



DFA

DEVELOPMENT FINANCE AUTHORITY
OF SUMMIT COUNTY

In Coordination with



DEVELOPMENT FUND
of the WESTERN RESERVE

STRATEGIC PLAN 2017

Authored by
Council of Development Finance Agencies

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ABOUT THE AUTHORITY

MISSION

The mission of the Development Finance Authority of Summit County (the Authority or DFA) is to implement economic development financing initiatives that strengthen and diversify the economy of Summit County and Northeast Ohio by encouraging investment in business, industrial, transportation, distribution and community development projects.

HISTORY

In 1993 the Development Finance Authority of Summit County (then named the Summit County Port Authority) was created to save abandoned rail lines in Summit County for future transportation needs. The first board of directors soon realized the potential for the Port Authority to spur economic development in the region and began to refocus the organization's efforts on job creation, development finance, and building a strong tax base.

In 1999, the SCPA's powers were officially expanded, better positioning Summit County and Northeast Ohio for the economic well-being of the people who call it home. Since its reconfiguration in 2000 as the economic development finance agency for the County of Summit, the Authority has followed its mission of providing economic benefit to the businesses and communities in the region.

In an effort to better describe the actual function of the organization, in 2012 the name was changed from the Summit County Port Authority to the Development Finance Authority of Summit County. Since 1999, the Authority has issued over \$898 million in economic development bonds, leveraging \$803 million in investment to support community and economic development activity in our region.

In 2011, the Authority created the Development Fund of the Western Reserve (DFWR) and established it as a Certified Development Entity (CDE) to be able to apply for New Markets Tax Credits (NMTC) allocations. Since 2012, DFWR has been allocated and has fully deployed \$65 million in federal NMTC plus \$7.5 million Ohio NMTC, leveraging \$55 million additional federal and state NMTC allocations as well as over \$100 million other public and private financing.

Financing provided collectively by DFA and DFWR is \$963 million, and these finance projects have enabled the Authority to directly or indirectly be associated with the retention and creation of 12,587 jobs, including thousands of construction jobs.



OVERVIEW

This following document, prepared by the Council of Development Finance Agencies (CDFA), has been developed on behalf of the Development Finance Authority of Summit County. This strategic plan builds on the innovative and action oriented plan also authored by CDFA in 2011 and provides direction and guidance to continue to drive the Authority's success, growth and impact in the community. Like the Authority's prior strategic plan, this update represents the interests of dozens of stakeholder groups and the citizens and leaders of Summit County and Northeast Ohio.

This plan also encompasses the Development Fund of the Western Reserve, a non-profit finance agency created as a subsidiary of the Authority as part of the implementation of the 2011 plan. The addition of DFWR to the Authority's portfolio of activities has significantly impacted DFA's direction, growth and influence in the Northeast Ohio development finance industry.

In alignment with the Development Finance Authority of Summit County's goals and mission, and those of the Development Fund of the Western Reserve, the Authority will use this strategic plan to continue to shepherd important efforts to foster economic development, support job creation, and further solidify the Authority as the premier economic development finance organization in Summit County and Northeast Ohio.

CDFA met with over 50 stakeholders during the production of this strategic plan. The Development Finance Authority of Summit County would like to thank the following sponsors for their financial support to develop this strategic plan.



BRENNAN, MANNA & DIAMOND
ATTORNEYS & COUNSELORS AT LAW



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STRATEGIC PLAN SNAPSHOT

This strategic plan outlines three main areas of vision and two areas of governance and operational improvements for the Authority to address in the coming five years.

VISIONS

Vision #1: Capitalize on Partnerships, Collaborations & Regional Leadership Opportunities

One of the Authority's strongest assets is its ongoing partnerships, collaborations and growing leadership role in Summit County and Northeast Ohio. The Board and staff leadership of the Authority will focus on capitalizing on these partnerships and collaborations as a key element of this strategic plan.

Vision #2: Maximize the Impact & Outputs of the Development Fund of the Western Reserve

The Development Fund of the Western Reserve (DFWR), a private non-profit development corporation managed and staffed by the Authority, is one of the Authority's most important assets. With DFWR firmly in place, the Authority will work in partnership with the leadership of DFWR to maximize the potential of DFWR for years to come.

Vision #3: Enhance the Authority's Development Finance Program Offerings to Drive Investment & Job Creation

The Authority maintains a suite of financing programs – bonds, brownfield redevelopment, tax increment finance, tax incentives, state lending – while at the same time proactively launching new programming. The Authority will continue to drive investment and create jobs in Summit County and Northeast Ohio by developing and enhancing new programs that build financial and programmatic diversity for the Authority.

GOVERNANCE & OPERATIONS

Governance #1: Ensure Financial Stability, Strong Leadership & Operational Transparency

The Authority is a resilient and vibrant organization that has established a number of informal operational protocols to address challenges. The Authority understands the importance of structure and protocol and will seek to codify and aggressively pursue formal operational procedures to ensure financial stability, strong leadership and transparency.

Governance #2: Maximize Governance, Management & Communications

The Authority is a well-respected agency in Summit County and throughout Ohio. In order to continue to grow and capitalize on this reputation to become a leading finance agency, the Authority will work towards improving the day-to-day management structures and governance policies.



Vision #1: Capitalize on Partnerships, Collaborations & Regional Leadership Opportunities

One of the Authority's strongest assets is its ongoing partnerships, collaborations and growing leadership role in Summit County and Northeast Ohio. Over the past decade the Authority has worked diligently to foster these relationships and is poised to maximize and capitalize on these opportunities over the next several years.

As such, the Board and staff leadership of the Authority will focus on capitalizing on these partnerships and collaborations as a key element of this strategic plan. The following critical action items will guide this vision.

ACTION ITEMS

I. Position the Authority as the premier development finance partner and resource provider in Summit County and throughout Northeast Ohio.

The Authority will:

- A. Produce a comprehensive annual report highlighting successes stories, new projects and programming overviews. This report should be printed and distributed to all relevant stakeholders in Summit County, Northeast Ohio, and beyond. The report will also be sent via email to stakeholders and placed in a prominent position on the Authority's website.
- B. Produce a quarterly marketing newsletter that features current project updates and new funding and financing opportunities. This newsletter will be distributed to all relevant stakeholders in Summit County, Northeast Ohio, and beyond, and placed in a prominent position on the Authority's website.
- C. Make formal presentations (at least annually) to Summit County, the City of Akron, and other municipalities' leadership. Also present to critical and influential government leaders and others related to the work of DFWR as needed to ensure regional buy-in, recognition and credibility.
- D. Attend and present at state and national conferences and host an annual event in Akron to highlight the Authority's successes.
- E. Build and refresh contact and marketing lists annually that remain diverse and relevant to ensure a wide marketing range. This effort will also include the development of lists of specific stakeholders including citizens, elected/appointed officials, private sector partners, developers and non-profit partners.

II. Establish substantive partnerships and collaborations with financing partners throughout Ohio and within the federal government to drive capital access in Summit County and Northeast Ohio.

The Authority will:

- A. Develop key and substantive partnerships with local, regional, state and federal development finance programs, resources and partners. Such examples include other port authorities for providing conduit bond financing, regional energy service providers to facilitate Property Assessed Clean Energy (PACE) transactions, partner community development entities engaged in the New Markets Tax Credit program and other Community Development Finance Institution programs. These partnerships will be collaborative in nature and provide the Authority with direct project financing opportunities that help develop additional economic development resources for Summit County and the region.
- B. Act as a conduit provider of financing resources through the programming and support provided by the federal government, including the:
 - U.S. Department of the Treasury Community Development Financial Institutions Fund (CDFI Fund) to address community development, capital access barriers and low-income housing.
 - Areas of Northeast Ohio not covered by the U.S. Environmental Protection Agency to address potential brownfield remediation and redevelopment.
 - U.S. Department of Energy to accelerate clean energy and energy efficiency.
 - Small Business Administration Community Advantage business lending program.

III. Cultivate significant community engagement that demonstrates the Authority's impact on economic development in Summit County and Northeast Ohio.

The Authority will:

- A. Launch an annual community engagement process to aggressively articulate and demonstrate the Authority's impact on the community. This will include sponsoring and presenting at local and regional events and supporting community development related efforts. In addition, the Authority will consider hosting an annual stakeholders event (luncheon, dinner, etc.) with community leaders, project partners, staff members and others to celebrate the Authority's success and accomplishments in the region.

IV. Build credible and trusted stakeholder and advisory groups to ensure that the Authority remains well-respected, relevant and focused on the needs of Summit County and Northeast Ohio.

The Authority will:

- A. Launch a high-ranking, high-level Advisory Committee consisting of select community leaders and a representative from each of the DFA and DFWR boards to provide guidance and to act as a sounding board for evaluating the Authority's future endeavors. This Advisory Committee will meet once or twice annually as part of the Authority's annual planning process and be engaged at a very high level with no day-to-day tasks or commitments.

- B. Launch a regional Real Estate Development Advisory Group to drive engagement and collaboration for downtown development opportunities. This group will consist of highly engaged real estate professionals including brokers, developers, builders, contractors and project managers and should meet once or twice annually to learn about financing and funding opportunities related to real estate development in the region.

Vision #2: Maximize the Impact & Outputs of the Development Fund of the Western Reserve

The Development Fund of the Western Reserve (DFWR), a private non-profit development corporation managed and staffed by the Authority, is one of the Authority's most important assets. DFWR has developed into an important community economic development tool for the Authority and has been highly successful in attracting capital, partners and developers within its Northeast Ohio footprint. This collaboration and the ongoing growth and development of DFWR will be a critical driver of success for the Authority over the next several years.

With the foundation of DFWR firmly in place, the Authority will work in partnership with the leadership of DFWR to maximize its potential for years to come. The following critical action items will guide this vision.

ACTION ITEMS

- I. **Facilitate the development of a formal strategic plan for the Development Fund of the Western Reserve to ensure long-term success and coordination and alignment with the Authority's goals and missions.**

The Authority will:

- A. Formalize a financially appropriate and mutually beneficial management agreement between the Authority and DFWR to lead and manage in a manner that achieves both entities' long-term goals and visions and endures ongoing financial and operational security.
- B. Determine appropriate governance and oversight procedures to ensure that DFWR is maximized to deliver development financing resources to Northeast Ohio. This will include ensuring more diverse representation, establishing greater accountability within the leadership of both DFWR and the Authority to reflect transparency and proper due diligence.
- C. Explore, achieve and implement the U.S. Department of the Treasury Community Development Financial Institutions Fund (CDFI Fund) Community Development Loan Fund (non-profit) designation for DFWR to take advantage of the expanded program opportunities and potential funding resources provided by this significant designation.

Vision #3: Enhance the Authority's Development Finance Program Offerings to Drive Investment & Job Creation

The Authority is one of the most proactive development finance agencies in Ohio. Over the past decade the Authority has maintained a suite of financing programs – bonds, brownfield redevelopment, tax increment finance, tax incentives, state lending – while also launching new programming such as the use of New Markets Tax Credits. Recently, the Authority has become engaged in other areas of development finance – energy efficiency and downtown development – that will be formalized and capitalized on during the period of this strategic plan.

The development and enhancement of new programs that build financial and programmatic diversity for the Authority will continue to drive investment and create jobs in Summit County and Northeast Ohio. The following critical action items will guide this vision.

ACTION ITEMS

The Authority will:

- A. Launch and implement the Akron Community Revitalization Fund (ACRF) in collaboration with the Development Fund of the Western Reserve (DFWR).
- B. Use DFWR as the Community Development Corporation (CDC) to facilitate downtown development consistent with the Downtown Akron Partnership's strategic plan through the ACRF and other financing tools.
- C. Explore, in collaboration with the Greater Akron Chamber and the funders of the Akron Development Fund, managing the Akron Development Fund and consider using this Fund as leverage for CDFI funding.
- D. Aggressively market and deploy the Authority's bond financing capabilities within Summit County and throughout Ohio.
- E. In partnership with the Northeast Ohio Public Energy Council (NOPEC) Revolving Loan Fund and using its Jobs & Investment Bond Fund (Bond Fund), position DFA to become the energy finance leader in Summit County and Northeast Ohio through the development and active engagement in the Energy Special Improvement District (ESID) and PACE programs.
- F. Continue to identify sources to help capitalize the Bond Fund, including PACE bond reserves and pursue a rating upgrade of the Fund.



GOVERNANCE & OPERATIONS

The ongoing efficient and effective operations of the Authority are critical to the long-term success of the organization. During the SWOT analysis process of this strategic plan, two critical areas of focus emerged that are essential to the long-term success of the Authority. While not visionary in nature, these two elements will facilitate the operational strength and mission of the Authority and ensure that the boards, leadership and staff of both the Authority and DFWR are proactive, attentive and forward-thinking. As such, the key operational elements of this plan consist of the following:

Governance #1: Ensure Financial Stability, Strong Leadership & Operational Transparency

The Authority has weathered numerous challenges – recessionary, transition periods and operational obstacles – with considerable effectiveness. These instances presented formidable challenges and the Authority has established a number of informal operational protocols to address these moments. The Authority will work towards establishing formal protocols that are recognized and regularly referenced by staff and leadership.

The Authority understands the importance of structure and protocol and will seek to codify and aggressively pursue these operational procedures to ensure financial stability, strong leadership and transparency as part of this strategic plan. The following critical action items will guide this operational need.

ACTION ITEMS

The Authority will:

- A. Establish a transparent and formal investment plan that drives the Authority's decision making as it relates to development patterns, assistance and funding opportunities.
- B. Solidify diversity of funding sources, including operating grant support from private foundations for DFWR, to bolster the long term strength and effectiveness of the Authority. Careful attention should be paid to a creating a plan in the event that DFWR is not allocated NMTC or the program is no longer viable at the federal or state levels.
- C. With support from community leaders and partners, pursue Program Related Investments (PRI) and other forms of patient capital investors to support community projects.
- D. Explore alternative funding opportunities that leverage and maximize the resources of the Authority. The Authority will explore with Summit County elected officials and community leaders a variety of public and private revenue streams that could be earmarked to DFA, or other sources of government funding to bolster funding sources already generated through the Authority's fee structures and earnings.

Governance #2: Maximize Governance, Management & Communications

The Authority is a well-respected agency in Summit County and throughout Ohio. In order to continue to grow and capitalize on this reputation to become a leading finance agency, the Authority will work towards improving the day-to-day management structures and governance policies. This foundational work will ensure stability and help guide the Authority through future transitions that may occur due to Board composition, staff changes, new elected officials or shifts in political will. The following critical action items will guide this operational need.

ACTION ITEMS

The Authority will:

- A. Develop operational standards that guide the ongoing management and development of the Authority's staff. These standards will address a consistent and fair compensation structure and clearly align the roles, responsibilities, and job descriptions for each current and future staff position for the period of the strategic plan. Most importantly, careful attention will be paid to a long-term succession plan for the Executive role. The Board will explore and then implement a formal "transition plan" with the current Executive to ensure a clean hand off and proper transition period.
- B. Encourage the County appointing authorities to think critically about the essential composition of the overall Board. The Board should be more diverse and more representative of the top leadership in the greater Akron area.
- C. Establish regular outreach and communication with county, city, and business stakeholders that proactively addresses the priorities of the Authority, its financing programs, and borrowers. A well thought out communication strategy will help to strengthen the reputation of the Authority and provide new opportunities for business, engagement, and partnerships.
- D. Along with the Authority's Board, understand all of the impacts, requirements and responsibilities for managing DFWR and be able to address all opportunities and challenges related to DFWR consistently and with extreme transparency and due diligence. DFWR represents an important asset to the Authority and the region and should have a formal and separate strategic plan guiding its growth and use of tax credit allocations.



STRATEGIC PLAN REVIEW PROCESS

The Development Finance Authority of Summit County must adhere to a regular and deliberate strategic plan review process to ensure that this plan is effectively implemented. As such, CDFA recommends the following regular and annual review procedures.

PLAN DISSEMINATION

1. An electronic version of this plan will be posted in a prominent location on the websites of both the Authority and DFWR.
2. A printed and electronic copy of this plan will be provided to each Board member of both the Authority and DFWR. Board members will be expected to bring a copy (paper or electronic) to each Board meeting for reference, review and coordination.
3. An electronic copy of this plan will be disseminated to stakeholders throughout Summit County and Northeast Ohio.
4. Printed and electronic copies of this plan will be presented to the elected, community and business leaders of Summit County, City of Akron and all necessary surrounding officials that have an interest in the work of the Authority and DFWR.
5. Each staff member of the Authority and DFWR will be given a printed and electronic copy of this plan.

STAFF REVIEW

1. Quarterly staff review with the development of a metrics system to track and gauge success and accomplishment within the plan.
2. Annual staff review and directional articulation to discern priorities, assignments and focus areas for the following year.

BOARD REVIEW

1. Quarterly review by the Boards of both the Authority and DFWR.
2. Annual review during Board retreat and meetings of both Boards.

ANNOUNCEMENTS

1. Regular quarterly announcements on elements achieved in plan.
2. Annual announcement, through annual report, of the Authority's successes and achievements.
3. Regular presentations to the leadership in Akron, Summit County and Northeast Ohio as necessary to articulate strategic plan successes and accomplishments.



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- Chairman, Jon Taylor, FirstEnergy Corp.
- Vice Chairman, Joseph G. Dancy, The Goodyear Tire & Rubber Company Technical Center
- Secretary, Grace K. Wakulchik, Akron Children’s Hospital
- Member, Steven Kasarnich, Ohio Carpenters Pension & Annuity Fund
- Member, Dan Rice, Ohio & Erie Canalway Coalition
- Member, Suzie Graham, Downtown Akron Partnership
- Member, Julie Wesel, Chemstress Consultant Company
- Counsel, Dan Silfani, Brouse McDowell

Development Fund of the Western Reserve – Board of Directors

- President, Patricia McKay, Amer Insurance Agency, Inc.
- Vice President, Carol Knapp, Huron County Development Council
- Secretary, Maureen Van Duser
- Member, Erin Wojno, Akron Metropolitan Housing Authority
- Member, Harry A. Eadon, Economic Development & Finance Alliance of Tuscarawas County
- Executive Director, Chris Burnham, Development Finance Authority of Summit County
- Treasurer, Laurie Ann Stoddard, Development Finance Authority of Summit County
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The Council of Development Finance Agencies is a national association dedicated to the advancement of development finance concerns and interests. CDFA is comprised of the nation's leading and most knowledgeable members of the development finance community representing public, private and non-profit entities alike. For more information about CDFA, visit www.cdfa.net or e-mail info@cdfa.net.

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