support the Yankee Trace assisted living, independent living, and memory care facility within the Yankee Trace Master Planned Community.

Bonds are secured from New Community Authority Charges placed on the private improvements which will involve the construction of 60 independent living units, 56 assisted living units and 48 memory care units on the 9.82 acre site at a projected cost of \$33,230,000.



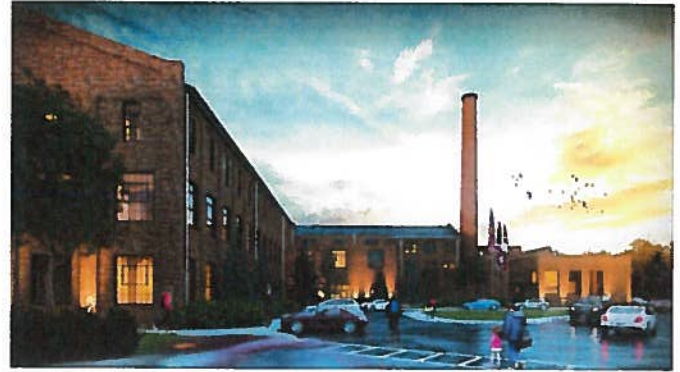
DECEMBER 2017

Development Finance Authority and Development Fund of the Western Reserve awarded the 2017 "Excellence in Development Finance Program Award"

This award is presented to a development finance agency that has implemented an innovative new or particularly successful program. The award was bestowed to Development Finance Authority of Summit County and Development Fund of the Western Reserve for creating and capitalizing the Akron Community Revitalization Loan Fund (ACRF), which was started to provide financing for business and community development projects within distressed areas/neighborhoods in Akron.

DECEMBER 2017

Hercules Motors Company, Canton, Ohio



The Hercules Motors Company Building is a 26-acre, 610,000-sq. ft. industrial complex of buildings located on Market Avenue South in the City of Canton. Phase I of the rehabilitation project consists of the redevelopment of 90 units of market rate housing, totaling 125,000 sq. ft.

DFA provided \$2,460,000 taxable bond proceeds to be used to reimburse land acquisition costs. Phase One, the initial of three phases to be completed over the next five years, is anticipated to result in the creation of new market rate residences, Class A office space, and retail development. The total private capital investment is projected to be over \$50,000,000 and create 150 new jobs in the City of Canton.

Bonds are secured by Tax Increment Financing ("TIF") Net Service Payments, generated from the property taxes on the Private Development.

In addition to the Bond Fund and owner equity, this project is also using Federal and State of Ohio Historic Tax Credits, New Markets Tax Credits, program related investment from a private foundation, and grants/incentive programs from local/county governments to finance the project.



Excellence in Development Finance Program Award
Chris Burnham, Lori Sallaz, Alyson Moritz, Rachel Bridenstine (DFA/DFWR), Toby Rittner (CDFA)

Acknowledgements

The DFA and DFWR are supported by many civic-minded community leaders, volunteers and numerous private and public organizations. We gratefully acknowledge them for all of their support.

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HUNTINGTON BANK



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ATTORNEYS & COUNSELORS AT LAW



Akron Community Revitalization Fund

INVESTORS



Community Development Corporation



AKRON DEVELOPMENT FUND



Community Development Company

FUNDERS



MEDICAL MUTUAL DONOR ADVISED FUND



CONTRIBUTORS



Allio Family Fund & Read Family Fund



OHIO CAPITAL IMPACT CORPORATION



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Dr. Cliff Deveny

Advisors, Board and Staff of
DFA & DFWR

Gertrude Orr
Foundation

IN-KIND SUPPORTERS



BRENNAN, MANNA & DIAMOND
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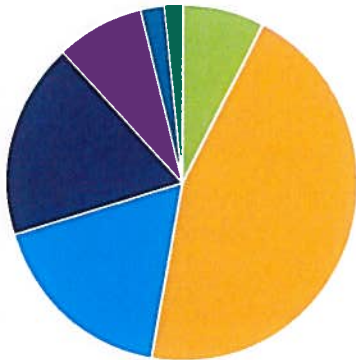
EXEMPLARY AUDIT - SECOND YEAR IN A ROW
DFA received Auditor of State Award again

DFA completed its annual audit with a state audit team and received an unqualified (“clean”) audit with no comments. A “clean” audit report is the result of accurate, timely financial reports filed according to Generally Accepted Accounting Principles (GAAP) with no findings of any material citations, weaknesses, or questioned costs.

The Auditor of State Award is presented to local governments upon the completion of a financial audit.

According to Auditor Dave Yost, “The Development Finance Authority of Summit County’s dedication to accountability is evident.”

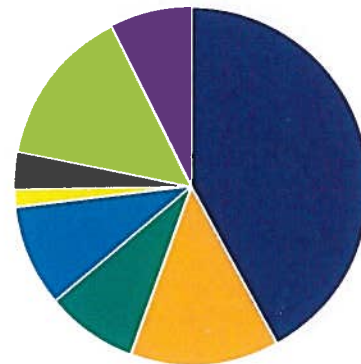
DFA 2017 REVENUE



Summit County Economic Development Grant	\$75,000
Project Administrative Fees	\$448,934
Loan Processing Fees	\$173,250
Asset Management Fees	\$178,345
CAK Lease Administration	\$80,030
Community Development Loan Repayments	\$21,200
Interest and Misc. Income	\$14,904

TOTAL \$991,663

DFA 2017 EXPENSES



Salaries	\$395,052
Employee Benefits	\$129,399
Letter of Credit and Bank Fees	\$78,556
Economic and Community Development Investments	\$85,900
Professional Development	\$15,950
Marketing	\$29,030
Contract and Professional Services	\$137,065
Rent, Insurance, Supplies, Equipment and Misc.	\$69,122

TOTAL \$940,074

2017 DFA STAFF

Christopher J. Burnham
President
DFWR Executive Director

Alyson Moritz
Project Coordinator

Lori Sallaz
Office Manager

John Kinsey
Loaned Executive
 COUNTY OF SUMMIT

Laurie Ann Stoddard
Finance Manager

Rachel Bridenstine
DFWR Compliance Manager



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