



COUNCIL UPDATE

January 31, 2020

MEETINGS & REMINDERS

Monday, February 3	-	7:00 p.m.	-	Committee of the Whole
	-	7:30 p.m.	-	City Council
Tuesday, February 4	-	7:00 p.m.	-	Architectural Board of Review
Thursday, February 6	-	6:00 p.m.	-	Meet Your Police
Monday, February 10	-	6:30 p.m.	-	Committee of the Whole
Wednesday, February 12	-	7:30 p.m.	-	Planning Commission
Thursday, February 13	-	6:00 p.m.	-	Meet Your Police
Monday, February 17	-	City Hall and the Community Center are closed in observation of Presidents' Day		

LEGISLATION

- **Wade Trim Agreement.** A Resolution authorizing the City Manager to enter into an agreement with Wade Trim, Inc. of Ohio, for professional design, bid, and construction administration services relating to the Delamere Drive Basement Flooding Relief Project
- **Top of the Hill Bond Ordinance, Second Reading.** An Ordinance providing for the issuance and sale of economic development tax increment financing revenue bonds, in a principal amount not to exceed \$26,000,000, for the purpose of paying a portion of the costs of the acquisition, construction, equipping, installation, furnishing and other improvement of a project, as defined in Section 165.01 of the Revised Code; authorizing execution and delivery of a trust agreement, a loan and service payment agreement, a bond placement agreement and related agreements, instruments and

documents to provide for the revenues to pay and secure bond service charges and other required payments, the custody and application of funds and revenues, the permitted uses of bond proceeds in the financing of project costs, other requirements for the issuance, sale and delivery of the bonds and related matters

- **Top of the Hill – City Contribution, Second Reading.** An Ordinance providing for the issuance and sale of not to exceed \$1,850,000 of economic development nontax revenue bond anticipation notes, in anticipation of the issuance of bonds, for the purpose of paying a portion of the costs of the acquisition, construction, equipping, installation, furnishing and other improvement of a project, as defined in Section 165.01 of the Revised Code
- **National African American History Month.** A Resolution recognizing February 2020 as *National African American History Month*
- **American Heart Month.** A Resolution proclaiming February 2020 to be *American Heart Month*
- **Top of the Hill TIF Reauthorization, First Reading.** An Ordinance declaring certain improvements to real property located in the City of Cleveland Heights, Ohio to be a public purpose; declaring such improvements to be exempt from real property taxation; making provision for the collection of service payments in lieu of taxes; establishing an urban redevelopment tax increment equivalent fund for the deposit of such service payments; confirming a compensation agreement with the Cleveland Heights-University Heights City School District; providing related authorizations pursuant to Ohio Revised Code Sections 5709.41, 5709.42 and 5709.43; rescinding Ordinance No. 116-2019 adopted on December 2, 2019; rescinding Ordinance No. 16-2018 adopted on March 19, 2018 except as stated herein

UPDATES

- **Operations Planning**
The City's Leadership Team has begun a strategic planning process focused on internal operations. The goal of the planning process is to determine the set of strategic actions we will implement over the next two years in order to strengthen our core service delivery and develop playbook that can serve as a solid foundation for the future new administration. Thanks to the amazingly talented and dedicated professionals whom we are fortunate to have on staff, the first offsite meeting was

energized, focused, and productive. The 4-month planning process is expected to conclude in April after which our attention will shift to implementation.

- **Top of the Hill**

Staff is working through a draft RFP for owner’s rep services. We expect to request permission to request proposals at the February 18, 2020 City Council Meeting.

The following is a summary of the updated schedule of Council discussion/action regarding TOH financing:

2/3/20 Council Meeting – 2nd Reading of Legislation for TIF Bond Conduit Financing & City \$1.85 Million Debt Issuance

2/18/20 Council Meeting – 3rd Reading of & action on Legislation for TIF Bond Conduit Financing & City \$1.85 Million Debt Issuance

- **Municipal Broadband RFP Update**

- The City met with the Citizen’s for Broadband the week of January 20th. After review of the ten proposals, the City and the Citizen’s agreed to narrow down the group of proposers to two. The two finalists are Magellan Advisors and Uptown Services. Next steps are still to be determined.

- **Communications and Outreach**

- Staff promoted the “Light Up the Heights” campaign along with Alex Quintana to show support for our own Travis Kelce.
- Staff continued to finalize the Economic Development and City videos.
- The Census Communication Plan has been initiated with flyers and Social media on Facebook and Instagram.
- Interviews were coordinated regarding the Housing stock, The CRA/Grow program and coverage on the City garage.
- Staff completed the City Guide and it should hit mailboxes next week.
- The winning MLK posters were hung on the second floor in recognition of African American History month.

- **Economic Development**

- **Business Development/Project Update:** The City’s Storefront Program continues to see increased interest and utilization since Council approved changes to the

program in 2019. The City has entered into an agreement for a new Storefront project with Lee-Silsby Associates (owners of the building at 2291 Lee Road, which includes the Tavern Company). Total new investment from the project is over \$140,000 and will include a new corner entrance for Tavern Company, new awnings, new signage, masonry tuckpointing and additional exterior repair and painting. This is the third new Storefront project that has been started since changes were instituted to the program in 2019. Planning and Economic Development staff continues to work with several additional potential Storefront projects for 2020.

Business/Project	Location	Type	Program	Status
Zhug Restaurant	Cedar Fairmount	Restaurant	Commercial Loan	Open
Rudy's Pub	Cedar Lee	Pub/Restaurant	Commercial Loan	Closing Pending
Proximity Golf Lounge	May-Lee	Golf simulator/restaurant	SBA Grant	Open
Cleveland Tea Revival	Cedar Lee	Tea shop	SBA Grant	Opening TBD
Melange Motif	Noble Nela	Clothing Boutique	Microloan	Open
Franklin Myles	Center Mayfield	Storefront renovation	Storefront	Project underway
Flawless & Fierce	Center Mayfield	Storefront renovation	Storefront	Project underway
Lee-Silsby Associates LLC	Cedar Lee	Storefront renovation	Storefront	Contract signed
Wizbang Theatre	Cedar Lee	Theatre/performance arts	TBD	Projected spring opening
The Boujie Bakery	Lee Road	Bakery		Open
Voodoo Brewery	Cedar Lee	Brewpub		Open
Marchant Manor Cheese	Cedar Lee	Cheese shop		Opening TBD
Rising Star Coffee	Cedar Lee	Coffee shop		Open
Sub City	Cedar Lee	Sandwich Shop		Opening TBD
Culinary Occasions	Cedar Lee	Caterer/bakery		Opening TBD
Happy Bees Ice Cream & Coffee	Coventry	Ice cream/coffee shop		Opening February/March

- **Housing**
 - Lead Safe Cuyahoga/ Cleveland Heights quarterly partners meeting was held on January 28, 2020 to review the number of lead abatement projects pending and how many have been completed on the current grant of \$494,000 with the target of 40 units completed by September 3,2021. The Housing Preservation

Office currently has 40 applications approved, 39 Lead Risk Assessments conducted, 31 bid specifications approved and 23 final assessments completed. The Lead Safe Cuyahoga contract will begin April 1, 2020 for \$885,000 total with a target goal of 70 units abated for lead hazards.

- A demolition contract was signed for 3650 Atherstone which was damaged by fire. 870 Woodview, 1083 Pembroke, 3277 Desota, 980 Yellowstone and 3520 Silsby properties have had asbestos surveys and the asbestos removal has been contracted prior to proceeding with demolitions.

- **Parks & Recreation**

- The Robinson Memorial Youth Hockey Tournament will take place over Presidents' Day weekend.
- The Recreation Basketball leagues are this weekend and next.
- Cain Park is scheduling auditions for the summer musical *Legally Blonde* which will be held in February in the Community Center.
- Staff is finalizing spring and summer programming for the upcoming Focus magazine.

- **Planning**

- **South of Cedar Parking and Traffic Study:** Kara O'Donnell will be surveying Grandview and Bellfield residents to measure support for a three-month trial of resident-only, overnight parking permits and more on-street, overnight parking spaces. These ideas were suggested by Grandview and Bellfield neighbors. The three-month trial would be contingent on 50% participation by neighbors and 50% of all responses in favor of the trial.
- **Transportation Advisory Committee:** Gayle Lewin said she no longer has time to be a co-chair but wants to continue serving as a member. Her transportation engineering knowledge is quite helpful. Members requested a routine to make sure "walk-don't walk" lights are properly working. They also asked that the Mayfield traffic signals add a phase during which motorists stop for pedestrians at Superior and at Monticello.
- **HOME Consortium:** Karen Knittel was elected chair of the consortium of Cuyahoga County and the Cities of Cleveland Heights, Euclid, Lakewood, and

Parma. Our HOME allocation from the Department of Housing and Urban Development is about \$250,000 annually. This funds the Down Payment Assistance, Deferred Loan and No-Interest Loan Programs for low-to-moderate-income households.

- **Complete and Green Streets Policy:** Brian Iorio participated on a panel about Complete Streets policies in Columbus at the 175-member Ohio Conference of Community Development’s winter meeting. Based on the well-attended seminar and larger-than-expected number of questions, members appeared to have found the subject relevant.
- **Police**
 - A hearing for the renewal of the liquor permit of Zooz Limited, dba City and East at 2781 Euclid Heights Blvd., has been scheduled for Friday, February 28, 2020 at 10:00 am. Last year City Council notified the Division of Liquor Control that it objects to the 2019-2020 renewal of their liquor permit based on the high number of calls for police services to City & East. The Law Department and members of the Police Department will attend the hearing and present evidence as to why their liquor permit should not be renewed.
- **Public Works**
 - **Sanitary Sewer Evaluation Survey**

(There is no update in the numbers this reporting period)

	Requirements	Due
Phase 1 SSES	CCTV - 393,658 LF	1-Nov-19
Phase 2 SSES	CCTV – 274,560 LF	30-Jun-21
Phase 1 SSES	1,980 Manhole Inspections	1-Nov-19
Phase 2 SSES	1,125 Manhole Inspections	30-Jun-21
CMOM	132,000 LF/yr Pipe Cleaned	31-Dec-19
Model	Calibrated Model	31-Mar-19

Completed Through January 28, 2020

	<u>Completed Thru Mat Jan, 2020 (LF)</u>	<u>Overall Remaining (LF)</u>	<u>Overall Remaining (%)</u>
CCTV Phase 1	395,097	0	0%

CCTV Phase 2	8,289	269,271	97%
MHs Phase 1	1978	0	0%
MHs Phase 2	1,115	10	1%
Cleaning Total	479,843	-	-
Cleaning (2018) only	173,355	-	-
Cleaning (2019) only	304,188	-	-

Cleaning (2020) only 2,300 132,000 98%
 Work Completed by Entity

	<u>City</u>	<u>Contractor</u>	<u>County</u>
CCTV (Phase 1)	19% (75,464 LF)	54% (215,287 LF)	27% (104,346 LF)
CCTV (Phase 2)	3% (8,289 LF)	0% (0 LF)	0% (0 LF)
Cleaning (2020) only	2% (2,300 LF)	0% (0 LF)	0% (0 LF)
Cleaning Total	32% (155,195 LF)	44% (212,983 LF)	24% (111,665 LF)

Model Update

Tasks	% Complete
1. Flow and rainfall Analysis	100%
2. Model Expansion in GIS	100%
3. Model Expansion in Infoworks ICM	100%
4. Delamere - Model Setup	100%
5. Delamere - DWF and WWF calibration	100%
6. Delamere - Capacity evaluation	100%
7. Delamere - Alternative development	100%

8. DWF and WWF Calibration for all flow meters	100%
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**DWF = dry weather flow, WWF = wet weather flow*

- **Other**

- The Partial Consent Decree Phase 1 Sewer System Evaluation Study has been submitted to the EPA. This report is due on February 3, 2020.
- Mayfield Signalization: Verizon has finished removing their hardware from the city's signal poles. The contractor should be finishing up their work in the next few weeks.
- 2020 Street Resurfacing & ADA Curb Ramp Replacement Program: Our Engineers are working on a schematic plan for Andrews Road (which is scheduled for paving this year) to improve drainage.
- Safe Routes to Schools – FY2020 – ODOT PID 103700: Stage three plans have been submitted to ODOT for review.
- Solar Panel Update: Our law department is in the process of reviewing the Power Purchase Agreement from Enerlogics in anticipation of preparing legislation for the installation, operation, and maintenance of solar panels on the following city buildings: City Hall, Service Garage, and the Community Center.
- Ash Tree Removal Project: A meeting was held with the two contractors that will be removing trees affected by the emerald ash borer beetle. This project is being funded in part by a Cuyahoga County Healthy Urban Tree Grant that the City was awarded last year.



CLEVELAND HEIGHTS

Committee of the Whole

February 3, 2020

Agenda

1. Legislation
Goal: Review upcoming legislation
2. Committee Meetings Planning
Goal: Council will discuss scheduling for upcoming committee meetings

**CITY OF CLEVELAND HEIGHTS
REFUSE & RECYCLING TASK FORCE**

To: Cleveland Heights City Council:
Mary Dunbar
Melody Joy Hart
Davida Russell
Kahlil Seren
Jason Stein
Michael Ungar
Melissa Yasinow

From: Refuse & Recycling Task Force:
Residents:
Constance Johnson – Chairperson
Carin Miller – Vice Chairperson
John Blackwell
Susan Clement
Jordan Davis
Susan Efroymsen
Cathi Lehn
Kelly Menaker
Davida Russell
Hope Wright

Staff:
Collette Clinkscale – Director of Public Works
Joseph Kickel – Capital Projects Manager
Tony Torres – Refuse & Recycling Supervisor

Date: December 30, 2019

The Refuse & Recycling Task Force is a thirteen-member citizen task force created by Cleveland Heights City Council charged with evaluating the city's methods and means of municipal curbside solid waste and recycling collection services. The task force is comprised of ten Cleveland Heights residents, and three city staff members. The task force evaluated three core methods of collection including: the current method utilized by the city, converting to in-house automated collection (See attachment B), and privatized collection. Additionally, the task force evaluated the following categorical services including: bulk waste collection (See Attachment B), yard waste collection (See Attachment B), apartment services, and special pick-ups (handicap services). Other considerations included: refuse collection fees, refuse policies and enforcement, and education and outreach.

Based on the analysis, the task force has concluded and recommends to Cleveland Heights City Council that residential municipal solid waste and recycling collection should remain a service that is provided by Cleveland Heights staff, and that the collection of the city's solid waste and recycling should be converted to utilize an automated means of collection. The city should conduct

a study to review the current fee charged to residents for municipal solid waste and recycling services, and upon review of the current fee, if an increase is recommended use the increase as a source of revenue to finance the required capital outlays to convert to the automated collection system.

Additional information, analysis, and recommendations regarding curbside municipal solid waste and recycling collection, categorical services, and considerations are contained herein.

Task Force Purpose

This submission documents the considered recommendations of the Cleveland Heights Refuse and Recycling Task Force; it explains the activities undertaken by the task force, and the data and resources used to draw its conclusions.

The purpose of the Task Force is to evaluate the city's refuse and recycling programs to ensure that the city's practices provide the residents with top-notch services at reasonable costs while likewise ensuring the safety and health of city workers, including by way of example and not limitation, the possibility of automated trucks, city recycling programs, public vs. private service providers, the costs of any recommended changes, and funding and financing of such costs. The Task Force shall adjourn and complete its work no later than six months after the first meeting of the Task Force, unless the term is extended by City Council. (See Attachment A - Resolution 007-2019)

Task Force Method and Structure

Meeting schedule: Beginning April 18, 2019 the task force met eighteen times on a bi-weekly basis through December 12, 2019.

The task force is comprised of 10 voting members and 3 city employees. It was determined that a quorum would constitute a minimum of 6 voting members.

1. Voting Members
 - a. Constance Johnson, Chair
 - b. Carin Miller, Vice-Chair
 - c. John Blackwell
 - d. Susan Clement
 - e. Jordan Davis
 - f. Susan Efroymsen
 - g. Cathi Lehn
 - h. Davida Russell
 - i. Kelly Menaker
 - j. Hope Wright

2. City Employees
 - a. Collette Clinkscale – Director of Public Works
 - b. Joe Kickel – Manager of Capital Projects
 - c. Tony Torres – Supervisor of Refuse & Recycling

Guest Speakers/Field Trips

1. Diane Bickett, Executive Director of Cuyahoga County Solid Waste District
2. Joe Beno, Director of Public Works of the City of Lakewood
3. Tanisha Briley, Cleveland Heights City Manager
4. Visit to the Cleveland Heights Service Garage Facility and Transfer Station
5. Visit to the Kimble Recycling Materials Recovery Facility (MRF)

Resident feedback/Access to Task Force

Meeting dates and times were posted on the Cleveland Heights website and were open to the public. Time was reserved at the end of each meeting for public comments. In addition, all meetings were audio recorded and recordings were posted to the Cleveland Heights website after each meeting.

All meeting recordings, minutes, notes, email correspondence between task force members, email correspondence from the general public, and any documents and files discussed during the meetings were posted on the Cleveland Heights website on the Refuse & Recycling Task Force page.

Section 1 - Overview of Existing Solid Waste Collection

Residential and Commercial Collection

A. Refuse (Solid Waste) (See attachment B)

Residents place their refuse into individual garbage bags and set them on the tree lawn loose no earlier than 7:00 p.m. the evening before their assigned trash pick-up day at a noticeable distance from their recycling and yard waste (see below). Refuse is picked up by a designated truck and single driver taken to the transfer station. Refuse is weighed at the transfer station before being loaded onto semi-trailers which are then transported to the Rumpke landfill in Shiloh, Ohio. The city is currently charged \$15.32 per ton at the landfill.

B. Recycling

Residents place their approved recyclables into clear or blue plastic bags and set them on the tree lawn on trash day at a noticeable distance from their regular garbage (to help collectors distinguish between the two). All approved materials may now be co-mingled (See Attachment B) in a single bag. Approved materials are limited to glass bottles, metal cans, plastic bottles/jugs, cartons, and paper and cardboard. Collected bags are delivered daily by the city to the Kimble Co. Materials Recovery Facility (MRF) (See Attachment B) in Twinsburg, Ohio which sorts and then sells the recyclables in the materials markets. The city is currently paid \$0.50 per ton for recyclables, however current market trends indicate that there will be a potential future cost of \$40 to \$80 per ton tipping fee when the city's contract with Kimble expires in September of 2020.

Note: Recycling guidelines, and the list of acceptable materials are established by the Cuyahoga County Solid Waste District as a part of the Cuyahoga County Recycling Consortium.

C. Bulk Waste Collection

Bulk refuse consists of items which do not fit into standard-sized plastic trash bags or carts. It is currently collected on a weekly basis.

D. Yard Waste

From the months of April through December yard waste is accepted curbside in large heavy-duty kraft (paper) bags (See Attachment B). Brush and small branches that are tied in bundles of no longer than four feet in length are also collected from the tree lawns year-round. These are collected by hand on the same routes and days as trash collection.

During a defined period each Fall and Spring, loose leaves and other yard waste are collected in bulk.

Bulk collection of yard waste requires several vehicles along with assistance from other divisions (i.e. Street Maintenance division), some vehicles and equipment are repurposed, including front-loaders, large horizontal claws and dump trucks, as well as heavy-duty mobile leaf blowers.

E. Apartments

The city provides apartment service to approximately 126 apartment buildings. Some apartment buildings opt to purchase their own dumpsters which the city empties. Each apartment building serviced by the city pays a fee of \$11.50 per suite.

For recycling at apartment buildings, residents put bags on the tree lawn. The City provides curbside recycling collection service to approximately 126 apartment buildings.

F. Commercial buildings

The division of Refuse and Recycling currently services 52 front load dumpsters for recycling free of charge for commercial properties throughout the city.

G. Special Collections

The division offers customized pickup service to those who request it, typically senior citizens or those with disabilities. This usually means that a worker will pick up trash bags from a back yard or other pre-arranged location. Approximately 43 households benefit from this service at no additional charge. Many who use this service also qualify for the Homestead Exemption (See Attachment B).

The city also offers special collections for holidays and festivals throughout the year.

H. Education, Communication, and Outreach

Policies and practices for refuse and recycling are posted on the city's website, with reminders and updates published in the quarterly Focus magazine.

I. Fleet

Most vehicles in the fleet serve multiple purposes for both refuse and recycling. The fleet includes vehicles such as front loaders, rear loaders, side loaders, plus semi-tractor trailers for hauling.

J. Staff

The Refuse & Recycling division currently operates with a staff of 26 employees. These are union employees (Local 860). Many workers are cross-trained to assist with leaf collection, snow plowing, emptying public litter cans, processing yard waste, and other tasks.

K. Transfer Station

The Transfer Station on Mayfield Road is where collected trash and recyclables are dumped and loaded into 40-foot trailers for transport to the landfill and the Materials Recovery Facility (MRF).

Section 2 - Options evaluated by Refuse and Recycling Task Force

Option 1 - Keep current system

A. Summary (reference Section 1 above)

The first option evaluated by the task force was to keep our current system as outlined in Section 1 above.

B. Advantages

No changes would need to be made to the current system. Staffing levels and position responsibilities would remain the same.

C. Disadvantages/challenges

The current system of manual collection is inefficient and results in higher rates worker injuries due to the weight of bags. Loose bags on tree lawns present an environmental and aesthetic challenge. Animals often rip into bags resulting in loose trash and litter in neighborhoods.

It has been noted that in one national survey it was concluded that trash collection is the most dangerous job in America. Injuries, surgeries, and disability leave are common and costly occurrences.

Recyclables are currently placed in blue or clear bags. All Materials Recovery Facilities are requiring recyclables to be delivered to them loose, and not in bags.

D. Financial overview

Many of the vehicles in the Refuse & Recycling division have far exceed their estimated useful life of ten years. Due to the age and condition of the fleet many of the vehicles will need to be replaced. Additionally, the MRFs are discontinuing accepting plastic bags, the city will need to find another means of collecting recyclables. The method analyzed would be small curbside bins which would have an increased cost (See Attachment G). Costs are provided below, and detailed on Attachments F and G.

1. Current budget

The Current operating budget for the Refuse & Recycling Division is approximately \$2.1 Million a year.

2. Additional Capital Outlays and Expenditures

Collection Vehicles

6 – Non-Automated Front Load Trucks – Est. Total Cost - \$1,872,720

Small Curbside Collection Bins

48,825 Bins (3 per H/H + 5% extra-5 Yr. Life) – Est. Total Cost - \$976,500

Transfer Station Vehicles

3 - Replacement Semi Tractors – Est. Total Cost - \$399,000

2 – Replacement Semi Trailers – Est. Total Cost - \$134,000

Transfer Station Improvements

Deck Rehabilitation and Structural Steel Repairs - \$210,000

R/R Angle Lintel, Flashing, and End Dams - \$50,000

Brick Replacement - \$8,000

Repoint Masonry - \$35,000

New Compactor - \$250,000 (this is not needed, but expected in the next few years)

Total Cost \$3,935,220

Annual Cost = Total Cost of Capital Outlay/Est. Useful Life of Asset = \$461,022

E. Sources of funding and revenue

The City of Cleveland Heights charges residents a monthly fee included in the residential sewerage bill of \$11.50 (and \$3.00 for Homestead exemption) per residential unit. The city receives approximately \$2.1 Million dollars in fee revenue annually.

There are low interest loans available to Municipal agencies through the Ohio Water Development Authority. There is not an annual or bi-annual application period, and loans can be applied for at any time throughout the year.

It is estimated that by increasing the fee charged to residents by approximately less than \$3.00 per month, the city could generate enough additional revenue to pay debt service on estimated capital costs.

Option 2 - Adopt an automated collection system, “in-house” (Recommended)

A. Summary

This option would keep the Refuse & Recycling division in the city, with the city owning and maintaining all vehicles. The only change would be to replace the current manual pick-up system with new automated trucks as well as compatible carts. Residents would be provided with a refuse cart and a recycling cart.

1. Changes to refuse collection

Refuse would be placed in the provided refuse cart by residents and wheeled out to the curb no earlier than 7:00 p.m. the evening before the resident’s trash collection day.

2. Changes to recycling collection

Loose recyclables would be placed in the provided recycling cart by residents and wheeled out to the curb no earlier than 7:00 p.m. the evening before the resident’s trash collection day.

B. Advantages of Converting to an Automated system of Collection

1. For Residents:

Automated collection offers a convenient and easy method of disposing of refuse & recycling. Wheeled carts are easy to maneuver when compared to moving multiple loose heavy bags to the curb and are considered to be more aesthetically pleasing and uniform. The use of carts results in cleaner and healthier neighborhoods reducing the possibility of bags being torn open by nuisance animals which ultimately will lead to cleaner streets, reduced surface water contamination, reduced noxious odors, and a higher level of service overall.

2. For the City

Automated collection in general is a more efficient system. Based on analysis of other municipalities that have converted the city would expect to reduce stop time at each collection by 30-50%. The decrease in stop time would ultimately result in consolidation of the collection routes. Initially, the city would expect to reduce collection routes from five refuse routes to four, and from three recycling routes to two. The net result would be a 7% reduction in workforce which would result in an estimated cost savings of approximately \$155,000 per year (See Attachment E). Further consolidation and savings could possibly be achieved by completing a comprehensive route and time study. Reductions in Refuse & Recycling division manpower would be expected to be achieved through attrition and re-assignment to other divisions that may have vacancies, and not through lay-offs.

Although it is difficult to obtain concrete numbers, through the reduction of lifting (which would now be performed by a machine) the city would expect to have fewer worker injuries which are usually the result of lifting heavy items, bags with sharp objects, and repetitive motion. It would be expected that converting to automation would result in fewer worker's compensation claims which would ultimately lead to decreased costs of both claims and premiums.

Automated collection of recyclables allows recyclable material to be placed loosely in the cart versus the current method of residents bagging the material and placing it at the curb. Many recycling Material Recovery Facilities (MRFs) are no longer accepting recycling in plastic bags. The bags must be opened by hand at the facilities which results in increased labor and time; and the bags tend to get tangled in the sorting equipment which typically results in shutting down the sorting operation for repairs; all of which results in increased costs.

C. Disadvantages and Challenges of Converting to Automated Collection

1. For Residents

There is some concern about the adequacy of space to store carts on residential properties, and the ability of some residents to move and maneuver them. Typically, each residence is provided with a 95-gallon (approx. 21W x 21D x 37H) refuse cart and a 65-gallon (approx. 19W x 19D x 37H) recycling cart. It should be noted that in some communities a smaller 65-gallon refuse cart is offered as an option to seniors and those who do not require the 95-gallon size cart.

Some concerns have been raised about larger households that may exceed the capacity of a single refuse and/or recycling carts, and whether additional carts should be offered, and whether the additional cart should come with an additional price. Additional concerns have been raised about households that may not produce enough refuse and/or recycling to fill a single cart on a weekly basis.

2. For the City

There is some concern about the unsightliness of carts being left out past their collection day.

Automated collection vehicles have a slightly higher up-front capital cost (approximately \$40,000 per truck) (See Attachment D) due to the increased amount of moving parts. Subsequently, these vehicles can have the potential for higher maintenance costs as well due to the same reasons.

There is an up-front cost for the initial purchase of the carts. The carts are approximately \$55 per each 95-gallon unit, and \$50 per each 65-gallon unit (See Attachment D).

For rolling out a new system of automated collection it would need to be preceded by a well-organized education campaign; and will require new policies which would need to be enforced for the system to be successful.

D. Cost of Converting to Automated Collection

In addition to the annual operating budget of approximately \$2.1 Million (not including the net offset of any fees collected) for the Refuse & Recycling division and due to the age and condition of the existing fleet of collection vehicles the city would need to update the fleet with new collection vehicles to convert to automated collection. Additionally, new carts would need to be purchased for each residential unit (See attachment D). The costs are summarized as follows:

1. Collection Vehicles

6 – Automated Collection Trucks - Est. Total Cost - \$2,112,720

2 – Retro-fit two existing Trucks for back-up units – Est. Total Cost - \$80,000

2. Refuse & Recycling Carts

15,500 – 95 Gallon Carts - \$852,000

15,500 – 65 Gallon Carts - \$775,000

3. Transfer Station Vehicles

3 - Replacement Semi Tractors – Est. Total Cost - \$399,000

2 – Replacement Semi Trailers – Est. Total Cost - \$134,000

4. Transfer Station Improvements

Deck Rehabilitation and Structural Steel Repairs - \$210,000

R/R Angle Lintel, Flashing, and End Dams - \$50,000

Brick Replacement - \$8,000

Repoint Masonry - \$35,000

New Compactor - \$250,000 (this is not needed, but expected in the next few years)

5. Total Cost \$4,906,220

Annual Cost = Total Cost of Capital Outlay/Est. Useful Life of Asset = \$460,472

E. Sources of Funding

The current primary sources of funding for the Refuse and Recycling division are funds from the city's General Fund which are primarily provided for by income tax. Annual operating costs appear to be offset by revenues generated from the Landfill fee (See Attachment B).

There are some financial resources available through the Cuyahoga County Solid Waste District working in conjunction with the Recycling Partnership which provides a subsidy towards the purchase of collection carts. There are also low interest loans available to Municipal agencies through the Ohio Water Development Authority. There is not an annual or bi-annual application period, and loans can be applied for at any time throughout the year.

It is estimated that by increasing the fee charged to residents by approximately less than \$3.00 per month, the city could generate enough additional revenue to pay debt service on estimated capital costs.

Option 3 - Privatize Collection and utilize an Automated System of Collection

A. Summary

This option would result in the city contracting with an outside private waste and recycling hauler. It would be an automated system with residents receiving refuse and recycling carts.

B. Changes to refuse collection

Refuse would be placed in the provided refuse cart by residents and wheeled out to the curb no earlier than 7:00 p.m. the evening before the resident's trash collection day.

C. Changes to recycling collection

Loose recyclables would be placed in the provided recycling cart by residents and wheeled out to the curb no earlier than 7:00 p.m. the evening before the resident's trash collection day.

D. Advantages of Privatized Collection

The price of privatized collection is all-inclusive (turn-key). The contracted hauler provides the refuse and recycling carts, as well as the educational roll-out.

The city would no longer need to own or maintain a fleet of collection vehicles. Additionally, the transfer station would close, and the city would not need to maintain and update any of the equipment within it.

E. Disadvantages and/or Challenges of Privatized Collection

The city would have less control over the quality of service provided to residents. Some services that the city provides would come with a premium (i.e. weekly bulk collection, special pick-ups, etc.) The city could find itself locked into a multi-year contract subject to the private hauler’s prices (and possible increases) over time.

The transfer station would no longer be needed, and although it can be left idle, if not maintained it may be difficult and costly to start-up again if the city wished to re-open it. If the license were to lapse, the transfer station which is located adjacent to residential properties and is currently “grandfathered-in” under Ohio EPA law may not be allowed to re-open.

There would be a reduction in workforce and ultimately lay-offs of Refuse & Recycling staff. Some staff and equipment would still need to be maintained to handle litter collection, and the emptying of litter cans.

Service to apartment units would most likely no longer be offered.

F. Cost of Privatized Collection

The Refuse & Recycling task force reviewed contracts and practices of other municipalities within Cuyahoga County based on information provided by the Cuyahoga County Solid Waste District (see Attachment C). A comparative cost analysis of three recently awarded private hauler contracts was analyzed based on Cleveland Heights residential units and the recently awarded contract rates (See Attachment E).

Summary of Contracts Comparison (Using 15,500 Residential Units/Cleveland Hts.) (See Attachment E)			
Method/Contract	Total Est. Annual Cost	Total Est. Cost/Unit/Year	Total Est. Cost/Unit/Month
Keep Current Method w/Recycle Bins	\$2,680,538.25	\$172.94	\$14.41
Convert to Automation	\$2,523,162.01	\$162.78	\$13.57
Rumpke-City of Westlake	\$2,642,705.15	\$170.50	\$14.21
Republic-Olmsted Falls/Township	\$3,130,380.00	\$201.96	\$16.83
Kimble-Chagrin Falls	\$2,907,995.92	\$187.61	\$15.63

There were no formal bids solicited for the potential cost of private hauling specific to the City of Cleveland Heights.

G. Sources of Funding

The sources of funding for the Refuse and Recycling Division would be the same funds that would be used for a private hauler. These funds for privatization would come from the city's General Fund which are primarily provided for by income tax. Annual operating costs appear to be offset by revenues generated from the Landfill fee.

Section 3 - Final Recommendations of the Refuse and Recycling Task Force

Core Recommendation

Based on the analysis, the task force has concluded and recommends to Cleveland Heights City Council that residential municipal solid waste and recycling collection should remain a service that is provided by Cleveland Heights staff, and that the collection of the city's solid waste and recycling should be converted to utilize an automated means of collection. The city should conduct a study to review the current fee charged to residents for municipal solid waste and recycling services, and upon review of the current fee, if an increase is recommended use the increase as a source of revenue to finance the required capital outlays to convert to the automated collection system.

Recommendations with regards to Recycling

1. The task force recommends that the city evaluate its policy and practice for the collection and recycling of e-waste "techno-trash" (See Attachment B).

Additional Considerations with regards to Recycling

1. The continued use of blue bags will no longer be an option, as they are being phased out by Kimble as well as every other MRF operator in Cuyahoga County. The bags are cumbersome to open, they clog and tangle the sorting machinery and they are not recyclable themselves.
2. Residents would place their approved recyclables into standardized carts which are similar in size and form to those used for automated trash pickup (although of a different color).
3. The cost of the carts may be partially or fully subsidized by public and/or private grants.
4. The use of carts has been shown to increase the amount of recyclables collected and has the potential to reduce contamination of the recycling stream.
5. As with trash, the manual system of pickup is an ongoing health hazard for workers.
6. Pickup vehicles are identical to those used for automated trash collection.
7. Carts might not be suitable for apartment dwellers; manual pickup may be necessary at apartments, or an alternate system may need to be devised.

8. Note that recyclable items must be placed loose into the carts without any plastic bags.
9. The city offers limited recycling collection to a few commercial businesses in the City. This practice should be reviewed to determine if this adds any financial or other burden to the Refuse & Recycling division. See “Commercial Properties.”

Recommendations with regards to Bulk Waste Collection

1. The task force recommends setting a limit to the number of bulk items that will be picked up as part of weekly trash day pickup, and that such items be defined as those which can be safely picked up by one worker. The suggested limit is four items per address for residential units only.
2. The task force recommends setting a limit to the number of garbage bags that will be picked up minus prior notification on weekly trash day (beyond what fits into a single cart) without extra charge. The suggested limit is four items per address for residential units only.
3. The task force recommends that all bulk trash in excess of this limit require the resident or property owner to notify the city in advance to schedule pickup and pay any appropriate fees.
4. The task force recommends that the city establish reasonable fees to cover the costs for large bulk pickups; set appropriate fines for violators of bulk collection guidelines; and implement effective and convenient collection mechanisms for such charges.
5. The task force recommends that a complete list of acceptable bulk items (large and small) be well-posted on the city webpage along with a phone number for clarification or questions.
6. The task force recommends that the city eliminate bulk, solid waste, and recycling pick-up from all commercial businesses and properties, and all residential rental properties with 5 or more units.
7. The task force recommends that the city be proactive in informing residents of alternatives to sending bulk items to the landfill as part of a general outreach and information program (see Education).
8. The task force recommends that the city implement ordinance(s) and fees governing rental properties’ use of bulk pickup service.
9. The task force recommends that all residential construction and renovation permits require a dumpster or dumpster bag as part of a materials disposal plan.

Additional Considerations with regards to Bulk Waste Collection

1. The task force declined to recommend restricting bulk pickups to certain days of the week or month or establishing a drop-off location or protocol for bulk items.
2. Recognizing that tenants typically do not pay fees to the city for services, and that rental properties repeatedly and routinely impose excessive and uncompensated demands for bulk pickup, the task force views ordinances, fees and deposits as valid tools to control abuse of city services. The withholding of occupancy permits for unpaid fees or fines should not be ruled out, and absentee landlords especially should not be granted special allowances. Rental move-outs are a part of life but they can be anticipated and addressed responsibly. A comprehensive informational outreach program for landlords and renters may be productive.
3. Dumpster bags can be an effective way to address bulk disposal needs, both commercial and residential. These are typically purchased by a customer who then pays a commercial hauler to pick it up when full. The city might consider encouraging the consistent practice of using dumpster bags by establishing a relationship with a commercial hauler and offering to sell the bags through the service department or city hall at affordable rates. Bag purchases could be recorded and used to track the timely completion of projects and the overall success of the program.
4. It is recognized that many residents enjoy placing items on the tree lawn knowing that they will be scavenged and appreciated by others; and keeping something out of the landfill in the process.
5. Residents have grown accustomed to placing large items on the tree lawn at will each trash day, and collection workers make many accommodations to pick up oversized items on a daily basis. This convenience comes at a cost. The daily process of discovering and sending the correct vehicles for random bulk pickups requires extra supervisory attention and labor, diverts workers from other tasks on an unpredictable basis, and adds significantly to landfill tonnage. It also poses risks to workers who handle dangerously heavy items.
6. Many customers, including and especially landlords and transient tenants, place extraordinary amounts of furniture and trash from move-outs on an ongoing basis without advance notice or compensation for the manpower and equipment required to collect and dispose of it. Numerous repeat offenders have been noted.
7. Construction and renovation project materials although not acceptable for collection pose similar challenges.

Recommendations with regards to Yard Waste Collection

1. The task force recommends that the city improve public messaging about keeping yard waste bags free from inappropriate materials and objects, and consider fees or fines for oversized loads or improperly prepared yard waste.

2. The city should continue to seek commercial recyclers who will pay for compostable organic waste, and encourage residents to learn how to compost at home.
3. The city should review the practices for processing yard waste to maximize its value in the market.
4. The city should reduce the exposure of city workers to injury resulting from improperly filled kraft bags.
5. The city should consider operating a local composting site, perhaps in partnership with a private-sector organic recycler. This could benefit the city by providing residents with a source of low-cost finished compost as well as supporting a localized entrepreneurial operation.

Recommendations with regards to Apartment Collection

1. The task force recommends that the City continue to provide refuse and recycling service to buildings with less than or equal to 4 units. The charge for this service would be the same per unit as for residential homes. If an apartment owner cancels refuse pick up for a building, the owner must show proof of being under contract with a private hauler.
2. The task force recommends that buildings with greater than 4 units be required to contract with their own refuse and recycling hauler. The apartment owner must show proof of being under contract.

Additional Considerations with regards to Apartment Collection

1. The city could provide contact information for potential haulers, and/or maintain a list of approved or preferred vendors.

Recommendations with regards to Commercial Building Collection

1. The task force recommends discontinuing free recycling collection, and offering the service only if an appropriate fee is charged.

Recommendations with regards to Special Collections

1. The task force recommends no changes in service.

Recommendations with regards to Policy Enforcement, Ordinances, and Compliance

1. The task force recommends that the city conduct a thorough review of relevant guidelines, policies, fees and fines; update them, with ordinances as necessary according to the recommendations and suggestions contained herein and subsequent research on behalf of Council; determine appropriate consequences for failure to

comply; proactively communicate the nature and specifics of such measures; and implement and apply enforcement strategies designed to foster widespread compliance across all constituencies.

Additional Considerations with regards to Policy Enforcement, Ordinances, and Compliance

1. Potential Compliance/Enforcement tactics:
 - a. Recycling carts with pictures/words displaying acceptable materials
 - b. Initially, drivers or volunteers physically spot-check recycling carts for contamination before pickup; rejecting contaminated containers with an “oops” tag stating what is allowed while noting address and reporting issue.
 - c. Refuse to accept recycling from repeat offenders understanding that contaminated recycling costs the city money.
 - d. Door to door outreach program
 - e. Announce periodic multi-week curbside audit for a street/neighborhood
 - f. Publicize “two thumbs up” compliance rate
 - g. Possible fee discount, special awards, events or other incentives for “Good Recycler” club

Recommendation with regards to Education, Outreach, and Communications

1. The task force recommends that the city overhaul its public communication strategy regarding refuse and recycling, taking advantage of the full range of communications tools.

Additional Considerations with regards to Education, Outreach, and Communications

1. Any changes in refuse and recycling practices should be preceded by a proactive educational campaign for months in advance. Containers can be displayed at city hall and public meetings will be essential.
2. The Cuyahoga County Solid Waste District operates extensive education and outreach programs covering all aspects of waste management and recycling. They are an invaluable source of data and ideas and should be consulted on a regular basis. No consulting fees are charged.
3. The most immediate and urgent message to be communicated is to “Recycle Right” in an effort to eliminate contamination “wish-cycling” and reduce additional costs to city/residents.

4. Consider creating an educational outreach position dedicated specifically to recycling and refuse issues, staffed by someone who is qualified and knowledgeable in the areas of recycling and sustainability, and to create and implement a proactive program of citizen engagement.

Such staff position may be part time and/or temporary depending on funding and other factors.

5. Publicize proper trash and recycling procedures via:
 - a. www.clevelandheights.com
 - b. access Cleveland Heights app.
 - c. Cleveland Heights Facebook page
 - d. Focus magazine
 - e. Heights Observer and other newspapers
 - f. Social media (i.e. Next Door, Twitter, etc.)
 - g. Direct mailings to residents
 - h. Citywide public meetings and local and neighborhood events
 - i. Container (cart) stickers and refrigerator magnets
 - j. Recycling guides in several languages
 - k. Flyers available at city hall, libraries, schools, etc.
 - l. Realtor/Landlord welcome packets to new residents/tenants
 - m. Neighborhood ambassadors trained to advise/answer questions
 - n. Email reminders
 - o. CCSWD age-appropriate materials distributed to school classrooms

Section 4 - Conclusion

The measures recommended in this report will help bring Cleveland Heights up to date with the current methods of refuse and recycling collection, maintaining a high level of service with only a modest cost increase. Expenses will inevitably rise over time, yet it is still possible to economically deliver municipal services with efficiency and professionalism. Beyond providing basic services, a modern city has many opportunities, some would say obligations, to reduce environmental impact, maximize resource efficiency, and improve the long-term viability of the community, the natural environment, and the world. Cleveland Heights can and should be a leader in such efforts.

It is beyond the scope of this task force to research and prescribe specific solutions, but it has become clear that “recycling is not enough” to address these goals. Recycling is a point of entry into programs that address these challenges. The list of innovative approaches grows every day, as does the popular desire for effective solutions from improving the rates of residential recycling to mitigating the causes and effects of climate change; there is much work to be done.

Cleveland Heights will do well to implement, coordinate, and support policies and programs that will make a difference. Initiatives should properly arise from the public, private, and commercial sectors; and government’s role as a facilitator is indispensable. Cleveland Heights will enhance its reputation as a caring, progressive place to live and draw forward-thinking residents to move here if it demonstrates a commitment to be a healthful and environmentally responsive community.

Section 5 – List of Attachments

- A. Resolution 007-2019
- B. Recycling glossary of terms
- C. Summary of Contracts and Practices – Provided by Cuyahoga County Solid Waste District
- D. Estimated Capital Outlays
- E. Estimation of Costs – Comparison to Recent Private Contracts

Additional Communications and Background documentation can be found on the City of Cleveland Heights website “Refuse and Recycling Task Force Page” at <https://www.clevelandheights.com/1146/Refuse-and-Recycling-Task-Force>

ATTACHMENT A

Proposed: 1/22/2019

RESOLUTION NO. 7-2019 (SMS)

By Council Member

A Resolution establishing a Refuse and Recycling Task Force and prescribing the composition, duration, and purpose and duties of such Task Force; and declaring an emergency.

WHEREAS, Council has identified the need to create a special Refuse and Recycling Task Force to offer advice and recommendations to City Council concerning the City's refuse and recycling practices.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Cleveland Heights, Ohio, that:

SECTION 1. There is hereby established the "Refuse and Recycling Task Force" ("Task Force"). Said Task Force shall be composed of a total of thirteen (13) members. Ten (10) of the thirteen (13) members ("Resident Members") shall be residents of the City and shall serve without compensation. The ten (10) Resident Members shall be appointed by City Council by motion to appoint the Resident Members after an application and review process, with the intention that each of the current six (6) members of City Council shall advance the name of one (1) Resident Member and that four (4) additional Resident Members shall be proposed by City Council as a matter of consensus. The remaining three (3) members of the Task Force shall be designees of the City Manager ("City Manager Designees"), provided that the City Manager Designees shall not participate in any vote or decision-making. The members of the Task Force shall select a chair. In the event of the resignation or excessive absence of a Resident Member, the City Council retains the authority and discretion to replace or not to replace the Resident Member. Meetings of the Task Force shall be open to the public.

SECTION 2. The purpose of the Task Force is to evaluate the City's trash and recycling programs to ensure that the City's practices provide the residents with top-notch services at reasonable costs while likewise ensuring the safety and health of City workers, including by way of example and not limitation, the possibility of automated trucks, City recycling programs, public vs. private service providers, the costs of any recommended changes, and funding and financing of such costs. The Task Force shall adjourn and complete its work no later than six months after the first meeting of the Task Force, unless the term is extended by City Council.

SECTION 3. Notice of the passage of this Resolution shall be given by publishing the title and abstract of its contents, prepared by the Director of Law, once in one newspaper of general circulation in the City of Cleveland Heights.

SECTION 4. This Resolution is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health and safety of the inhabitants of the City of Cleveland Heights, such emergency being the need to obtain the advice and recommendation of the Task Force without delay. Wherefore, provided it receives the affirmative vote of five (5) or more of the members elected or appointed to this Council, this Resolution shall take effect and be in force immediately upon its passage; otherwise, it shall take effect and be in force from and after the earliest time allowed by law.

CAROL ANN ROE, Mayor
President of the Council

SUSANNA NIERMANN O'NEIL
Acting Clerk of Council

PASSED:

ATTACHMENT B

Glossary of Refuse and Recycling Terms

Automated collection

A mechanized method of collecting refuse and recycling. Residents place their waste materials into uniform containers (carts) which are picked up and emptied at the curbside using automatic equipment on each garbage truck.

Blue bags

Blue-colored transparent bags. For many reasons the “blue bag” has been phased out by almost all cities and private collectors operating in Cuyahoga County, in favor of sturdy reusable bins or carts.

Bulk Collection

Refers to large (excess) quantities of refuse, and large items left on the curbside for pickup by the city. Bulk items require special equipment and additional workers to collect. Extreme cases, such as an entire apartment’s worth of furniture or very large amounts of brush or branches that are not properly cut and tied by the resident typically necessitate billing the resident for the additional costs of collection

Cuyahoga County Solid Waste District (CSWD)

This governmental department oversees all waste and recycling practices across the county. The Solid Waste District was established in 1989 in response to Ohio law requiring all cities to recycle at least 25% of their collected waste. Not a regulatory body, the Solid Waste District monitors and recommends best practices throughout the County, offers some alternative collection services and conducts extensive education programs. <https://cuyahogarecycles.org/>

Carts

This is the usual term used to describe the lidded, two-wheel containers used for automated residential pickup of trash and recycling. Typically found in 65- or 96-gallon sizes.

Co-mingled recycling (See also Single-stream recycling)

Refers to the current practice of allowing all recyclable materials to be collected in a single container (as opposed to pre-sorting or “source separating”). Most cities in Cuyahoga County, including Cleveland Heights, have converted to single-stream or co-mingled collection, so pre-sorting is not necessary.

Commercial collection

Commercial businesses, including stores, are not served by Cleveland Heights waste collection. Their owners or residents must arrange for commercial waste collection. Some businesses have arranged with the city for collection of their recyclable materials.

Compactor (See also Front Loader, Rear Loader, and Side Loader)

An integral component of a garbage truck which is comprised of a hydraulic powered device in which a telescopic cylinder pushes a moving surface against a stationary surface to compress and condense material. Compactors are not limited to garbage trucks and may also be used in Semi-Trailers and the

Transfer Station.

Construction and demolition waste (C&D)

A waste stream that is primarily received from construction sites. C&D waste can include concrete, rebar, wood, paneling, linoleum, carpet and many other materials. The City does not collect this type of waste.

Container (See also Dumpster)

Any reusable receptacle (as opposed to plastic bags), used to accumulate waste from residential, commercial, and industrial sites. Containers vary in size and type and can include bins, carts, and dumpsters.

Curbside recycling

The practice of collecting recyclable household materials placed at the curb along with weekly trash pickup.

Disposal fee (See also Tipping Fee)

A fee charged (typically on a per ton basis) for the amount of waste disposed of by customers at a landfill.

Drop-off recycling

The practice of delivering recyclable goods to a central or remote location (as opposed to curbside recycling).

Dumpster

A generic term used for large steel residential, commercial, and construction waste containers, often used at multi-family dwellings like apartments or condominiums. Residential and Commercial dumpsters can vary by loading type onto the truck (i.e. front load or rear load) and range from 2 cubic yards to 10 cubic yards. Large construction dumpsters (also referred to as roll-offs) can range from 20 cubic yards to 40 cubic yards.

E-Waste (See also Techno Trash)

Consumer grade electronic devices (i.e. computers, televisions, stereos, cell phones, etc.) that are recycled often to recover certain precious metals that used to construct the device.

Front loader (See also Compactor)

A garbage truck that has the collection hopper in the front of the vehicle. When the hopper is full, it is raised above and over the truck's cab and dumped into the main body at the rear of the truck. Front loaders also have the capability to empty dumpsters ranging from 2 cubic yards to 10 cubic yards. This is the type of vehicle that is most easily converted for automated pickup.

Hauling Fee

A fee that may be charged by private companies to transport waste from a city to a landfill or MRF.

Hazardous Waste (See also Household Hazardous Waste)

Waste with dangerous characteristics (e.g. flammable, corrosive, radioactive, etc.) that is not

permitted to be disposed of in a landfill. Governments define and regulate the disposal of hazardous waste. May also be referred to as toxic waste.

Homestead Exemption

Under Ohio Law seniors age 65 and older and permanently and totally disabled persons with a household income below a defined threshold qualify for a state subsidized property tax credit of owner-occupied residences. The city further extends this service to residents that qualify for the Homestead Exemption with a reduction of the monthly landfill fee from \$11.50 per household per month to \$3.00 per household per month.

Hopper

The hopper is the part of a garbage truck or compactor where trash is emptied before being loaded and/or compacted into the body of the truck.

Household Hazardous Waste (See also Hazardous Waste)

Household waste with potentially dangerous characteristics (i.e. strong household cleaning products, pesticides, consumer grade acids, oil-based paints and stains, mineral spirits, etc.) that is not permitted to be disposed of in a landfill.

Kimble Company

This is a private company that operates multiple refuse and recycling services including: Private collection and hauling services to municipalities and commercial businesses, Landfilling, and a Materials Recovery Facility (MRF) which accepts and sorts curbside recyclables for sale into the market.

Kraft Bag

Brown paper bags which have a high tear resistance. Kraft paper is produced from a chemically treated (with sulfates) pulp called kraft pulping which was created by Carl F. Dahl in Germany in the 1880s. Typical uses of kraft paper bags include grocery store bags and the large yard waste bags used for recycling.

Landfill

An endpoint facility that accepts solid waste (refuse or garbage). Landfill construction and management practices are heavily regulated by the various government agencies to minimize environmental impact. The landfill for Cleveland Heights is located 75 miles away in Shiloh, Ohio. We send approximately five 25-ton trailer loads of solid waste to the landfill each day.

Landfill Fee (See also Utility Fee)

A supplemental charge to residents to subsidize the cost of Refuse & Recycling Collection and Landfill fees. Currently the fee is \$11.50 per household per month, and \$3.00 per household per month for those that qualify for the Homestead Exemption.

Lock Bar

An optional feature of front-load dumpsters. The lock bar allows a customer to lock the container. When the container is emptied, and the container is raised up and over the truck, gravity causes the bar to drop allowing the container to be emptied.

Materials Recovery Facility (MRF)

A facility where recyclable material is sorted and then sold in the open market. This process includes separating co-mingled recyclable materials (manually and/or by machine) according to type, then baling or otherwise preparing the separated material for sale. The MRF has become one of the two most important determinants of what is and is not “recyclable.” The primary determinant is the value of recycled materials on the open market.

Methane

A gas byproduct generated through natural decomposition of solid waste in landfills. This gas is monitored to maintain state regulatory agency levels. Accumulated gas is either burned off using a flare or is converted to energy by use of a gas plant.

Manual collection

An operation where workers physically lift all waste and recycling containers and place them in the collection vehicle or hopper. Cleveland Heights currently collects all waste and recycling manually.

Multi-unit Dwellings

Apartments and/or condominiums.

Municipal Collection Service

Staffing, operation, and maintenance of a refuse & recycling operation by a municipal agency.

Municipal Solid Waste (MSW) (See also Refuse and/or Solid Waste)

"Regular" garbage from non-industrial sources, such as homes, restaurants, retail centers, and office buildings. Typical MSW includes paper, discarded food items, and other general discards.

Pay-as-you-throw

The practice of charging consumers a fee for garbage collection according to the amount of waste generated by the consumer.

Pre-sorting (See also Source Separating)

The practice of separating recyclable materials in the home or business according to their type, (e.g., glass, metal, paper). Most cities in Cuyahoga County including Cleveland Heights have converted to single-stream or co-mingled collection, so pre-sorting is not necessary.

Private Collection Service

Staffing, operation, and maintenance of a municipal refuse & recycling operation by an outside contractor.

Rear loader (also called a Compactor)

A garbage truck that has the collection hopper in the back of the vehicle, and a compacting mechanism to compress the load to save space. Rear loaders have the capability of emptying dumpsters ranging from 2 cubic yards to 10 cubic yards. Typically requires a crew of two workers, a

driver plus loader.

Recycling

A series of practices that reclaims and reprocesses certain items back to their original material state for remanufacture into new products. This can result in lower rates of resource depletion, less environmental pollution, reduced use of landfills, and cost-savings. Not every material that is scientifically “recyclable” can be successfully recycled and/or reused.

For the purposes of municipal service, the term “curbside recycling” refers to the methods by which residents prepare their refuse and by which the City collects and manages materials that are set aside by residents to be recycled.

Refuse (See also Municipal Solid Waste and/or Solid Waste)

See Municipal Solid Waste above.

Residential Customers

Residents living in single and multi-family dwellings, and multi-unit dwellings as opposed to retail or other businesses. Cleveland Heights makes weekly collection pickups at all single and multi-family houses, and some multi-unit dwellings. (See also Multi-unit Dwellings and Commercial Collection).

Resource identification numbers (RIN) (“Recycling Code”)

The “number in the triangle” that appears on many plastic products and is the designation of the specific type of polymer that it is made of. It is not an indicator or guarantee that any particular item can or will be recycled.

Service Garage

Large facility that houses staff, vehicles, and equipment for various municipal services.

Side loader (See also Compactor)

A garbage truck that has the collection hopper in the center of the vehicle. Side loaders are typically another type of vehicle most often used for automated collection.

Single-stream recycling (See also Co-mingled Recycling)

See Co-mingled Recycling above.

Solid Waste (See also Municipal Solid Waste and/or Refuse)

See Municipal Solid Waste above.

Source Separating (See also Pre-Sorting)

See Pre-Sorting above.

Techno Trash (See also E-Waste)

See E-Waste above.

Tipping Fee (See also Disposal Fee)

See Disposal Fee above.

Transfer Station

A facility that is an intermediate (transfer) point between refuse collection vehicles and the landfill and recycling collection vehicles and the Materials Recovery Facility (MRF). Collected materials are dumped either in pits or on a floor area where they are then loaded into semi-tractor trailers and hauled over a long distance to their endpoint.

Utility Fee (See also Landfill Fee)

See Landfill Fee above.

Waste Stream

Specific types of waste found in a customer's disposal (trash, cardboard, aluminum, metal, etc.) or a broader definition of disposal type. (e.g. MSW, C&D, Hazardous, etc.)

Waste-to-Energy

The process of incinerating trash resulting in high-pressure steam, which can be used to generate electricity for sale to public utility companies under long-term contracts. The residue from the incineration process is disposed of in a landfill.

Yard Waste

Organic waste generated by home and businesses, chiefly leaves, grass clippings, and brush. In Cleveland Heights yard waste forms a separate waste stream which is managed apart from refuse and recycling. Yard waste is collected in two ways: during a defined period each Spring and Fall, leaves are collected in bulk using large equipment and teams of workers. During the rest of the year, yard waste is collected in brown paper (kraft) bags on each street's pickup day. Brush and branches must be cut and tied into bundles of no more than four feet in length.

ATTACHMENT C

COMMUNITIES	CONTRACTOR	CONTRACT EFFECTIVE DATE	CONTRACT END DATE	CONTRACT OPTION YEARS	CONTRACT PRICE ESCALATION BASIS	YEARLY CONTRACT COST					NUMBER OF HOUSEHOLDS SERVED	FUNDING SOURCE	
						YR 1	YR 2	YR 3	YR 4	YR 5			
BAY VILLAGE						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION - Automated	Republic	4/1/2016	3/31/2021	(3) 1 year	Schedule + Fuel	\$14.82/hh/mo	\$15.26/hh/mo	\$15.80/hh/mo	\$16.35/hh/mo	\$16.92/hh/mo	6,250	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Republic	4/1/2016	3/31/2021	(3) 1 year	Schedule + Fuel	Included	Included	Included	Included	Included	6,250	RESIDENT CHARGE BACK	X
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	6,250	ASSESSMENT	
YARD WASTE	Republic	4/1/2016	3/31/2021	(3) 1 year	Schedule + Fuel	Included	Included	Included	Included	Included	6,250	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic	4/1/2016	3/31/2021	(3) 1 year	Schedule + Fuel	Included	Included	Included	Included	Included	6,250		
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	----	7/5/2017	----	----	----	----	----	----	----	6,250		
BEACHWOOD						YR 1	YR 2	YR 3	OPT YR 1	OPT YR 2			X
WASTE COLLECTION - Automated	Municipal	----	----	----	----	----	----	----	----	----	2,970	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Municipal (Eastside Recycling Consortium)	----	----	----	----	----	----	----	----	----	2,970	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Municipal	----	----	----	----	----	----	----	----	----	2,970	ASSESSMENT	
YARD WASTE	Municipal	----	----	----	----	----	----	----	----	----	2,790	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic (Eastside Disposal Consortium)	10/1/2015	9/30/2018	(2) 1 year	Schedule + Fuel	\$37.59/ton	\$38.53ton	\$39.49/ton	\$40.68/ton	\$41.90/ton	2,970		
BEDFORD						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION - Automated	Kimble (Southeast Consortium)	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	\$6.11/hh/mo	\$6.22/hh/mo	\$6.40/hh/mo	\$6.60/hh/mo	\$6.86/hh/mo	4,700	GENERAL FUND	
RECYCLING (CURBSIDE) - Automated	Kimble (Southeast Consortium)	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	\$3.08/hh/mo	\$3.13/hh/mo	\$3.23/hh/mo	\$3.32/hh/mo	\$3.45/hh/mo	4,700	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	4,700	ASSESSMENT	X
YARD WASTE	Kimble / Municipal	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	Included	Included	Included	Included	Included	4,700	OTHER (SPECIFY)	
WASTE DISPOSAL	Kimble (Southeast Consortium)	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	\$40.00/ton	\$40.50/ton	\$41.00/ton	\$42/ton	\$43.00/ton	4,700		

BEDFORD HEIGHTS					YR 1	YR 2	YR 3	YR 4	YR 5			X	
WASTE COLLECTION - Automated	Kimble (Southeast Consortium)	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	\$6.11/hh/mo	\$6.22/hh/mo	\$6.40/hh/mo	\$6.60/hh/mo	\$6.86/hh/mo	2,785	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Kimble (Southeast Consortium)	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	\$3.08/hh/mo	\$3.13/hh/mo	\$3.23/hh/mo	\$3.32/hh/mo	\$3.45/hh/mo	2,785	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	2,785	ASSESSMENT	
YARD WASTE	Kimble / Municipal	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	Included	Included	Included	Included	Included	2,785	OTHER (SPECIFY)	
WASTE DISPOSAL	Kimble (Southeast Consortium)	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	\$40.00/ton	\$40.50/ton	\$41.00/ton	\$42/ton	\$43.00/ton	2,785		
BENTLEYVILLE					OPT YR 1	OPT YR 2	OPT YR 3	YR 4	YR 5			X	
WASTE COLLECTION - Automated	Waste Management	1/1/2018	12/31/2020	----	Schedule + Fuel	\$11.07/hh/mo	\$11.07/hh/mo	\$11.07/hh/mo	----	----	299	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Waste Management	1/1/2018	12/31/2020	----	Schedule + Fuel	Included	Included	Included	----	----	299	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Waste Management / Municipal	1/1/2018	12/31/2020	----	Schedule + Fuel	Included	Included	Included	----	----	299	ASSESSMENT	
YARD WASTE	Waste Management	1/1/2018	12/31/2020	----	Schedule + Fuel	Included	Included	Included	----	----	299	OTHER (SPECIFY)	
WASTE DISPOSAL	Waste Management	1/1/2018	12/31/2020	----	Schedule + Fuel	\$42.85/ton	\$42.85/ton	\$42.85/ton	----	----	299		
BEREA					OPT YR 1	OPT YR 2	OPT YR 3	YR 4	YR 5			X	
WASTE COLLECTION - Automated	Republic	8/29/2012	8/28/2017	(3) 1 year	Schedule + Fuel	\$6.05/hh/mo	\$6.25/hh/mo	\$6.50/hh/mo	----	----	5,870	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Republic	8/29/2012	8/28/2017	(3) 1 year	Schedule + Fuel	\$2.20/hh/mo	\$2.30/hh/mo	\$2.35/hh/mo	----	----	5,870	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Abitibi	----	----	----	----	----	----	----	----	----		ASSESSMENT	
YARD WASTE	Republic	8/29/2012	8/28/2017	(3) 1 year	Schedule + Fuel	\$1.94/hh/mo	\$2.00/hh/mo	\$2.07/hh/mo	----	----	5,870	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic	8/29/2012	8/28/2017	(3) 1 year	Schedule + Fuel	\$36.25/ton	\$37.45/ton	\$38.75/ton	----	----	5,870		
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	----	12/10/2019	----	----	----	----	----	----	----	5,870		
BRATENAHL					YR 1	YR 2	YR 3	YR 4	YR 5			X	
WASTE COLLECTION - Automated	Republic	12/1/2015	11/30/2020	(2) 1 year	Schedule + Fuel	\$13.40/hh/mo	\$13.80/hh/mo	\$14.20/hh/mo	\$14.65/hh/mo	\$15.10/hh/mo	765	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Republic	12/1/2015	11/30/2020	(2) 1 year	Schedule + Fuel	Included	Included	Included	Included	Included	765	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	----	ASSESSMENT	

	(Ridge Rd. Transfer Station)												
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	----	5/26/2020	----	----	----	----	----	----	----	----		
BROOKLYN HEIGHTS						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION - Automated	Kimble	9/1/2018	8/31/2023	----	Schedule + Fuel / CPI	\$10.80/hh/mo	\$11.07/hh/mo	\$11.46/hh/mo	\$11.92/hh/mo	\$12.39/hh/mo	626	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Kimble	9/1/2018	8/31/2023	----	Schedule + Fuel / CPI	Included	Included	Included	Included	Included	626	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Municipal	----	----	----	----	----	----	----	----	----	626	ASSESSMENT	
YARD WASTE	Municipal / Kurtz Bros.	----	----	----	----	----	----	----	----	----	626	OTHER (SPECIFY)	
WASTE DISPOSAL	Kimble	9/1/2018	8/31/2023	----	Schedule + Fuel / CPI	\$42.00/ton	\$43.05/ton	\$44.56/ton	\$46.34/ton	\$48.19/ton	626		
CHAGRIN FALLS VILLAGE						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION - Automated	Kimble	9/1/2018	8/31/2023	(2) 1 year	----	\$9.96/hh/mo	\$10.26/hh/mo	\$10.57/hh/mo	\$11.00/hh/mo	\$11.44/hh/mo	1,630	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Kimble	9/1/2018	8/31/2023	(2) 1 year	Processing escalation - July Market Values	Collection = Included; Processing = \$35.16/ton	Collection = Included; Processing = \$/ton	1,630	RESIDENT CHARGE BACK				
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	----	ASSESSMENT	
YARD WASTE	Municipal / Kimble	9/1/2018	8/31/2023	(2) 1 year	----	Included	Included	Included	Included	Included	1,630	OTHER (SPECIFY)	
WASTE DISPOSAL	Kimble	9/1/2018	8/31/2023	(2) 1 year	----	\$42.00/ton	\$43.26/ton	\$44.56/ton	\$46.34/ton	\$48.19/ton	1,630		
CHAGRIN FALLS TOWNSHIP						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION - Automated	Kimble	9/1/2018	8/31/2023	(2) 1 year	----	\$9.96/hh/mo	\$10.26/hh/mo	\$10.57/hh/mo	\$11.00/hh/mo	\$11.44/hh/mo	42	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Kimble	9/1/2018	8/31/2023	(2) 1 year	Processing escalation - July Market Values	Collection = Included; Processing = \$35.16/ton	Collection = Included; Processing = \$/ton	42	RESIDENT CHARGE BACK				
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	----	ASSESSMENT	
YARD WASTE	Municipal / Kimble	9/1/2018	8/31/2023	(2) 1 year	----	Included	Included	Included	Included	Included	42	OTHER (SPECIFY)	
WASTE DISPOSAL	Kimble	9/1/2018	8/31/2023	(2) 1 year	----	\$42.00/ton	\$43.26/ton	\$44.56/ton	\$46.34/ton	\$48.19/ton	42		
CLEVELAND						YR 1	YR 2	OPT YR 1	OPT YR 2	OPT YR 3			X
WASTE COLLECTION - W - Automated	Municipal	----	----	----	----	----	----	----	----	----	167,490	GENERAL FUND	

RECYCLING (CURBSIDE) - W - Automated	Municipal / Kimble	4/23/2015	4/22/2017	3 (1) year	----	----	----	----	----	----	120,000	RESIDENT CHARGE BACK	X
DROP-OFF (RECYCLING)	Municipal	----	----	----	----	----	----	----	----	----	167,490	ASSESSMENT	
YARD WASTE - W		----	----	----	----	----	----	----	----	----		OTHER (SPECIFY)	
WASTE DISPOSAL - W	Republic	3/8/2017	3/7/2019	3 (1) year	Schedule (5% escalator) + Fuel	\$28.64/ton	\$28.64/ton	\$30.07/ton	\$31.57/ton	\$33.15/ton	167,490		
WASTE DISPOSAL - T	Liberty Tire	3/25/2012	3/24/2014	----	----	\$106/ton	\$106/ton	----	----	----	167,490		
WASTE DISPOSAL - C & D	Bauman Enterprises	10/15/2011	10/14/2013	----	----	\$5.95/cu yd	\$5.95/cu yd	----	----	----	167,490		
CLEVELAND HEIGHTS						YR 1	YR 2	YR 3	OPT YR 1	OPT YR 2			X
WASTE COLLECTION	Municipal	----	----	----	----	----	----	----	----	----	15,815	GENERAL FUND	X
RECYCLING (CURBSIDE)	Municipal (Eastside Recycling Consortium)	----	----	----	----	----	----	----	----	----	15,815	RESIDENT CHARGE BACK	X
DROP-OFF (RECYCLING)	Municipal	----	----	----	----	----	----	----	----	----	15,815	ASSESSMENT	
YARD WASTE	Municipal / City of Cleveland	----	----	----	----	----	----	----	----	----	15,815	OTHER (SPECIFY)	
WASTE DISPOSAL	Rumpke	3/1/2018	2/28/2021	(2) 1 year	----	\$14.95/ton	\$15.32/ton	\$15.70/ton	\$16.02/ton	\$16.49/ton	15,815		
CUYAHOGA HEIGHTS						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION	Municipal	----	----	----	----	---	---	---	---	---	280	GENERAL FUND	X
RECYCLING (CURBSIDE)	Municipal	----	----	----	----	---	---	---	---	---	280	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Municipal	----	----	----	----	---	---	---	---	---	280	ASSESSMENT	
YARD WASTE	Municipal	----	----	----	----	---	---	---	---	---	280	OTHER (SPECIFY)	
WASTE DISPOSAL	Municipal	----	----	----	----	---	---	---	---	---	280		
EAST CLEVELAND						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION	Rumpke	8/18/2015	8/17/2020	----	Schedule	\$15.05/hh/mo	\$15.58/hh/mo	\$16.13/hh/mo	\$16.69/hh/mo	\$17.28/hh/mo	5,319	GENERAL FUND	
RECYCLING (CURBSIDE)	Rumpke	8/18/2015	8/17/2020	----	Schedule	Included	Included	Included	Included	Included	5,319	RESIDENT CHARGE BACK	X
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	----	ASSESSMENT	
YARD WASTE	Rumpke	8/18/2015	8/17/2020	----	Schedule	Included	Included	Included	Included	Included	5,319	OTHER (SPECIFY)	
WASTE DISPOSAL	Rumpke	8/18/2015	8/17/2020	----	Schedule	Included	Included	Included	Included	Included	5,319		
EUCLID						YR 1	YR 2	YR 3	YR 4	YR 5			X

WASTE COLLECTION - Automated	Kimble	2/1/2014	12/31/2019	(1) 5 year	Schedule + Fuel	\$8.25/hh/mo	\$8.25/hh/mo	\$8.46/hh/mo	\$8.67/hh/mo	\$8.85/hh/mo	16,463	GENERAL FUND	
RECYCLING (CURBSIDE) - Automated	Kimble	2/1/2014	12/31/2019	(1) 5 year	Schedule + Fuel	Included	Included	Included	Included	Included	16,463	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	----	ASSESSMENT	X
YARD WASTE	Kimble	2/1/2014	12/31/2019	(1) 5 year	Schedule + Fuel	Included	Included	Included	Included	Included	16,463	OTHER (SPECIFY)	
WASTE DISPOSAL	Kimble	2/1/2014	12/31/2019	(1) 5 year	Schedule + Fuel	\$39.75/ton	\$39.75/ton	\$40.74/ton	\$41.76/ton	\$42.64/ton	16,463		
FAIRVIEW PARK						OPT YR 1	OPT YR 2	OPT YR 3	OPT YR 4	OPT YR 5			X
WASTE COLLECTION - Automated	Republic	7/1/2012	6/30/2017	(5) 1 year	Schedule + Fuel	\$10.55/hh/mo	\$10.92/hh/mo	\$11.30/hh/mo	\$11.75/hh/mo	\$12.28/hh/mo	6,300	GENERAL FUND	
RECYCLING (CURBSIDE) - Automated	Republic	7/1/2012	6/30/2017	(5) 1 year	Schedule + Fuel	Included	Included	Included	Included	Included	7,856	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	7,856	ASSESSMENT	X
YARD WASTE	Municipal / Republic	7/1/2012	6/30/2017	(5) 1 year	Schedule + Fuel	Included	Included	Included	Included	Included	7,856	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic	7/1/2012	6/30/2017	(5) 1 year	Schedule + Fuel	\$35.84/ton	\$36.91/ton	\$38.00/ton	\$39.33/ton	\$40.90/ton	7,856		
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	----	3/3/2018	----	----	----	----	----	----	----	7,856		
GARFIELD HEIGHTS						OPT YR 1	OPT YR 2	OPT YR 3					X
WASTE COLLECTION - Automated	Kimble	6/3/2013	6/2/2018	(3) 1 year	CPI	\$6.10/hh/mo	#REF!	\$/hh/mo			10,500	GENERAL FUND	
RECYCLING (CURBSIDE) - Automated	Kimble	6/3/2013	6/2/2018	(3) 1 year	CPI	\$3.17/hh/mo	#REF!	\$/hh/mo			10,500	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	#REF!	----			----	ASSESSMENT	X
YARD WASTE	Kimble	6/3/2013	6/2/2018	(3) 1 year	CPI	Included	#REF!	Included			10,500	OTHER (SPECIFY)	
WASTE DISPOSAL	Kimble	6/3/2013	6/2/2018	(3) 1 year	CPI	\$44.28 / ton	#REF!	\$/ ton			10,500		
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	----	8/11/2018	----	----	----	----	----			10,500		
GATES MILLS						YR 1	YR 2	YR 3	OPT YR 1	OPT YR 2			X
WASTE COLLECTION	Rumpke	1/1/2015	12/31/2017	2 years	Schedule	\$25.95 /hh/mo - weekly; \$19.25 /hh/mo - bi-weekly	\$25.95 /hh/mo - weekly; \$19.25 /hh/mo - bi-weekly	\$25.95 /hh/mo - weekly; \$19.25 /hh/mo - bi-weekly	\$27.25 /hh/mo - weekly; \$20.21 /hh/mo - bi-weekly	\$28.61 /hh/mo - weekly; \$21.22 /hh/mo - bi-weekly	960	GENERAL FUND	

HUNTING VALLEY					YR 1	OPT YR 1	OPT YR 2						X
WASTE COLLECTION - Automated	Waste Management	7/1/2016	6/30/2017	(2) 1 year	Schedule + Fuel	\$32.36/hh/mo	\$33.36/hh/mo	\$34.36/hh/mo			300	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Waste Management	7/1/2016	6/30/2017	(2) 1 year	Schedule + Fuel	Included	Included	Included			300	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING) YARD WASTE	Waste Management	7/1/2016	6/30/2017	(2) 1 year	Schedule + Fuel	Included	Included	Included			300	ASSESSMENT	
WASTE DISPOSAL	---	---	---	---	---	---	---	---			---	OTHER (SPECIFY)	
WASTE DISPOSAL	Waste Management	7/1/2016	6/30/2017	(2) 1 year	Schedule + Fuel	Included	Included	Included			300		
INDEPENDENCE					YR 1	YR 2	YR 3	YR 4	YR 5				X
WASTE COLLECTION - Automated	Municipal	---	---	---	---	---	---	---	---	---	2,960	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Municipal (Eastside Recycling Consortium)	---	---	---	---	---	---	---	---	---	2,960	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING) YARD WASTE	Municipal	---	---	---	---	---	---	---	---	---	2,960	ASSESSMENT	
WASTE DISPOSAL	Municipal	---	---	---	---	---	---	---	---	---	2,960	OTHER (SPECIFY)	
WASTE DISPOSAL	Municipal	---	---	---	---	---	---	---	---	---	2,960		
LAKEWOOD					YR 1	YR 2	YR 3	YR 4	YR 5				X
WASTE COLLECTION - Automated	Municipal	---	---	---	---	---	---	---	---	---	28,416	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Municipal	---	---	---	---	---	---	---	---	---	22,172	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING) YARD WASTE	Municipal	---	---	---	---	---	---	---	---	---	28,416	ASSESSMENT	
WASTE DISPOSAL	Municipal	---	---	---	---	---	---	---	---	---	22,172	OTHER (SPECIFY)	
WASTE DISPOSAL	City of Cleveland (Ridge Rd. Transfer Station)	---	---	---	---	\$43.38/ton	---	---	---	---	28,416		
LINNDALE					YR 1	YR 2	YR 3	YR 4	YR 5				X
WASTE COLLECTION	Rumpke	7/1/2019	6/30/2020	---	Annual	\$16.36/hh/mo	---	---	---	---	75	GENERAL FUND	X
RECYCLING (CURBSIDE)	Rumpke	7/1/2019	6/30/2020	---	Annual	Included	---	---	---	---	75	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING) YARD WASTE	---	---	---	---	---	---	---	---	---	---	---	ASSESSMENT	
WASTE DISPOSAL	---	---	---	---	---	---	---	---	---	---	---	OTHER (SPECIFY)	

WASTE DISPOSAL	Rumpke	7/1/2019	6/30/2020	----	Annual	Included	----	----	----	----	75		
LYNDHURST						YR 1	YR 2	YR 3	OPT YR 1	OPT YR 2			X
WASTE COLLECTION - Automated	Municipal	----	----	----	----	----	----	----	----	----	6,442	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Municipal (Eastside Recycling Consortium)	----	----	----	----	----	----	----	----	----	6,442	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Municipal	----	----	----	----	----	----	----	----	----	6,442	ASSESSMENT	
YARD WASTE	Municipal	----	----	----	----	----	----	----	----	----	6,442	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic (Eastside Disposal Consortium)	10/1/2015	9/30/2018	(2) 1 year	Schedule + Fuel	\$37.59/ton	\$38.53ton	\$39.49/ton	\$40.68/ton	\$41.90/ton	6,442		
MAPLE HEIGHTS						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION - Automated	Waste Management	1/1/2017	12/31/2021	----	Schedule	\$12.92/hh/mo	\$13.18/hh/mo	\$13.44/hh/mo	\$13.71/hh/mo	\$13.98/hh/mo	9,600	GENERAL FUND	
RECYCLING (CURBSIDE) - Automated	Waste Management	1/1/2017	12/31/2021	----	Schedule	Included	Included	Included	Included	Included	9,600	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	----	ASSESSMENT	X
YARD WASTE	Municipal	----	----	----	----	----	----	----	----	----	9,600	OTHER (SPECIFY)	
WASTE DISPOSAL	Waste Management	1/1/2017	12/31/2021	----	Schedule	Included	Included	Included	Included	Included	9,600		
MAYFIELD VILLAGE						YR 1	YR 2	YR 3	OPT YR 1	OPT YR 2			X
WASTE COLLECTION - Automated	Kimble	6/15/2017	6/14/2022	----	Schedule	\$9.92/hh/mo	\$10.17/hh/mo	\$10.42/hh/mo	\$10.69/hh/mo	\$10.95/hh/mo	1,206	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Kimble	6/15/2017	6/14/2022	----	Schedule	Included	Included	Included	Included	Included	1,206	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Municipal	----	----	----	----	----	----	----	----	----	----	ASSESSMENT	
YARD WASTE	Municipal	----	----	----	----	----	----	----	----	----	1,206	OTHER (SPECIFY)	
WASTE DISPOSAL	Kimble	6/15/2017	6/14/2022	----	Schedule	\$43.85 / ton	\$44.95 / ton	\$46.07 / ton	\$47.22 / ton	\$48.40 / ton	1,206		
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	----	7/6/2019	----	----	----	----	----	----	----	1,206		
MAYFIELD HEIGHTS						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION - Automated	Kimble	1/1/2016	12/31/2020	----	Schedule	\$11.83/hh/mo	\$11.95/hh/mo	\$12.19/hh/mo	\$12.55/hh/mo	\$12.93/hh/mo	5,145	GENERAL FUND	X

RECYCLING (CURBSIDE) - Automated	Kimble	1/1/2016	12/31/2020	----	Schedule	Included	Included	Included	Included	Included	5,145	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Kimble	1/1/2016	12/31/2020	----	----	Included	Included	Included	Included	Included		ASSESSMENT	
YARD WASTE	Municipal	----	----	----	----	----	----	----	----	----		OTHER (SPECIFY)	
WASTE DISPOSAL	Kimble	1/1/2016	12/31/2020	----	Schedule	Included	Included	Included	Included	Included	5,145		
MIDDLEBURG HEIGHTS						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION	Republic	7/1/2019	6/30/2020	----	Schedule + Fuel	\$16.97/hh/mo	----	----	----	----	5,658	GENERAL FUND	X
RECYCLING (CURBSIDE)	Republic	7/1/2019	6/30/2020	----	Schedule + Fuel	Included	----	----	----	----	5,658	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Republic	----	----	----	----	----	----	----	----	----	----	ASSESSMENT	
YARD WASTE	Municipal	----	----	----	----	----	----	----	----	----	5,658	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic	7/1/2019	6/30/2020	----	Schedule + Fuel	Included	----	----	----	----	5,658		
MORELAND HILLS						YR 1	YR 2	YR 3	OPT YR 1	OPT YR 2			X
WASTE COLLECTION - Automated	Municipal	----	----	----	----	----	----	----	----	----	1,435	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Municipal (Eastside Recycling Consortium)	----	----	----	----	----	----	----	----	----	1,435	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	----	ASSESSMENT	
YARD WASTE	Municipal	----	----	----	----	----	----	----	----	----	1,435	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic (Eastside Disposal Consortium)	10/1/2015	9/30/2018	(2) 1 year	Schedule + Fuel	\$37.59/ton	\$38.53ton	\$39.49/ton	\$40.68/ton	\$41.90/ton	1,435		
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	----	3/29/2020	----	----		----	----	----	----	1,436		
NEWBURGH HEIGHTS						OPT YR 1	OPT YR 2	OPT YR 3					X
WASTE COLLECTION - Automated	Kimble	1/1/2013	12/31/2017	(3) 1 year	CPI	\$6.10/hh/mo	\$6.37/hh/mo	\$/hh/mo			950	GENERAL FUND	
RECYCLING (CURBSIDE) - Automated	Kimble	1/1/2013	12/31/2017	(3) 1 year	CPI	\$3.17/hh/mo	\$3.31/hh/mo	\$/hh/mo			950	RESIDENT CHARGE BACK	X
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----			----	ASSESSMENT	
YARD WASTE	Kimble	1/1/2013	12/31/2017	(3) 1 year	CPI	Included	Included	Included			950	OTHER (SPECIFY)	
WASTE DISPOSAL	Kimble	1/1/2013	12/31/2017	(3) 1 year	CPI	\$44.28 / ton	\$46.27 / ton	\$/ ton			950		

NORTH OLMSTED						OPT YR 1	OPT YR 2							X
WASTE COLLECTION - Automated	Republic	1/1/2013	12/31/2017	(2) 1 year	Schedule + Fuel	\$12.46/hh/mo	\$12.83/hh/mo	----	----	----	10,480	GENERAL FUND	X	
RECYCLING (CURBSIDE) - Automated	Republic	1/1/2013	12/31/2017	(2) 1 year	Schedule + Fuel	Included	Included	----	----	----	10,480	RESIDENT CHARGE BACK		
DROP-OFF (RECYCLING)	Gateway	----	----	----	----	----	----	----	----	----	----	ASSESSMENT		
YARD WASTE	Republic	1/1/2013	12/31/2017	(2) 1 year	Schedule + Fuel	Included	Included	----	----	----	10,480	OTHER (SPECIFY)		
WASTE DISPOSAL	Republic	1/1/2013	12/31/2017	(2) 1 year	Schedule + Fuel	Included	Included	----	----	----	10,480			
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	----	----	----	----	----	----	----	----	----	10,480			
NORTH RANDALL						YR 1	YR 2	YR 3	YR 4	YR 5			X	
WASTE COLLECTION - Automated	Rumpke	1/1/2019	12/31/2021	----	Schedule + Fuel	\$20.50/hh/mo	\$20.50/hh/mo	\$20.50/hh/mo	----	----	142	GENERAL FUND		
RECYCLING (CURBSIDE) - Automated	Rumpke	1/1/2019	12/31/2021	----	Revenue Share	Included	Included	Included	----	----	----	RESIDENT CHARGE BACK		
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	----	ASSESSMENT		
YARD WASTE	Municipal	----	----	----	----	----	----	----	----	----	142	OTHER (SPECIFY)		
WASTE DISPOSAL	Rumpke	1/1/2019	12/31/2021	----	----	Included	Included	Included	----	----	----			
NORTH ROYALTON						YR 1	YR 2	YR 3	YR 4	YR 5			X	
WASTE COLLECTION	Rumpke	5/1/2017	4/30/2022	(2) 1 year	Schedule + Fuel	\$8.28/hh/mo	\$8.58/hh/mo	\$8.88/hh/mo	\$9.20/hh/mo	\$9.53/hh/mo	9,850	GENERAL FUND	X	
RECYCLING (CURBSIDE) - Automated	Rumpke	5/1/2017	4/30/2022	(2) 1 year	Schedule + Fuel	Included	Included	Included	Included	Included	9,850	RESIDENT CHARGE BACK		
DROP-OFF (RECYCLING)	Rumpke	5/1/2017	4/30/2022	(2) 1 year	Schedule + Fuel	Included	Included	Included	Included	Included	9,850	ASSESSMENT		
YARD WASTE		----	----	----	----	----	----	----	----	----	9,850	OTHER (SPECIFY)		
WASTE DISPOSAL	Rumpke	5/1/2017	4/30/2022	(2) 1 year	Schedule + Fuel	\$43.85 / ton	\$44.50 / ton	\$45.25 / ton	\$46.00 / ton	\$46.75 / ton	9,850			
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	----	----	----	----	----	----	----	----	----	9,850			
OAKWOOD						YR 1	YR 2	YR 3	YR 4	YR 5			X	
WASTE COLLECTION	Waste Management	Ongoing	----	----	----	\$6.73/hh/mo	----	----	----	----	1,648	GENERAL FUND	X	
RECYCLING (CURBSIDE)	Waste Management	Ongoing	----	----	----	----	----	----	----	----	1,648	RESIDENT CHARGE BACK		

DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	----	ASSESSMENT	
YARD WASTE	Waste Management / Municipal	----	----	----	----	----	----	----	----	----	1,648	OTHER (SPECIFY)	
WASTE DISPOSAL	Waste Management	Ongoing	----	----	----	----	----	----	----	----	1,648		
OLMSTED FALLS						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION - Automated	Republic	1/1/2019	12/31/2023	(2) 5 year	Schedule + Fuel	\$16.75/hh/mo - (Seniors = \$14.45)	\$17.25/hh/mo	\$17.75/hh/mo	\$18.30/hh/mo	\$18.85/hh/mo	3,100	GENERAL FUND	
RECYCLING (CURBSIDE) - Automated	Republic	1/1/2019	12/31/2023	(2) 5 year	Schedule + Fuel	Included	Included	Included	Included	Included	3,100	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	----	ASSESSMENT	X
YARD WASTE	Republic / Municipal	1/1/2019	12/31/2023	(2) 5 year	Schedule + Fuel	Included	Included	Included	Included	Included	3,100	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic	1/1/2019	12/31/2023	(2) 5 year	Schedule + Fuel	Included	Included	Included	Included	Included	3,100		
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	7/28/2016	5/25/2020	----	----	----	----	----	----	----	3,100		
OLMSTED TOWNSHIP						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION - Automated	Republic	1/1/2019	12/31/2023	(2) 5 year	Schedule + Fuel	\$16.75/hh/mo - (Seniors = \$14.45)	\$17.25/hh/mo	\$17.75/hh/mo	\$18.30/hh/mo	\$18.85/hh/mo	3,500	GENERAL FUND	
RECYCLING (CURBSIDE) - Automated	Republic	1/1/2019	12/31/2023	(2) 5 year	Schedule + Fuel	Included	Included	Included	Included	Included	3,500	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----		ASSESSMENT	X
YARD WASTE	Republic / Municipal	1/1/2019	12/31/2023	(2) 5 year	Schedule + Fuel	Included	Included	Included	Included	Included	3,500	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic	1/1/2019	12/31/2023	(2) 5 year	Schedule + Fuel	Included	Included	Included	Included	Included	3,500		
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	1/12/2017	1/11/2021								3,500		
ORANGE						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION - Automated	Kimble (Southeast Consortium)	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	\$6.11/hh/mo	\$6.22/hh/mo	\$6.40/hh/mo	\$6.60/hh/mo	\$6.86/hh/mo	1,260	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Kimble (Southeast Consortium)	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	\$3.08/hh/mo	\$3.13/hh/mo	\$3.23/hh/mo	\$3.32/hh/mo	\$3.45/hh/mo	1,260	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	1,260	ASSESSMENT	
YARD WASTE	Kimble / Municipal	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	Included	Included	Included	Included	Included	1,260	OTHER (SPECIFY)	

WASTE DISPOSAL	Kimble (Southeast Consortium)	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	\$40.00/ton	\$40.50/ton	\$41.00/ton	\$42/ton	\$43.00/ton	1,260		
PARMA						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION - Automated	Republic	2/1/2013	1/31/2018	(3) 1 yr	Schedule + Fuel	\$5.45/hh/mo	\$5.45/hh/mo	\$5.60/hh/mo	\$5.75/hh/mo	\$5.85/hh/mo	29,317	GENERAL FUND	
RECYCLING (CURBSIDE) - Automated	Republic	2/1/2013	1/31/2018	(3) 1 yr	Schedule + Fuel	\$2.00/hh/mo	\$2.00/hh/mo	\$2.05/hh/mo	\$2.10/hh/mo	\$2.15/hh/mo	29,317	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	----	ASSESSMENT	X
YARD WASTE	Republic / Municipal	2/1/2013	1/31/2018	(3) 1 yr	Schedule + Fuel	\$1.02/hh/mo	\$1.02/hh/mo	\$1.04/hh/mo	\$1.07/hh/mo	\$1.10/hh/mo	29,317	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic	2/1/2013	1/31/2018	(3) 1 yr	Schedule + Fuel	\$32.75/ton	\$32.75/ton	\$33.50/ton	\$34.35/ton	\$35.20/ton	29,317		
PARMA HEIGHTS						OPT YR 1	OPT YR 2	OPT YR 3	OPT YR 4	OPT YR 5			X
WASTE COLLECTION - Automated	Republic	2/1/2012	12/31/2016	(5) 1 year	Schedule + Fuel	\$10.55/hh/mo	\$10.92/hh/mo	\$11.30/hh/mo	\$11.75/hh/mo	\$12.28/hh/mo	6,140	GENERAL FUND	
RECYCLING (CURBSIDE) - Automated	Republic	2/1/2012	12/31/2016	(5) 1 year	Schedule + Fuel	Included	Included	Included	Included	Included	6,140	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	----	ASSESSMENT	X
YARD WASTE	Republic	2/1/2012	12/31/2016	(5) 1 year	Schedule + Fuel	Included	Included	Included	Included	Included	6,140	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic	2/1/2012	12/31/2016	(5) 1 year	Schedule + Fuel	\$35.84 / ton	\$36.91 / ton	\$38.00 / ton	\$39.33 / ton	\$40.90 / ton	6,140		
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	----	4/20/2018	----	----	----	----	----	----	----	6,140		
PEPPER PIKE						YR 1	YR 2	YR 3	OPT YR 1	OPT YR 2			X
WASTE COLLECTION	Municipal	----	----	----	----	----	----	----	----	----	2,337	GENERAL FUND	X
RECYCLING (CURBSIDE)	Municipal (Eastside Recycling Consortium)	----	----	----	----	----	----	----	----	----	2,337	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Caraustar / Weingold / Painesville Recycling	----	----	----	----	----	----	----	----	----	2,337	ASSESSMENT	
YARD WASTE	Municipal	----	----	----	----	----	----	----	----	----	2,337	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic (Eastside Disposal Consortium)	10/1/2015	9/30/2018	(2) 1 year	Schedule + Fuel	\$37.59/ton	\$38.53ton	\$39.49/ton	\$40.68/ton	\$41.90/ton	2,337		
RICHMOND HEIGHTS						YR 1	YR 2	YR 3	OPT YR 1	OPT YR 2			X
WASTE COLLECTION - Automated	Waste Management	1/1/2019	12/31/2021	(2) 1 year	Schedule	\$8.45/hh/mo	\$8.72/hh/mo	\$9.01/hh/mo	\$9.30/hh/mo	\$9.60/hh/mo	3,360	GENERAL FUND	

RECYCLING (CURBSIDE)	None	----	----	----	----	----	----	----	----	----	3,360	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	None	----	----	----	----	----	----	----	----	----	3,360	ASSESSMENT	X
YARD WASTE	Municipal	----	----	----	----	----	----	----	----	----	3,360	OTHER (SPECIFY)	
WASTE DISPOSAL	Waste Management	1/1/2019	12/31/2021	(2) 1 year	Schedule	\$45.00/ton	\$46.46/ton	\$47.97/ton	\$49.53/ton	\$51.14/ton	3,360		
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	----	6/20/2020	----	----	----	----	----	----	----	3,360		
ROCKY RIVER						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION	Municipal	----	----	----	----	----	----	----	----	----	10,166	GENERAL FUND	X
RECYCLING (CURBSIDE)	Municipal	----	----	----	----	----	----	----	----	----	10,166	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Municipal	----	----	----	----	----	----	----	----	----	10,166	ASSESSMENT	X
YARD WASTE	Republic / Kurtz Bros.	----	----	----	----	----	----	----	----	----	10,166	OTHER (SPECIFY)	
WASTE DISPOSAL	Municipal / Republic	----	----	----	----	----	----	----	----	----	10,166		
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	7/31/2017	----	----	----	----	----	----	----	----	10,166		
SEVEN HILLS						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION - Automated	Waste Management	1/1/2016	12/13/2020	(2) 1 year	Schedule	\$8.65/hh/mo	\$8.87hh/mo	\$9.09/hh/mo	\$9.32/hh/mo	\$9.55/hh/mo	5,270	GENERAL FUND	
RECYCLING (CURBSIDE) - Automated	Waste Management	1/1/2016	12/13/2020	(2) 1 year	Schedule	Included	Included	Included	Included	Included	5,270	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	----	ASSESSMENT	
YARD WASTE	Waste Management	1/1/2016	12/13/2020	(2) 1 year	Schedule	Included	Included	Included	Included	Included	5,270	OTHER (SPECIFY)	X
WASTE DISPOSAL	Waste Management	1/1/2016	12/13/2020	(2) 1 year	Schedule	\$42.50/ton	\$43.56/ton	\$44.65/ton	\$45.77/ton	\$46.91ton	5,270	Trash Levy	
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	----	----	----	----	----	----	----	----	----	5,270		
SHAKER HEIGHTS						YR 1	YR 2	YR 3	OPT YR 1	OPT YR 2			X
WASTE COLLECTION	Municipal	----	----	----	----	----	----	----	----	----	10,500	GENERAL FUND	X
RECYCLING (CURBSIDE)	Municipal (Eastside Recycling Consortium)	----	----	----	----	----	----	----	----	----	10,500	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Municipal / Kimble	----	----	----	----	----	----	----	----	----	10,500	ASSESSMENT	

YARD WASTE	Municipal	----	----	----	----	----	----	----	----	----	10,500	OTHER (SPECIFY)	
WASTE DISPOSAL	Kimble	6/1/2018	5/31/2021	(2) 1 year	----	\$37.50/ton	\$38.75/ton	\$40.00/ton	\$41.50/ton	\$43.00/ton	10,500		
SOLON						YR 1	YR 2	YR 3	OPT YR 1	OPT YR 2			X
WASTE COLLECTION - Automated	Municipal	----	----	----	----	----	----	----	----	----	7,400	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Municipal (Eastside Recycling Consortium)	----	----	----	----	----	----	----	----	----	7,400	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Municipal	----	----	----	----	----	----	----	----	----	7,400	ASSESSMENT	
YARD WASTE	Municipal	----	----	----	----	----	----	----	----	----	7,400	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic (Eastside Disposal Consortium)	10/1/2015	9/30/2018	(2) 1 year	Schedule + Fuel	\$37.59/ton	\$38.53ton	\$39.49/ton	\$40.68/ton	\$41.90/ton	7,400		
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	----	2/29/2020	----	----	----	----	----	----	----	7,400		
SOUTH EUCLID						OPT YR 1	OPT YR 2	OPT YR 3					
WASTE COLLECTION - Automated	Kimble	6/4/2012	6/3/2017	(3) 1 year	CPI + Fuel	\$8.52/hh/mo	\$8.67/hh/mo	----	----	----	8,700	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Kimble	6/4/2012	6/3/2017	(3) 1 year	CPI + Fuel	Included	Included	----	----	----	8,700	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Kimble	6/4/2012	6/3/2017	(3) 1 year	CPI + Fuel	Included	Included	----	----	----	8,700	ASSESSMENT	
YARD WASTE	Municipal	----	----	----	----	----	----	----	----	----	8,700	OTHER (SPECIFY)	
WASTE DISPOSAL	Kimble	6/4/2012	6/3/2017	(3) 1 year	CPI + Fuel	\$41.82 / ton	\$42.57 / ton	----	----	----	8,700		
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	1/16/2017	1/15/2021	----	----	----	----	----	----	----	8,700		
STRONGSVILLE						OPT YR 1	OPT YR 2	OPT YR 3	OPT YR 4	OPT YR 5			X
WASTE COLLECTION	Republic	1/1/2011	12/31/2015	(1) 5 year	Schedule	\$5.69/hh/mo	\$/hh/mo	\$6.02/hh/mo	\$6.22/hh/mo	\$6.44/hh/mo	18,673	GENERAL FUND	X
RECYCLING (CURBSIDE)	Republic	1/1/2011	12/31/2015	(1) 5 year	Schedule	\$1.67/hh/mo	\$/hh/mo	\$1.76/hh/mo	\$1.81/hh/mo	\$1.86/hh/mo	18,673	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Republic	1/1/2011	12/31/2015	(1) 5 year	Schedule	Included	Included	Included	Included	Included	18,673	ASSESSMENT	
YARD WASTE	Republic	1/1/2011	12/31/2015	(1) 5 year	Schedule	Included	Included	Included	Included	Included	18,673	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic	1/1/2011	12/31/2015	(1) 5 year	Schedule	\$36.61/ton	\$/ton	\$38.83/ton	\$39.99/ton	\$41.19/ton	18,673		
UNIVERSITY HEIGHTS						YR 1	YR 2	YR 3	OPT YR 1	OPT YR 2			X

WASTE COLLECTION	Municipal	----	----	----	----	----	----	----	----	----	5,248	GENERAL FUND	X
RECYCLING (CURBSIDE)	Municipal (Eastside Recycling Consortium)	----	----	----	----	----	----	----	----	----	5,248	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	Municipal / Carastar (Paper Co-op)	----	----	----	----	----	----	----	----	----	5,248	ASSESSMENT	
YARD WASTE	----	----	----	----	----	----	----	----	----	----	5,248	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic (Eastside Disposal Consortium)	10/1/2015	9/30/2018	(2) 1 year	Schedule + Fuel	\$37.59/ton	\$38.53/ton	\$39.49/ton	\$40.68/ton	\$41.90/ton	5,248		
VALLEY VIEW						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION	Municipal	----	----	----	----	----	----	----	----	----	804	GENERAL FUND	X
RECYCLING (CURBSIDE)	Municipal	----	----	----	----	----	----	----	----	----	804	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	804	ASSESSMENT	
YARD WASTE	Municipal	----	----	----	----	----	----	----	----	----	804	OTHER (SPECIFY)	
WASTE DISPOSAL	Rumpke	----	----	----	----	----	----	----	----	----	804		
WALTON HILLS						YR 1	YR 2	YR 3	YR 4	YR 5			X
WASTE COLLECTION - Automated	Kimble (Southeast Consortium)	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	\$6.11/hh/mo	\$6.22/hh/mo	\$6.40/hh/mo	\$6.60/hh/mo	\$6.86/hh/mo	960	GENERAL FUND	
RECYCLING (CURBSIDE) - Automated	Kimble (Southeast Consortium)	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	\$3.08/hh/mo	\$3.13/hh/mo	\$3.23/hh/mo	\$3.32/hh/mo	\$3.45/hh/mo	960	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	Schedule + Fuel	----	----	----	----	----	----	ASSESSMENT	
YARD WASTE	Kimble / Municipal	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	Included	Included	Included	Included	Included	960	OTHER (SPECIFY)	
WASTE DISPOSAL	Kimble (Southeast Consortium)	8/1/2015	7/31/2020	(2) 1 year	Schedule + Fuel	\$40.00/ton	\$40.50/ton	\$41.00/ton	\$42/ton	\$43.00/ton	960		
WARRENSVILLE HEIGHTS						YR 1	YR 2	YR 3	OPT YR 1	OPT YR 2			X
WASTE COLLECTION - Automated	Kimble	4/1/2016	3/31/2021	(2) 1 year	Schedule	\$8.75/hh/mo	\$8.85/hh/mo	\$9.00/hh/mo	\$9.20/hh/mo	\$9.45/hh/mo	2,974	GENERAL FUND	X
RECYCLING (CURBSIDE) - Automated	Kimble	4/1/2016	3/31/2021	(2) 1 year	Schedule	Included	Included	Included	Included	Included	2,974	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	Schedule	----	----	----	----	----	----	ASSESSMENT	
YARD WASTE	Kimble	4/1/2016	3/31/2021	(2) 1 year	Schedule	Included	Included	Included	Included	Included	2,974	OTHER (SPECIFY)	
WASTE DISPOSAL	Kimble	4/1/2016	3/31/2021	(2) 1 year	Schedule	\$39.00/ton	\$39.39/ton	\$40.37/ton	\$41.59/ton	\$42.83/ton	2,974		

WESTLAKE					YR 1	YR 2	YR 3	YR 4	YR 5			X	
WASTE COLLECTION	Rumpke	8/1/2019	7/31/2024	(3) 1 year	----	\$8.85/hh/mo	\$9.07/hh/mo	\$9.30/hh/mo	\$9.53/hh/mo	\$9.77/hh/mo	10,548	GENERAL FUND	X
RECYCLING (CURBSIDE)	Rumpke	8/1/2019	7/31/2024	(3) 1 year	\$80/ton recyclable processing fee	Collection = Included; Processing = \$80/ton	Collection = Included; Processing = \$/ton	10,548	RESIDENT CHARGE BACK				
DROP-OFF (RECYCLING)	Rumpke	8/1/2019	7/31/2024	(3) 1 year	----	Included	Included	Included	Included	Included	10,548	ASSESSMENT	
YARD WASTE	Rumpke / Municipal	8/1/2019	7/31/2024	(3) 1 year	----	Included	Included	Included	Included	Included	10,548	OTHER (SPECIFY)	
WASTE DISPOSAL	Rumpke	8/1/2019	7/31/2024	(3) 1 year	----	Included	Included	Included	Included	Included	10,548		
CLOTHING, TEXTILES & HOUSEHOLD ITEMS	Simple Recycling	8/15/2016	6/22/2020	----	----	----	----	----	----	----	10,548		
WOODMERE					YR 1	YR 2	YR 3	OPT YR 1	OPT YR 2			X	
WASTE COLLECTION	Municipal	----	----	----	----	----	----	----	----	----	134	GENERAL FUND	X
RECYCLING (CURBSIDE)	Municipal (Eastside Recycling Consortium)	----	----	----	----	----	----	----	----	----	134	RESIDENT CHARGE BACK	
DROP-OFF (RECYCLING)	----	----	----	----	----	----	----	----	----	----	----	ASSESSMENT	
YARD WASTE	Municipal	----	----	----	----	----	----	----	----	----	134	OTHER (SPECIFY)	
WASTE DISPOSAL	Republic (Eastside Disposal Consortium)	10/1/2015	9/30/2018	(2) 1 year	Schedule + Fuel	\$37.59/ton	\$38.53/ton	\$39.49/ton	\$40.68/ton	\$41.90/ton	134		

ATTACHMENT D

Estimated Capital Outlays

YEAR		2019 REVISED 9/11/19							
Description of Current Vehicle	Purchase Year	Original Purchase Price (\$)	Description of Replacement Vehicle	Estimated Purchase Price (\$)	Remaining Anticipated Useful Life of Current Asset (Years)	Anticipated Useful Life of Replacement Asset (Years) ¹	Annual Amortization Cost Keep Current System	Annual Amortization Cost Convert to Automation	Transfer Station Improvements
906A 2001 SpecTEC Transfer Trailer	2001	\$31,165.00	Replacement Transfer Station Semi Trailer	\$67,000.00	0	10	\$6,700.00	\$6,700.00	
821 2002 Lodal Evo Mag-20 Pack	2002	\$126,000.00	Replacement Automated Refuse Collection Truck	\$352,120.00	0	10	\$35,212.00	\$35,212.00	
907 2002 International 9200 Semi Tractor	2002	\$80,803.00	Replacement Transfer Station Semi Tractor	\$133,000.00	0	10	\$13,300.00	\$13,300.00	
904A 2003 Spector Transfer Trailer	2003	\$34,800.00	Replacement Transfer Station Semi Trailer	\$67,000.00	0	10	\$6,700.00	\$6,700.00	
824 2004 Lodal Evo Mag-20 Pack	2004	\$127,461.00	Replacement Automated Refuse Collection Truck	\$352,120.00	0	10	\$35,212.00	\$35,212.00	
827 2005 Lodal Evo Refuse Truck	2005	\$179,150.00	Replacement Automated Refuse Collection Truck	\$352,120.00	0	10	\$35,212.00	\$35,212.00	
906 2004 Mack Semi Tractor	2005	\$85,289.00	Replacement Transfer Station Semi Tractor	\$133,000.00	0	10	\$13,300.00	\$13,300.00	
831 2008 Mack Heil Front Loader	2008	\$222,667.00	Replacement Automated Refuse Collection Truck	\$352,120.00	0	10	\$35,212.00	\$35,212.00	
832 2008 Mack Heil Front Loader	2008	\$222,667.00	Replacement Automated Refuse Collection Truck	\$352,120.00	0	10	\$35,212.00	\$35,212.00	
903 2008 International 8600 Semi Tractor	2008	\$90,769.00	Replacement Transfer Station Semi Tractor	\$133,000.00	0	10	\$13,300.00	\$13,300.00	
810 2009 International Mini Packer	2009	\$37,650.00		\$0.00	0	0	\$0.00	\$0.00	
843 2009 Knuckleboom Truck	2009	\$105,982.00		\$0.00	0	0	\$0.00	\$0.00	
833 2011 Mack Front Loader	2011	\$213,215.00	Replacement Automated Refuse Collection Truck	\$352,120.00	2	10	\$35,212.00	\$35,212.00	
909A 2011 SpecTEC Dump Trailer	2011	\$54,431.00		\$0.00	2	0	\$0.00	\$0.00	
902 2012 International 7600 SBA Semi Tractor	2012	\$113,044.00		\$0.00	3	0	\$0.00	\$0.00	
910A 2013 SpecTEC Semi Trailer	2013	\$53,483.00		\$0.00	4	0	\$0.00	\$0.00	
802 2013 Ford F250 Pick-up truck	2013	\$19,840.00		\$0.00	4	0	\$0.00	\$0.00	
904 2013 International 7600 Semi Tractor	2013	\$119,609.00		\$0.00	4	0	\$0.00	\$0.00	
829 2014 Autocar Front Loader	2014	\$280,150.00	Automated Refuse Collection - Retrofit Conversion	\$40,000.00	5	10	\$4,000.00	\$4,000.00	
911 2014 International 7600 SBA Semi Tractor	2014	\$119,513.00		\$0.00	5	0	\$0.00	\$0.00	
911A 2015 SpecTEC Closed Trailer	2015	\$61,984.00		\$0.00	6	0	\$0.00	\$0.00	
835 2015 Autocar Front Loader	2015	\$280,150.00	Automated Refuse Collection - Retrofit Conversion	\$40,000.00	6	10	\$4,000.00	\$4,000.00	
905 2018 International 7600 Semi Tractor	2018	\$126,000.00		\$0.00	9	0	\$0.00	\$0.00	
905A 2018 Spector Semi Trailer	2018	\$63,079.00		\$0.00	9	0	\$0.00	\$0.00	
			15,500 - 95 Gallon Refuse Carts \$55	\$852,500.00		10	\$0.00	\$85,250.00	
			15,500 - 65 Gallon Recycling Carts \$50	\$775,000.00		10	\$0.00	\$77,500.00	
			Remove Automated Front Container - 6 Trucks + 2 Retro	(\$320,000.00)		10	(\$32,000.00)	\$0.00	
			New compactor Ram	\$250,000.00		25			\$10,000.00
			R/R Angle Lintels, Flashing, End Dams	\$50,000.00		20			\$2,500.00
			Repoint Masonry	\$35,000.00		20			\$1,750.00
			Brick Replacement	\$8,000.00		20			\$400.00
			Deck Rehabilitation, Structural Steel Repairs	\$210,000.00		20			\$10,500.00
TOTAL				\$4,353,220.00			\$240,572.00	\$435,322.00	\$25,150.00

²Use of the 65 Gallon Refuse Cart is anticipated by some seniors

*NOTE: Current Vehicles for both Refuse Collection and Transfer Station that have exceeded their estimated useful life are listed for replacement.

**NOTE: Refuse Collection Replacement Vehicles total 5 + 1 new back-up vehicle based on the consolidation of the Refuse Collection Routes from 5 to 4 and the Recycling Routes from 2 to 1.

***NOTE: The two current refuse collection vehicles with remaining useful life would be retrofitted to operate as additional back-up vehicles

ATTACHMENT E

Estimated Cost Comparison

FOR YEAR 2020

Method of Collection/Private Contract	Current Operating Cost Refuse, Recycling, & Transfer (2018)	Current Operating Cost Adjustment through 2020 (2.5%/year)	Transfer Station Capital Improvements	Operating Cost Reduction Full Automation (5 Refuse - 4, 3 Recycle - 2; 2 Empl./27 Empl.) 7%	Annual Equipment Amortization Cost Keep Current	Annual Equipment Amortization Cost to Automate (Equipment Only) - \$40,000/Truck - 10 YRS - \$4000/truck	Annual Cost Recycle Bins 18 GAL - 3 Per HH - \$20 EACH (\$60/UNIT) - 5 YRS - (15,500 UNITS + 5% extra 775=16275)	Annual Cost Recycle Carts 65 Gallon - 1 Per HH - \$50 EACH - 10 YRS x (15,500 UNITS)	Annual Cost Refuse Carts 95 Gallon - 1 Per HH - \$55 EACH - 10 YRS x (15,500 UNITS)	Annual Cost Per Residential Unit for Collection (15,500 units) est. Seniors 15% 2325 units	Estimated Solid Waste Annual Tonnage (15,500 units @ 1.0 T/unit)	Estimated Solid Waste Tonnage Reduction for Automated Recycling	Estimated Solid Waste Annual Collection Cost	Estimated Cost Per Ton for Disposal of Solid Waste	Estimated Annual Cost for Solid Waste Disposal	Estimated Recycling Annual Tonnage (15,500 units @ .2 T/unit)	Estimated Recycling Annual Tonnage Increase - Automation (15,500 units @ .03 T/unit) Est. 13% Increase	Estimated Cost Per Ton for Disposal of Recycling	Estimated Recycling Annual Cost	TOTAL ESTIMATED ANNUAL COST	TOTAL ESTIMATED COST PER UNIT/YEAR	TOTAL ESTIMATED COST PER UNIT/MONTH
Keep Current Method w/Recycle Bins	\$2,113,825.00	\$2,219,516.25	\$25,150.00	\$0.00	\$240,572.00	\$0.00	\$195,300.00	\$0.00	\$0.00	\$0.00	15500.00	0.00	\$0.00	\$15.70	\$0.00	3100.00	0.00	\$0.00	\$0.00	\$2,680,538.25	\$172.94	\$14.41
Convert to Automation	\$2,113,825.00	\$2,219,516.25	\$25,150.00	(\$155,366.14)	\$240,572.00	\$32,000.00	\$0.00	\$77,500.00	\$85,250.00	\$0.00	15500.00	(93.00)	\$0.00	\$15.70	(\$1,460.10)	3100.00	93.00	\$0.00	\$0.00	\$2,523,162.01	\$162.78	\$13.57
City of Westlake - Rumpke Contract	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$108.84	15500.00	(93.00)	\$1,687,020.00	\$45.45	\$700,248.15	3100.00	93.00	\$80.00	\$255,440.00	\$2,642,708.15	\$170.50	\$14.21
Olmsted Falls/Olmsted Township - Republic Contract	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$207.00 - Sen. \$173.40	15500.00	(93.00)	\$3,130,380.00	\$0.00	\$0.00	3100.00	93.00	\$0.00	\$0.00	\$3,130,380.00	\$201.96	\$16.83
Chagrin Falls - Kimble Contract	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$126.84	15500.00	(93.00)	\$1,966,020.00	\$44.56	\$686,535.92	3100.00	93.00	\$80.00	\$255,440.00	\$2,907,995.92	\$187.61	\$15.63



CLEVELAND HEIGHTS

COMMUNITY ENGAGEMENT COMMITTEE MEETING

DATE: _____

Meeting Room: _____

Meeting Time: _____

Meeting Location: _____

Meeting Agenda: _____

Meeting Minutes: _____

Meeting Report: _____

Meeting minutes to be read and approved

Meeting minutes to be read and approved

Executive Director to be read and approved

Report on the activities of the committee held Tuesday, _____

Report on the activities of the committee held _____

Report on the activities of the committee held _____

Report on the activities of the committee held _____

Report on the activities of the committee held _____

COMMUNITY ENGAGEMENT COMMITTEE

COMMUNITY ENGAGEMENT COMMITTEE MEETING

National African American History Month

Meeting minutes to be read and approved _____

Meeting minutes to be read and approved _____

Meeting minutes to be read and approved _____

COMMUNITY ENGAGEMENT COMMITTEE MEETING

American Heart Month

Meeting minutes to be read and approved _____

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Proposed: 02/03/2020

RESOLUTION NO. 9-2020 (CRR)

By Council Member

A Resolution recognizing February 2020 as *National African American History Month*; and declaring an emergency.

WHEREAS, the City of Cleveland Heights is rich in its diversity of cultures and races; and

WHEREAS, the citizens of Cleveland Heights take great pride in the harmonious relationships that exist among and within the City's many diverse communities; and

WHEREAS, this Council recognizes the importance of sharing the rich cultural and spiritual heritage of each of the City's various ethnic groups in order to foster and encourage harmony and understanding among these groups; and

WHEREAS, the month of February is recognized as *National African American History Month* by communities throughout the United States in order to honor and review the accomplishments and contributions of African Americans to the United States.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Cleveland Heights, Ohio, that:

SECTION 1. The month of February 2020 is hereby designated *National African American History Month* in the City of Cleveland Heights in recognition of the accomplishments and contributions of African American citizens to this community and to our country. The City hereby reaffirms its commitment to maintain Cleveland Heights as a truly integrated community and to continue the tradition of appreciation and respect of our cultural diversity.

SECTION 2. Notice of the passage of this Resolution shall be given by publishing the title and abstract of contents, prepared by the Director of Law, once in one newspaper of general circulation in the City of Cleveland Heights.

SECTION 3. This Resolution is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health and safety of the inhabitants of the City of Cleveland Heights, such emergency being the need to recognize *National African American History Month* in a timely fashion. Wherefore, provided it receives the affirmative vote of five (5) or more of the members elected or appointed to this Council, this Resolution shall take effect and be in force immediately upon its passage; otherwise, it shall take effect and be in force from and after the earliest time allowed by law.

RESOLUTION NO. 9-2020 (CRR)

JASON S. STEIN, Mayor
President of Council

SUSANNA NIERMANN O'NEIL
Acting Clerk of Council

PASSED:

Proposed: 02/03/2020

RESOLUTION NO. 10-2020 (CRR)

By Council Member

A Resolution proclaiming February 2020 to be *American Heart Month*; and declaring an emergency.

WHEREAS, cardiovascular disease is responsible for approximately one (1) in four (4) deaths in the United States and is the leading cause of death among both men and women; and

WHEREAS, the risk factors for cardiovascular disease include smoking, high blood pressure, high cholesterol, obesity, physical inactivity, diabetes, family history and age; and

WHEREAS, the research is clear that there are tools available to increase survival rates of cardiovascular disease, with the American Heart Association encouraging citizens to help save lives by calling 9-1-1 if symptoms occur, becoming trained in CPR, and supporting comprehensive automated external defibrillator (“AED”) programs in their communities; and

WHEREAS, the American Heart Association and numerous governmental entities are celebrating February 2020 as American Heart Month and encouraging citizens to learn the warning signs of heart attack and stroke; and

WHEREAS, this Council joins with these entities to encourage residents to raise their awareness about heart disease in order to make healthy lifestyle choices to reduce their own risk and to recognize the warning signs and be able to assist other persons suffering cardiovascular symptoms.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Cleveland Heights, Ohio, that:

SECTION 1. This Council hereby proclaims February 2020 to be *American Heart Month* in the City of Cleveland Heights in order to promote education and awareness with the goal of reducing cardiovascular deaths in this community and nationwide.

SECTION 2. Notice of the passage of this Resolution shall be given by publishing the title and abstract of its contents, prepared by the Director of Law, once in one newspaper of general circulation in the City of Cleveland Heights.

SECTION 3. This Resolution is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health and safety of the inhabitants of the City of Cleveland Heights, such emergency being the need to recognize *American Heart Month* on a timely basis. Wherefore, provided it receives the affirmative vote of five (5) or more of the members elected or appointed to this Council, this Resolution shall take

RESOLUTION NO. 10-2020 (CRR)

effect and be in force immediately upon its passage; otherwise, it shall take effect and be in force from and after the earliest time allowed by law.

JASON S. STEIN, Mayor
President of Council

SUSANNA NIERMANN O'NEIL
Acting Clerk of Council

PASSED:

Proposed: 01/21/2020

ORDINANCE NO. 5-2020 (F), *Second Reading*

By Council Member Hart

An Ordinance providing for the issuance and sale of economic development tax increment financing revenue bonds, in a principal amount not to exceed \$26,000,000, for the purpose of paying a portion of the costs of the acquisition, construction, equipping, installation, furnishing and other improvement of a project, as defined in Section 165.01 of the Revised Code; authorizing execution and delivery of a trust agreement, a loan and service payment agreement, a bond placement agreement and related agreements, instruments and documents to provide for the revenues to pay and secure bond service charges and other required payments, the custody and application of funds and revenues, the permitted uses of bond proceeds in the financing of project costs, other requirements for the issuance, sale and delivery of the bonds and related matters; and declaring an emergency.

WHEREAS, the City is authorized and empowered by virtue of the laws of the State of Ohio, including, without limitation, Section 13 of Article VIII of the Ohio Constitution and Chapter 165 of the Revised Code (“Act”), among other things, (i) to issue bonds to acquire, construct, reconstruct, equip, or improve a “project” as defined in Section 165.01 of the Revised Code, comprising an industrial, commercial or research facility, located within the boundaries of the City, for the purpose of creating or preserving jobs and employment opportunities and improving the economic welfare of the people of the City and of the State; (ii) to secure such bonds by a pledge of revenues, as provided herein; and (iii) to pass this Ordinance and to sign, deliver and enter into the agreements, instruments and other documents authorized herein on the terms and conditions provided herein; and

WHEREAS, for the purpose of creating or preserving jobs and employment opportunities and improving the economic welfare of the people of the City and the State, the City has determined to issue the economic development tax increment financing revenue bonds described herein, to provide funds necessary to pay a portion of the costs of the redevelopment by F & C Development, Inc. (together with designated affiliates, “Developer”), of the site generally known as “Top of the Hill” located on approximately four acres of land situated between Euclid Heights Boulevard and Cedar Road at the top of Cedar Hill in the City (“Project Site”), with the Top of the Hill site to be leased to the Developer pursuant to a development agreement between the City and the Developer (as supplemented and amended, “Development Agreement”), and with Project Site improvements by the Developer to include (i) approximately 261 market-rate apartments, (ii) approximately 11,400 square feet of first floor restaurant, retail and commercial space, (iii) a public parking garage resulting in approximately 550 parking spaces, (iv) public gathering and green spaces and (v) all sidewalks, driveways, access ways and utility connections necessary for the improvements described in (i) through (iv) above (“Project Improvements” and, together with the Project Site, “Project”); and

WHEREAS, this Council has previously enacted legislation relating to and approving the Development Agreement, the ground lease and redevelopment of the Project Site, the Project Improvements, the exemption of 100% of the “improvements” (herein “TIF Improvements”), as defined in or for purposes of Section 5709.41 of the Revised Code (together with related statutory provisions, “TIF Act”), from real property taxation for a period of thirty (30) years ending not later than tax year 2050 (tax collection year 2051) (“TIF Exemption”) and the imposition of requirements

ORDINANCE NO. 5-2020 (F)

for payments in lieu of such exempted taxes (collectively “Service Payments”) by the Developer and future owners of the Project (collectively “Owners”), including payments to the Cuyahoga County Fiscal Officer in the same amounts and at the same times as the taxes exempted (“Statutory Service Payments”) and such supplemental or minimum service payments as are imposed on the Project consistent herewith (“Minimum Service Payments” and, together with the Statutory Service Payments, “TIF Payments”), an agreement (as amended and supplemented, “School Compensation Agreement”) with the Board of Education of the Cleveland Heights-University Heights City School District (“School District”) relating to the compensation to be paid to the School District from any Statutory Service Payments (“School Compensation Payments”) and related matters, and has previously determined and hereby confirmed that the Project constitutes a “project” as defined in the Act, that the Project is in furtherance of the City’s plans and actions in support of urban redevelopment in the City and that the City may, under the Act, issue tax increment financing revenue bonds and loan the proceeds thereof to the Developer to finance a portion of the costs of the Project; and

WHEREAS, the Cleveland Heights Community Improvement Corporation has certified to the City that the Project is in accordance with its plan for the industrial, commercial, distribution and research development of the City, as adopted and confirmed by the City pursuant to Section 1724.10 of the Revised Code; and

WHEREAS, the Developer and the City, together with Ross, Sinclair & Associates, LLC (“Placement Agent”) have signed a Preliminary Financing Term Sheet dated January 27, 2020 (“Term Sheet”) outlining the terms and conditions for the issuance of tax increment financing revenue bonds by the City under the Act, in an aggregate principal amount estimated not to exceed \$26,000,000, to finance a portion of the costs of the Project, a copy of which is on file with this Council; and

WHEREAS, this Council has now determined that it is necessary and desirable, and in the best interest of the City, to enact this Ordinance to authorize, approve and provide for the issuance and sale of economic development tax increment financing revenue bonds (“Bonds”), in an aggregate principal amount not to exceed \$26,000,000, the loan of the proceeds thereof to the Developer to pay or provide for a portion of the costs of the acquisition, construction, equipping, installation, furnishing and other improvement of the Project, the execution and delivery of a trust agreement, a loan and service payment agreement, a bond placement agreement and related agreements, instruments and documents (collectively “Bond Documents”) to provide for the revenues to pay and secure the payment of the principal of and the interest and any premium on the Bonds (collectively “Bond Service Charges”), administrative expenses and charges relating to the Bonds, including fees payable to the City, to the corporate bond trustee under such trust agreement (“Trustee”), to a qualified administrator appointed by the City to fulfill requirements under the Bond Documents (“Administrator”) or otherwise (collectively “Administrative Expenses” and, together with Bond Service Charges, “Bond Payments”) and to provide for the School Compensation Payments and any other required payments from the Service Payments, the custody and application of funds and revenues, the permitted uses of proceeds of the Bonds, and the requirements for the issuance, sale and delivery of the Bonds and related matters;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cleveland Heights, County of Cuyahoga, Ohio, that:

ORDINANCE NO. 5-2020 (F)

SECTION 1. Recitals and Definitions. This Council hereby adopts, confirms and restates, as fully as if set forth in this Section 1, the Recitals to this Ordinance, which are incorporated herein by reference as a statement of the findings and determinations of this Council, including as to the public purposes of the City in enacting this Ordinance, entering into the Bond Documents, issuing the Bonds and taking such other actions as are authorized by this Ordinance. In addition to the words and terms defined elsewhere in this Ordinance (including in the Recitals incorporated herein) or by reference to the Act or TIF Act, unless the context or use clearly indicates another meaning or intent:

“Administration Agreement” means an agreement for administrative services among the City, the Trustee and the Administrator appointed from time to time by the City Executive, which agreement is authorized hereby and may be amended, supplemented or replaced from time to time consistent with the Bond Legislation, the Loan/Service Agreement and the Bond Indenture.

“Bond Indenture” means the trust indenture or agreement authorized hereby between the City and the Trustee, as the same may be supplemented and amended from time to time consistent with the Bond Legislation.

“Bond Legislation” means this Ordinance, together with the Certificate of Award, as either or both may be amended or supplemented from time to time.

“Bonds” means the revenue bonds authorized in Section 3 of this Ordinance and to be issued under the Bond Indenture and designated “Taxable Economic Development TIF Revenue Bonds, Series 2020 (Top of the Hill Development Project)” or as may be otherwise approved in the Certificate of Award or the Bond Indenture.

“Certificate of Award” means the certificate to be executed by the City Executive and Director of Finance pursuant to the delegations and authorizations in this Ordinance to provide for certain terms of the Bonds and their sale and to make the additional designations, appointments or approvals authorized hereby, which may be amended or supplemented from time to time consistent with this Ordinance (as amended or supplemented to the applicable time).

“City Executive” means the City Manager or the Mayor.

“City Manager” means the City Manager, other chief administrative officer of the City, or any person serving in an interim or acting capacity with respect to such office or offices.

“Closing Date” means the date of issuance and delivery of all Bonds maturing on or before January 1, 2050.

“Continuing Disclosure Agreement” means any agreement or provisions within an agreement to provide any continuing disclosure that may be required pursuant to the Placement Agreement and by and between the City and the Administrator (or other designated agent retained for the purpose of providing such disclosure), which agreement is authorized hereby and may be amended, supplemented or replaced from time to time consistent with the Bond Legislation, the Placement Agreement and the Bond Indenture.

“County” means the County of Cuyahoga, Ohio.

ORDINANCE NO. 5-2020 (F)

“County Treasurer Agreement” means an agreement between the City and the County, acting on behalf of the County Treasurer, providing for the agreement of the County Treasurer not to sell any tax lien certificate related to the Project Site for an amount less than 100% of the applicable tax lien without consent of the City and Trustee, which agreement is authorized hereby and may be supplemented and amended from time to time consistent with the Bond Indenture.

“Deferred Delivery Dates” means July 1, 2020, January 4, 2021, July 1, 2021 and January 3, 2022.

“Deferred Delivery Bonds” means those Bonds maturing on or after July 1, 2050.

“Delivery Dates” means the Closing Date and each of the Deferred Delivery Dates.

“Director of Finance” means the Director of Finance or any person serving in an interim or acting capacity with respect to that office.

“Director of Law” means the Director of Law or the person at the time performing the duties of the chief legal officer of the City.

“Final Maturity Date” means January 1, 2052.

“Fund” or “Funds” means, as applicable, the Special Funds and the “Project Fund” and “Surplus Fund” to be established under the Bond Indenture, together with all of the accounts (and any subaccounts in those accounts) from time to time created in such Funds in accordance with the Bond Indenture, all of which are authorized hereby.

“Ground Lease” means the Ground Lease authorized pursuant to the Development Agreement between the City, as lessor, and the Developer, as lessee (which, as used herein, includes a Ground Lease between the City and Ground Lessee and a Sub-Ground Lease, co-terminous with and including all material terms of the Ground Lease, between the Ground Lessee and the Leasehold Owner), recorded, by memorandum or otherwise on or promptly after the Closing Date, as the same may be supplemented and amended in accordance with the terms and conditions of the Bond Indenture, Loan/Service Agreement and Development Agreement

“Ground Lessee” means Cleveland Heights FC II, LLC, an Ohio limited liability company, and its successors and permitted assigns.

“Guarantor” means David M. Flaherty, an individual and Indiana resident and one of the principals of the Developer.

“Holder” or “Bondholder” means the person in whose name a Bond is registered on the Bond register maintained by the Trustee, as Bond registrar.

“Interest Payment Date” means, as to the outstanding Bonds, January 1 and July 1 of each year commencing July 1, 2020.

“Leasehold Owner” means Cleveland Heights FC III, LLC, an Ohio limited liability company, and its successors and permitted assigns.

ORDINANCE NO. 5-2020 (F)

“Loan/Service Agreement” means a loan and service agreement between the City and Leasehold Owner, as borrower, joined as to certain service agreement covenants therein by the Ground Lessee, which agreement is authorized hereby and may be amended or supplemented from time to time consistent with the Bond Legislation and the Bond Indenture.

“Maturity Dates” means January 1 and July 1 of each year from July 1, 2023 through the Final Maturity Date.

“Mayor” means the Mayor of the City or any person serving in an interim or acting capacity with respect to that office.

“Owners” means the Ground Lessee, the Leasehold Owner, their successors and any permitted transferees therefrom, as lessees of the Project Site and owners of the Project Improvements.

“Placement Agreement” means a bond placement agreement with respect to the Bonds among the City, the Placement Agent, the Developer and, if and to the extent required, the Purchaser, which agreement is authorized hereby and may be amended or supplemented from time to time consistent with the Bond Legislation and the Bond Indenture.

“Pledged Revenues” means the TIF Payments, any other payments or amounts received or to be received by or on behalf of the City pursuant to the Loan/Service Agreement, the TIF Declaration/Mortgage and the other instruments and agreements contemplated by the Bond Indenture and intended to be used for Bond Service Charges, the proceeds of the sale of the Bonds (until applied to, and subject to application for, the purposes contemplated by the Bond Indenture), all other moneys received or to be received by the City or the Trustee and intended to be used for Bond Service Charges, any moneys, investments or other assets in or to be credited to the TIF Fund or the Special Funds, and all income and profit derived from the investment of the foregoing moneys (excepting any income or profit derived from investments in the TIF Fund). The term “Pledged Revenues” does not include any moneys or investments in the Surplus Fund, including any amounts transferred thereto to pay School Compensation Payments or otherwise constituting excess Service Payments to be applied in accordance with the Development Agreement.

“Purchaser” means, individually or collectively, the purchaser or purchasers of the Bonds, as identified by the Placement Agent in or pursuant to the Placement Agreement.

“Special Funds” means the “Revenue Fund”, the “Administrative Expense Fund”, the “Bond Fund” and the “Bond Reserve Fund” to be established under the Bond Indenture, together with all of the accounts (and any subaccounts in those accounts) from time to time created in such Funds in accordance with the Bond Indenture, all of which are authorized hereby.

“TIF Declaration/Mortgage” means an open-end mortgage and declaration of covenants and conditions relative to payments in lieu of taxes to be executed by the Owners and the City and recorded against the Project Site in the real estate records maintained by the Cuyahoga County Fiscal Officer on or promptly after the Closing Date.

“TIF Fund” means the urban redevelopment tax increment equivalent fund established by the City under the TIF Ordinance for the deposit of the Statutory Service Payments

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“TIF Ordinance” means the ordinance passed by this Council approving the TIF Exemption.

“Trustee” means the corporate bond trustee appointed from time to time by the City Executive under the Bond Indenture and means initially The Huntington National Bank or another corporate bond trustee appointed in the Certificate of Award and its successors and permitted assigns, including any successor Trustee appointed consistent with the Bond Indenture.

Any reference herein to the City, to this Council, or to any officer, official or member of either, includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their functions, and any document authorized hereunder may be signed on behalf of the City by an official who, on the date of signing is the proper official, although on the date of this Ordinance (or any other ordinance or instrument providing authority to act), that person was not the proper official.

Any reference to a section or provision of the Constitution of the State or the Act, the TIF Act or the Revised Code includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time; provided, that no such amendment, modification, revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this provision if it constitutes in any way an impairment of the rights or obligations of the City or the holder of the Bonds under this Ordinance, the Bond Indenture, the Bonds or any other instrument or document entered into in connection with any of the foregoing, including, without limitation, any alteration of the obligation to pay the Bond Service Charges and other Bond Payments in the amount and manner, at the times and from the sources provided in this Ordinance, except as permitted herein.

SECTION 2. Council Determinations. This Council hereby adopts and confirms its prior determinations, approvals and authorizations relating to the Project and the public purposes thereof, the Development Agreement, the Ground Lease and the issuance of the Bonds to finance a portion of the costs of the Project and, without implied limitation on the foregoing, hereby further determines or confirms that: (i) the Project is a “project” as defined in the Act and is consistent with the purposes of Section 13 of Article VIII of the Ohio Constitution and is in furtherance of the City’s plans and actions in support of urban redevelopment in the City; (ii) the acquisition, construction, equipping, installation, furnishing and other improvement of the Project, and the issuance of the Bonds and the loan of the proceeds thereof to the Leasehold Owner, is in furtherance of the purposes of the Act and will benefit the people of the City and of the State by creating and preserving jobs and employment opportunities and improving the economic welfare of the people of the City and of the State; and (iii) it is necessary and desirable, and in the best interest of the City, to enact this Ordinance to authorize, approve and provide for (A) the issuance and sale of the Bonds, in an aggregate principal amount not to exceed \$26,000,000, (B) the loan of the proceeds of the Bonds to the Leasehold Owner to pay or provide for a portion of the costs of the acquisition, construction, equipping, installation, furnishing and other improvement of the Project, (C) the execution and delivery by the City of the Bond Documents to which it is a party (“City Documents”), including the Bond Indenture, the Loan/Service Agreement, the TIF Declaration/Mortgage, the Placement Agreement, the Administration Agreement, any Continuing Disclosure Agreement and the County Treasurer Agreement, to provide for (x) the revenues necessary to pay and secure the payment of Bond Service Charges and Administrative Expenses and to provide for the School Compensation Payments and any other required payments, (y) the custody and application of funds and revenues

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and the permitted uses of proceeds of the Bonds, and (z) the requirements for the issuance, sale and delivery of the Bonds and related matters.

SECTION 3. Issuance and Terms of Bonds. The Bonds shall be issued pursuant to the Bond Indenture and the Loan/Service Agreement, and shall be issued only in certificated fully-registered form, and in form and substance authorized in the Bond Indenture consistent with the Bond Legislation and otherwise approved by the City Executive, Director of Finance and Director of Law, such approvals being conclusively established by the execution and delivery thereof in accordance herewith. The Bonds shall each be dated its respective Delivery Date and shall be designated “Taxable Economic Development TIF Revenue Bonds, Series 2020 (Top of the Hill Development Project)” or as may be otherwise approved in the Certificate of Award or the Bond Indenture. The Bonds shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to this Ordinance and the Bond Indenture.

The Bonds shall be numbered in such manner as is determined by the Trustee in order to distinguish each Bond from any other Bond, shall be of such authorized denominations as are authorized by the Bond Indenture, and each Bond shall bear interest (based on a 360-day year comprised of twelve 30-day months) from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from its date. Bonds shall be exchangeable for Bonds of any authorized denomination or denominations and shall be subject to such transfer restrictions, including provision for a suitable legend evidencing those restrictions, as are further provided in or pursuant to the Bond Legislation and the Bond Indenture. Bond Service Charges shall be payable in such manner and at such place or places as are provided in the Bond Indenture.

The Bonds shall be issued in the aggregate principal amount, not to exceed \$26,000,000, established in the Certificate of Award, shall bear interest at the rate or rates, not to exceed seven percent (7.00%) per year, established in the Certificate of Award, payable on the Interest Payment Dates. The interest rate applicable to any Bond may vary from time to time in such manner as is approved in the Certificate of Award and provided for in the Bond Indenture. The Bonds shall mature serially in semiannual installments, in such amounts as are established in the Certificate of Award, on their respective Maturity Dates, each within 30 years from its respective Delivery Date, and all of the Bonds shall mature on or before the Final Maturity Date. The Bonds may be issued as one Bond, or multiple Bonds, maturing in serial installments; however, no such Bond shall bear interest at more than one rate at any particular time. The Bonds shall be subject to redemption prior to maturity at such times, in such principal amounts and at such prices as shall be established in the Certificate of Award, including redemption at the option of the City and on such notice and other conditions as shall be established in the Bond Indenture.

The principal maturities, the interest rate or rates and all other matters determined in the Certificate of Award shall be determined in the best interests of the City, shall be consistent with applicable requirements of the Development Agreement and School Compensation Agreement, and shall be established such that the Statutory Service Payments, as projected by a qualified consultant, will be sufficient in each year, together with the amounts deposited or to be deposited in the Funds for those purposes upon the Delivery Dates for the Bonds, to pay all scheduled Bond Payments and the projected School Compensation Payments payable therefrom.

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The Bonds shall be signed by the City Executive and the Director of Finance, in the name of the City and in their official capacities, provided that one or both of those signatures may be a facsimile, and those officials are hereby authorized and directed to execute and deliver the Bonds in accordance herewith and with the Bond Indenture, but subject to satisfaction or waiver of any conditions stated in the Bond Legislation or the City Documents. The Bonds shall be issued and delivered on their respective Delivery Dates in the authorized denominations and numbers requested by the Placement Agent or Purchaser. A Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Legislation or the Bond Indenture unless and until a certificate of authentication on such Bond is signed by the Trustee, as registrar and authenticating agent pursuant to the Bond Indenture.

SECTION 4. Sale and Delivery of Bonds. The Bonds shall be awarded and sold to the Purchaser pursuant to the Certificate of Award and Placement Agreement, and shall be sold at a purchase price equal to not less than 97% of the aggregate principal amount thereof plus any interest accrued from their Delivery Date, with all such discount representing net original issue discount. The City Manager and Director of Finance shall, in accordance with such officers' determination of the best interests of and financial advantages to the City and based on conditions then existing in the financial markets, consistently with the provisions of this Ordinance, establish the aggregate principal amount of and interest rate or rates to be borne by the Bonds, and the maturities thereof and other terms required in this Ordinance to be set forth in the Certificate of Award, sign the Certificate of Award evidencing that sale to the Purchaser, cause the Bonds to be prepared, and have the Bonds signed and delivered to the Trustee for authentication and delivery, on the respective Delivery Dates, to the Purchaser against payment by the Purchaser on such Delivery Dates, of the purchase price or prices thereof, and they shall, in the Certificate of Award, fix the principal amount of the Bonds to be issued in an amount which will provide the moneys necessary, together with other moneys expected to be available therefor, to make the deposits and payments required by the Bond Legislation and Bond Indenture, including those amounts to be used to pay Project costs, but subject to the limitations set forth or referenced herein or in the Bond Documents.

Other terms of the Bonds and the sale thereof may be specified in the Certificate of Award including, without limitation, the compensation payable to the Placement Agent in connection with the structuring, placement and sale of the Bonds, but not to exceed 1.3% of the principal amount of the Bonds, the amount and manner of funding of the Bond Reserve Fund, the amount of interest to be paid from Bond proceeds or other sources, the amount of the City's fees to be paid or reimbursed from the proceeds of the Bonds or other sources, the amounts of other fees and expenses to be paid or reimbursed from the proceeds of the Bonds or other sources, designation of an Administrator qualified to perform the duties required under the Administration Agreement and other City Documents and, if other than as identified herein, the Trustee. Nothing herein shall require that anything be done or established in the Certificate of Award (whether or not amended or supplemented, and whether or not previously done or established in the Certificate of Award) merely because this Ordinance authorizes the same to be done or established therein, so long as such thing is done or established consistent with this Ordinance. All matters determined in the Certificate of Award, or otherwise determined consistent with this Ordinance, as the same may be amended from time to time, shall be conclusive and binding on the City. All amounts payable with respect to the Project costs including, without limitation, any interest capitalized or otherwise funded consistent with the Act, counsel fees and other fees and charges to be paid or reimbursed in connection with the structuring, placement, issuance, sale and delivery of the Bonds may be

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paid or reimbursed from, and as further described herein are hereby appropriated from, the proceeds of the sale of the Bonds and any other sources made available therefor under the Loan/Service Agreement and the Bond Indenture.

The City Executive and the Director of Finance are each authorized and directed, alone or together, to make the necessary arrangements with the Placement Agent and the Purchaser to establish the date or dates, and the location or locations, procedures and conditions, for delivery of the Bonds to the Purchaser pursuant to the Placement Agreement and the Bond Indenture, and are further authorized and directed to execute and deliver the Placement Agreement, with such necessary and customary terms and conditions that are not inconsistent with the provisions of the Bond Legislation, and otherwise in form and substance approved as in the best interest of the City by the official or officials executing the same and approved as to form and correctness by the Director of Law; provided, that the Placement Agreement shall provide that the Bonds are sold in a private placement to one or more investors knowledgeable with respect to the nature of, and risks related to, Ohio tax increment financing revenue bonds secured by service payments imposed pursuant to the TIF Act, and are so placed based on such customary representations of the Purchaser (in the Placement Agreement, a separate “investor acknowledgment letter” or both) relating to its status as such an investor and to its knowledge, research, diligence, non-distribution and investment intent as are acceptable to the official or officials signing or approving the Placement Agreement, all of which approvals shall be evidenced conclusively by the execution and delivery of the Placement Agreement consistent with this Ordinance. It is determined by this Council that the price for and the terms of the Bonds and the sale thereof, all as provided in this Ordinance and the Certificate of Award, Placement Agreement, Bond Indenture and other Bond Documents, are in the best interests of the City and are in compliance with all legal requirements.

SECTION 5. Application of Proceeds of Bonds; Creation of Funds. The Funds are hereby authorized and directed to be created, and the proceeds from the sale of the Bonds, together with any other amounts to be delivered to the Trustee for deposit therein, shall be deposited in accordance with the Bond Indenture and the written direction of the City Executive or Director of Finance, and all such amounts so deposited shall be applied in accordance with the Loan/Service Agreement and the Bond Indenture, including to pay or reimburse Project costs in accordance therewith and to pay or reimburse closing and other transaction costs relating to the issuance of the Bonds and the financing of Project costs (including costs of issuance of the Bonds, fees and expenses of the City, costs of funding the initial deposit to the Bond Reserve Fund, costs of funding permitted interest and Administrative Expenses with respect to the Bonds), all as provided in the Bond Indenture; and the proceeds from the sale of the Bonds, and any other moneys provided by or on behalf of the City for those purposes, are hereby appropriated for those purposes. Disbursement and application of amounts deposited in the Funds (and any accounts and subaccounts established therein under the Bond Indenture, all of which are authorized hereby) shall be in accordance with the Bond Indenture and Loan/Service Agreement.

SECTION 6. Security for the Bonds. Notwithstanding anything to the contrary herein or in the Bonds or in the Bond Indenture or any Bond Document: (i) the Bonds and the Bond Service Charges thereon shall be payable solely from and secured only by the Pledged Revenues and the Special Funds, as provided herein and in the Bond Indenture; (ii) the Bonds do not and shall not represent or constitute a debt or pledge of the faith and credit of the City, and do not and shall not pledge the general credit or taxing power of the City; (ii) nothing herein or in any of the Bonds, or

in the Bond Indenture, the Loan/Service Agreement, the TIF Declaration/Mortgage or any of the Bond Documents, gives the holders or owners of the Bonds, and they do not have, the right to have excises or taxes levied by this Council, or by the City or the State, for the payment of Bond Service Charges or any other obligations under or with respect to the Bonds, the Bond Indenture or any Bond Documents; and (iv) each of the Bonds shall contain a statement to the foregoing effects; provided, however, that nothing herein shall be deemed to prohibit the City, of its own volition and upon due appropriation therefor, from using to the extent it is lawfully authorized to do so, any other resources or revenues for the fulfillment of any of the terms, conditions or obligations of the Bond Legislation, the Bond Indenture or the Bonds.

SECTION 7. City Covenants. In addition to other representations and warranties of the City contained in this Ordinance, the City covenants and agrees that:

(a) Performance of Covenants and City Actions. The City will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions to be performed on its part under the Bond Legislation and the Bonds, the Bond Documents and all proceedings of this Council pertaining thereto. The City represents that (i) it is a municipal corporation, duly organized and existing under and by virtue of the laws of the State; (ii) it is, and upon delivery of the Bonds covenants that it will be, duly authorized by the Constitution and laws of the State, to issue the Bonds, to execute and deliver the City Documents, and to provide the security for payment of the Bond Service Charges in the manner and to the extent set forth herein and in the Bond Indenture and the Bonds; (iii) all actions on its part for the issuance of the Bonds, and the loan and use of the proceeds thereof, have been or will be taken duly and effectively; and (iv) the Bonds will be a valid and enforceable special obligations of the City according to their terms. Each obligation of the City required to be undertaken pursuant to the Bond Legislation, the Bond Indenture and the Bonds is binding upon the City, and upon each officer or employee of the City as may from time to time have the authority under law to take any action on behalf of the City as may be necessary to perform all or any part of such obligation, as a duty of the City and of each of those officers and employees resulting from an office, trust or station within the meaning of Section 2731.01 of the Revised Code, providing for enforcement by writ of mandamus.

(b) Use of Proceeds. The City will use, or cause or require to be used, the proceeds of the Bonds to pay such costs of and relating to the Project and the Bonds as are authorized herein and in the Bond Documents.

(c) Payment of Bond Service Charges; Segregation of Funds. The City will, solely from the Pledged Revenues, pay or cause to be paid the Bond Service Charges on the dates, at the places and in the manner provided in the Bond Legislation, the Bond Indenture and the Bonds. The City will segregate, for accounting purposes, the Pledged Revenues and the Funds from all other revenues and funds of the City.

(d) Further Actions and Delivery of Instruments. The City will, at any and all times, cause to be done all such further acts and things and cause to be executed and delivered all such further instruments as may be necessary to carry out the purpose of the Bonds and the Bond Legislation or as may be required or authorized by the TIF Act, the Act, including Section 13 of Article VIII of the Ohio Constitution, the Bond Indenture or the Loan/Service Agreement, and will comply with all requirements of law applicable to the Bonds.

(e) Inspection of Project Books. All books and documents in the City's possession relating to the Project and the Pledged Revenues shall be open at all times during the City's regular business hours to inspection by such accountants or other agents of the holders of the Bonds as the holders of the Bonds may from time to time designate.

(f) Transcript of Proceedings. The Clerk of Council, or another appropriate officer of the City, shall furnish to the Bond Trustee a true transcript of proceedings, certified by that officer, of all proceedings had with reference to the issuance of the Bonds along with such information from its records as is necessary to determine the regularity and validity of the issuance of the Bonds.

SECTION 8. City Documents. To secure the payment of the Bond Service Charges on the Bonds as the same shall become due and payable and the performance by the City as provided in this Ordinance and in the City Documents, and to provide for the issuance and sale of the Bonds and the loan of proceeds thereof in accordance herewith to finance a portion of the costs of the acquisition, construction, installation, equipping, furnishing and other improvement of the Project Improvements, the City Executive and the Director of Finance, alone or together, are hereby authorized, for and in the name of the City and on its behalf, to execute and deliver the City Documents, and to acknowledge, approve or otherwise accept any Bond Documents benefiting the City, with such necessary and customary terms and conditions that are not inconsistent with the provisions of the Bond Legislation and otherwise in form and substance approved as in the best interest of the City by the official or officials executing, acknowledging, approving or otherwise accepting the same, and approved as to form and correctness by the Director of Law. To the extent applicable, the terms and conditions of the Bond Documents shall be in substantial conformity to the Term Sheet, but with such changes as are not inconsistent with the Bond Legislation, as are permitted by the Act and as are approved by the officer or officers executing, acknowledging, approving or otherwise accepting the Bond Documents. The approval of the City Documents, and of any other Bond Documents benefiting the City, shall be conclusively evidenced by the execution, acknowledgment, approval or acceptance of those documents by the officer or officers of the City authorized hereunder.

SECTION 9. Further Actions. The City Executive, Director of Finance, Director of Law and Clerk of Council, alone or together, are hereby further authorized and directed to execute any certifications, financing statements, assignments, memoranda, affidavits, applications, requests, consents, approvals, acknowledgments, notices, agreements, instruments and other documents, and any amendments or supplements thereto or replacements thereof, and to take such further actions as are necessary or appropriate to permit, undertake, implement, consummate and complete the transactions contemplated herein and in the Bonds and City Documents consistent with the Bond Legislation, the Bond Documents, the Development Agreement and the School Compensation Agreement and the best interests of the City, including (i) any such actions taken or to be taken either prior to or after the issuance and delivery of the Bonds, (ii) any such actions taken or to be taken in connection with disbursements of Bond proceeds or the collection, deposit, application and transfer of Service Payments, Pledged Revenues or other funds held from time to time in or to the credit of the TIF Fund or under the Bond Indenture, (iii) any such actions taken or to be taken in connection with the succession or replacement of the Trustee or Administrator, or the delivery of any credit enhancement or other additional or substitute security for the Bonds, (iv) any such actions taken or to be taken in connection with the determination, documentation or payment of School Compensation Payments, or any other amounts payable from the Statutory

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Service Payments, (v) any such actions taken or to be taken in connection with any amendments or supplements to the City Documents, and (vi) any other action authorized, directed or permitted by the City Documents from time to time, all to the extent consistent with the Bond Legislation and the authority therein granted and at the time in effect.

SECTION 10. Certification and Delivery of Ordinance and Certificate of Award; Notice to Director of Development Services Agency. The Clerk of Council is directed to deliver or cause to be delivered a certified copy of this Ordinance and a signed copy of the Certificate of Award to the Cuyahoga County Fiscal Officer. The City Manager is directed to deliver or cause to be delivered written notice by certified mail to the director of the Ohio Development Services Agency advising such director of the proposed delivery of the Bonds, the principal amount thereof, the identities of the Ground Lessee and Leasehold Owner, and a general description of the Project.

SECTION 11. Satisfaction of Conditions to Issue Bonds. This Council determines that all acts and conditions necessary to be done or performed by the City or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding special obligations of the City have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

SECTION 12. Severability. Each section of this Ordinance and each subdivision of any section thereof is hereby declared to be independent, and the finding or holding of any section or subdivision of any section thereof to be invalid or void shall not be deemed nor held to affect the validity of any other section or subdivision of this Ordinance.

SECTION 13. Ratification. Each action taken by the City and any officer or official of the City in connection with the Project and the Bonds is hereby ratified and confirmed and shall be given full force and effect as of the time such action was taken.

SECTION 14. Compliance with Open Meeting Requirements. This Council finds and determines that all formal actions of this Council and of any of its committees concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council or any such committee, and that all deliberations of this Council and of any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law.

SECTION 15. Captions and Headings. The captions and headings in this Ordinance are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this Ordinance unless otherwise indicated.

SECTION 16. Declaration of Emergency; Effective Date. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety of the City, and for the further reason that this Ordinance is required to be immediately effective in order to execute and deliver the City Documents and to issue and sell the Bonds, which is necessary to enable the undertaking and financing of the Project consistent with the Development Agreement, and so that the City may provide for additional jobs and employment opportunities and improve the economic welfare of the City and its residents; wherefore, this Ordinance shall be in full force and

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effect immediately upon its passage, provided it receives the affirmative vote of five members of Council elected thereto; otherwise, it shall be in full force and effect from and after the earliest period allowed by law.

JASON S. STEIN, Mayor
President of Council

SUSANNA NIERMANN O'NEIL
Acting Clerk of Council

PASSED: _____, 2020

City of Cleveland Heights, Ohio
Taxable Economic Development TIF Revenue Bonds, Series 2020
(Top of the Hill Development Project)
(“Bonds” or “TIF Bonds”)

Preliminary Financing Term Sheet – January 27, 2020

Set forth below is a brief summary of certain terms relating to the TIF Bonds identified above and proposed to be issued by the City of Cleveland Heights, Ohio (“City”). The TIF Bonds are being issued to provide the “TIF Financing” contemplated by Section 8 of the Development Agreement dated February 21, 2018 between the City and F & C Development, Inc., an Indiana corporation qualified to transact business in Ohio (“Developer”), as amended and supplemented by a First Amendment to Development Agreement dated as of December 7, 2018 and a Second Amendment to Development Agreement approved December 2, 2019 (collectively, as further amended and supplemented, “Development Agreement”).

The City has previously acquired title to approximately four (4) acres of land commonly referred to as “Top of the Hill” and comprised of contiguous Parcel Numbers 685-18-008, 685-18-009, 685-18-010, 685-18-011, 685-18-012, 685-18-013, 685-18-016, 685-18-018 and 685-18-019 (each a “Parcel” and, collectively, “Parcels”), and has agreed to consolidate the Parcels with a portion of Edwards Road vacated or to be vacated, subject to reserved easements, pursuant to Ordinance No. 81-2019 enacted September 16, 2019, and then lease the consolidated site (“Project Site”) to Developer (or a designated affiliate) for a term of 99 years at nominal rent under a Ground Lease, the form and principal terms of which have been established under the Development Agreement and the First Amendment thereto (as completed, executed and delivered, “Ground Lease”). All Parcels other than Parcel 685-18-011 (“Greenhouse Parcel”) have been owned by the City for an extended period of time. The Greenhouse Parcel was acquired by Developer for transfer to the City and was so transferred on or about November 13, 2019 in accordance with the Development Agreement for a deferred payment of \$369,632.48 (“Greenhouse Purchase Price”).

Pursuant to the Development Agreement and Ground Lease, Developer (or a designated affiliate) is to provide for the acquisition, construction, equipping, installation, furnishing and other improvement of a project comprised of the following improvements: approximately 261 market-rate apartments, approximately 11,400 square feet of first floor restaurant, retail and commercial space, a public parking garage resulting in approximately 550 parking spaces, public gathering and green spaces, and all sidewalks, driveways, access ways and utility connections necessary for the foregoing improvements (“Project Improvements”) and together with the Project Site, “Project”). The City has determined that the Project constitutes a “project” within the meaning of Ohio Revised Code (“ORC”) Chapter 165, as enacted and amended from time to time pursuant to Article VIII, Section 13, of the Ohio Constitution (collectively, with applicable provisions of ORC Chapter 1724, the “Bond Act”), and has determined that it may, subject to certain conditions, issue the TIF Bonds under the Bond Act and make proceeds of the sale thereof (“TIF Bond Proceeds”), together with a “City Contribution” (defined below), available to Developer to finance a portion of the costs of the Project in the manner contemplated herein. The City has authorized preparation of this preliminary financing term sheet (“Term Sheet”) in anticipation of the issuance and sale of the TIF Bonds.

In addition to providing the Ground Lease and making the TIF Bond Proceeds available for costs of the Project, the City has agreed in the Development Agreement to make a contribution of up to \$1.85 million (as finally determined, “City Contribution”) available to Developer to provide funding for a portion of the costs of the Project (including payment of the Greenhouse Purchase Price and provision for a portion of the costs of the Project Improvements), as reflected in an agreed budget for costs of the Project prepared by Developer and approved by the City (“Approved Project Budget”). All other costs of the Project are to be borne by the Developer/affiliates except to the extent if any provided in the Development Agreement. Under the Development Agreement, all cost overruns relating to the Project Improvements are to be borne by the Developer, and the City has no responsibility whatsoever therefor.

The Developer has requested that the City now take the steps necessary to issue the TIF Bonds consistent with this Term Sheet and a legal structure that includes the following elements (among others): (i) the City will lease the Project Site under the Ground Lease to Cleveland Heights FC II, LLC, an Ohio limited liability company (“Ground Lessee”); (ii) the City will pay the Greenhouse Purchase Price to Developer and will provide the balance of the City Contribution (“City Project Proceeds”) to Ground Lessee, solely for use as a tenant improvement contribution to pay costs of Project Improvements; (iii) Ground Lessee will sublease the Project Site, under a sub-ground lease co-terminous with, and incorporating all material terms of, the Ground Lease (“Sub-Ground Lease”), to Cleveland Heights FC III, LLC, an Ohio limited liability company (“Leasehold Owner”), and will transfer the City Project Proceeds to Leasehold Owner, solely for use as a tenant improvement contribution to pay costs of Project Improvements; (iv) rent under the Sub-Ground Lease will be at market, as determined by Developer, reflecting the reasonable value of the Sub-Ground Lease and of the tenant improvement contribution of the City Project Proceeds; (v) the City will loan the TIF Bond Proceeds to Leasehold Owner to pay a portion of the costs of the

Project Improvements consistent with the Approved Project Budget; and (vi) Leasehold Owner will obtain a first-mortgage construction loan (“Construction Loan”) from Goldman Sachs Bank USA (“Construction Lender”) which, together with (x) City Project Proceeds plus (y) net TIF Bond Proceeds (net of all transactional and financing costs) plus (z) member-funded equity contributions to Leasehold Owner (“Member Equity”), is required to be sufficient to pay all costs of the Project Improvements consistent with the Approved Project Budget.

Developer has represented to the City that: (i) Ground Lessee will be owned and controlled entirely by principals of Developer and its affiliates through Cleveland Heights FCS, Inc., an Ohio s-corporation, (ii) Leasehold Owner will be owned entirely by Cleveland Heights FC Owners, LLC, an Ohio limited liability company (“Leasehold Owner Parent”), and (iii) Leasehold Owner and Leasehold Owner Parent will be managed and controlled by principals of Developer and its affiliates. Developer, Ground Lessee, Leasehold Owner, Leasehold Owner Parent and David M. Flaherty (an individual and Indiana resident, and herein the “Guarantor”) are referred to herein, collectively, as the “Developer Parties”.

This Term Sheet is provided by Ross, Sinclair & Associates, LLC (“RSA” or “Placement Agent”) and the City to the Developer Parties in anticipation of entering into agreements pertaining to the structuring and marketing of the TIF Bonds and is preliminary and subject to change. It is intended to serve as the basis for such structuring and marketing, but is not definitive or complete; all terms, costs and other items included herein are preliminary and will be finalized in the documentation providing for the issuance, sale and delivery of the Bonds, including the Placement Agreement, Loan/Service Agreement, Bond Indenture, TIF Declaration/Mortgage and Guaranties, all referred to below.

Description of the Project:

Project; Authorization: The Project is generally described in the Introduction to this Term Sheet and is comprised of the Project Site and Project Improvements authorized or to be authorized under each of the following: (1) the Bond Act, (2) the Development Agreement, (3) ORC §5709.41 and related statutory provisions (collectively, “TIF Act” and, together with the Bond Act, “Authorizing Acts”), (4) an Ordinance passed by City Council under the TIF Act and effective on or after January 1, 2020 (“TIF Ordinance”), and (5) an ordinance authorizing the TIF Bonds (“Bond Ordinance”).

Project Costs: Project Costs payable from TIF Bond Proceeds will include costs of acquisition, construction, equipping, installation, furnishing and other improvement of the Project Site and Project Improvements and related costs permitted under the Authorizing Acts, including costs of issuing the TIF Bonds and funding required capitalized interest and reserves. Aggregate Project Costs are estimated at approximately \$74,887,107, as shown under “Preliminary Sources and Uses” below. Aggregate TIF Bond Proceeds are currently projected at up to approximately \$24.2 million, with approximately \$18.6 million available, together with investment earnings on unspent construction-period TIF Bond proceeds (currently estimated at \$175,000) (collectively “Net TIF Bond Proceeds”), for construction and related costs of the Project Improvements, all as further described below under *Preliminary Sources and Uses*. Project Costs that cannot be funded from TIF Bond Proceeds must be funded, or available without material conditions, at or prior to the closing of the initial TIF Bond issuance (“TIF Bond Closing”), including all Construction Loan proceeds, City Project Proceeds, and member equity contributions to Leasehold Owner.

TIF Bond Proceeds: The TIF Bonds are expected to be issued in such amount as can be supported by payments in lieu of exempted taxes required under the TIF Act and TIF Ordinance (“Statutory Service Payments”) derived from improvements to the Project Site Parcels, as projected by MuniCap, Inc. (“TIF Consultant”) consistent with (i) such information as may be available regarding the prospective completed and stabilized tax valuation (and related timing) of the Project, and (ii) requirements under the Development Agreement and a Compensation Agreement dated March 20, 2018 between the City and the Cleveland Heights-University Heights City School District (“School District”), as supplemented by an Addendum to Compensation Agreement previously approved and to be executed prior to sale of the TIF Bonds between the City and School District (as supplemented, “School Compensation Agreement”). The net proceeds of the TIF Bonds will be made available for and applied towards the

payment of the Project Costs in accordance with (x) a Loan and Service Agreement between the City and Leasehold Owner, joined as to all Service Agreement covenants by Ground Lessee (“Loan/Service Agreement”) and (y) a Trust Indenture (“Bond Indenture”) between the City and a qualified corporate bond trustee (“Trustee”). Bond issuance costs and other specified Project Costs to be paid or reimbursed at or promptly after the TIF Bond Closing will be disbursed in accordance with direction given in the Bond Indenture. Funded interest and administrative expenses (for the period prior to anticipated receipt of Statutory Service Payments) will be disbursed in accordance with a schedule and direction included in the Bond Indenture. Amounts available for remaining costs of the Project Improvements will be disbursed on request of Developer, with approval of the City, in accordance with the Loan/Service Agreement and Bond Indenture.

Issuance and Sale of TIF Bonds:

Subject to approval of the Bond Ordinance by City Council, and to satisfaction of the conditions established in the Development Agreement, School Compensation Agreement, Bond Ordinance, Bond Indenture and Loan/Service Agreement, and based on satisfactory documentation and legal opinion of Squire Patton Boggs (US) LLP, bond counsel to the City (“Bond Counsel”), the City expects to issue (and the Placement Agent expects to place) the TIF Bonds to finance a portion of the costs of the Project Improvements. The TIF Bonds will be sold by the City, and placed by the Placement Agent, pursuant to a bond placement agreement (“Placement Agreement”) among the Placement Agent, the City, such Developer Parties as are acceptable to the Placement Agent and City, and, if applicable, the purchaser or purchasers of the TIF Bonds (collectively, “Purchaser”). To the extent required by the Purchaser for purposes of locking an interest rate or otherwise, parties to this Term Sheet agree to review and, if necessary sign a supplemental or separate term sheet further establishing agreed material terms of the TIF Bonds.

General Terms of the TIF Bonds

Principal Amount; Term; Serial Bonds. The principal amount of TIF Bonds issued for the Project is currently not expected to exceed approximately Twenty Six Million Dollars (\$26,000,000) and could vary significantly based on the projected tax valuation of the Project. That principal amount (and the related Net TIF Bond Proceeds) will depend on the amount of Statutory Service Payments projected by the TIF Consultant to be generated by the “*improvement*” (as defined in the TIF Act and herein “TIF Improvement”) to Project Site Parcels resulting from construction of the Project Improvements, the sale prices of and interest rates on the TIF Bonds, and other factors. The projected Statutory Service Payments (“TIF Projections”) will depend on the estimated valuation of the Project, as projected by the TIF Consultant consistent with County Fiscal Office assessor valuation protocols, projected “effective tax rates” of levies exempted by the TIF Ordinance, and the limits established by the School District compensation regime under the School Compensation Agreement. The actual Statutory Service Payments will differ from the TIF Projections and the variance could be significant. Consistent with the Bond Act, City Charter and Bond Ordinance, the TIF Bonds will mature serially within 30 years from their respective dates of issuance, with a final maturity of January 1, 2052 (“Final Maturity”). TIF Bonds are expected to mature serially in semiannual installments established under the Bond Indenture on January 1 and July 1 of each year from July 1, 2023 through Final Maturity (“Maturity Dates”). The term of the TIF Bonds may be reduced based upon market conditions and will be established in the Placement Agreement.

Interest Rates; Stepped-Coupon. Interest will be payable semiannually on January 1 and July 1 of each year, commencing July 1, 2020 (“Interest Payment Dates”). It is anticipated that all outstanding TIF Bonds will bear interest at the same fixed annual interest rate at any given time, but that the Bonds will have “stepped-coupon” interest rates established in the Bond Indenture and estimated and summarized as follows: (i) from the TIF Bond Closing date through June

30, 2028, outstanding TIF Bonds will bear interest at approximately 5.00% per year (“Initial Rate”); (ii) from July 1, 2040 until maturity and final payment, outstanding TIF Bonds will bear interest at approximately 6.00% per year (“Final Rate”); and (iii) from July 1, 2028 through June 30, 2040, outstanding TIF Bonds will bear interest at an agreed rate between the Initial Rate and the Final Rate (“Second Rate”). Interest will be calculated for all periods, including the initial period, for a 360-day year comprised of twelve 30-day months. The interest rate or rates on the TIF Bonds are subject to market conditions at the time of pricing, and will be established in the Placement Agreement and may include a floor and ceiling (based on an agreed index and margin) for the Second Rate and Final Rate; provided, that debt service coverage requirements will, in that event, be determined based on the “ceiling” rates for the Second Rate and Final Rate periods.

Sale and Delivery; Deferred Deliveries. All of the TIF Bonds will be sold under the Placement Agreement for delivery as follows: (1) Bonds maturing on or before January 1, 2050 will be authenticated and delivered to the Purchaser at TIF Bond Closing, (2) Bonds maturing on July 1, 2050 will be authenticated and delivered to the Purchaser on July 1, 2020 (“First Deferred Delivery Date”), (3) Bonds maturing on January 1, 2051 will be authenticated and delivered to the Purchaser on January 4, 2021 (“Second Deferred Delivery Date”), (4) Bonds maturing on July 1, 2051 will be authenticated and delivered to the Purchaser on July 1, 2021 (“Third Deferred Delivery Date”), and (5) Bonds maturing on January 1, 2052 will be authenticated and delivered to the Purchaser on January 3, 2022 (“Final Deferred Delivery Date”). The process for delivery of and payment for Bonds to be delivered on each “Deferred Delivery Date” will be established in the Bond Indenture and Placement Agreement.

Optional Redemption. Subject to market conditions, it is expected that the TIF Bonds will be subject to optional redemption at par approximately five (5) years after the TIF Bond Closing date.

Denominations; Form; Global Bond. TIF Bonds may be issued in “authorized denominations” of \$100,000 and any integral multiple of \$5,000 in excess thereof. The TIF Bonds will be issued in certificated fully-registered form and may be issued as one or more Bonds maturing in serial installments; provided, that no Bond shall bear interest at more than one rate at any particular time.

Revenue Bonds; Non-Recourse to City. The Bonds will be issued as tax increment financing revenue bonds secured only by (i) the revenues and security pledged and provided under the Bond Indenture, including Statutory Service Payments and “Minimum Service Payments” or related “Supplemental Payments” (collectively “TIF Payments”) and any other loan payments made under the Loan/Service Agreement, all of which will be assigned by the City to the Trustee under the Bond Indenture, (ii) the TIF Declaration/Mortgage described below, and the (iii) “Guaranties” described below. The Bonds will not be secured by (i) any other revenues, including any tax revenues, of the City or (ii) any obligation of the City except the obligation to transfer the TIF Payments to the Trustee at such times as are required under the Loan/Service Agreement and Bond Indenture. As such, the TIF Bonds will be special or limited non-recourse obligations of the City and will not be considered a debt of the City.

Rating; Credit Enhancement. The TIF Bonds will not be rated by any rating agency and will be issued without bond insurance or any other similar credit enhancement.

Additional Bonds. Additional Bonds are not expected to be issuable under the Bond Indenture.

Taxable Bonds. Interest on the TIF Bonds will not be excluded from gross income for federal income tax purposes. With certain exceptions, interest on, and any profit made on the sale, exchange or other disposition of the TIF Bonds, will be exempt from Ohio state and local taxation.

Preliminary Sources and Uses:

Project Costs. The current preliminary estimated sources and uses of funds for the Project, based on current estimates, projections, market conditions and assumptions and a draft of the Approved Project Budget, are as follows:

Sources:*

Construction Loan	\$51,000,000
TIF Bond Proceeds, including Earnings	\$23,940,000
City Greenhouse Purchase Price	\$ 369,632
City Project Proceeds (maximum)	\$ 1,480,368
Member Equity	<u>\$ 3,257,107</u>
Aggregate Project Sources	\$80,047,107

Uses:*

Greenhouse Purchase Price	\$ 369,632
Site Preparation	\$ 3,100,000
Architecture, Engineering and Design	\$ 3,454,675
City Connection/Impact Fees/Permits	\$ 783,000
Project Improvements Construction	\$56,985,000
FF&E, TI and Project Soft Costs	\$ 6,885,550
Bond/TIF Soft Costs, including Interest	\$ 5,465,000
Contingency	<u>\$ 3,004,250</u>
Aggregate Project Uses	\$80,047,107

* All Project costs are preliminary, estimated, and subject to completion, execution and delivery of a “guaranteed maximum price” construction contract currently under negotiation by the Developer. Developer Member equity, and the Project sources and uses, do not include any allocation for Developer Parties’ overhead related to the Project (estimated at \$3,725,874).

TIF Bonds. The current preliminary estimated sources and uses of funds for the TIF Bonds, based on current information, estimates, projections, market conditions and assumptions, are as follows:

Sources:*

TIF Bond Closing	\$20,025,000
Deferred Deliveries	<u>\$ 3,740,000</u>
Aggregate TIF Bond Proceeds	\$23,765,000

Uses:*

Project Fund Deposits	\$18,300,000
Bond Reserve Fund	\$ 815,000
Capitalized Interest	\$ 3,230,000
Transaction Costs Paid/Reimbursed	\$ 1,200,000
Other Costs (during CAPI Period)	<u>\$ 220,000</u>
Aggregate TIF Bond Uses	\$23,765,000

* All amounts are estimated or assumed. This assumes \$24.2 million of TIF Bonds are issued and sold at 98.2% of par. All amounts will be adjusted and finalized (and may be adjusted significantly) as of the TIF Bond Closing date to reflect market conditions and pricing, known or revised estimated interest rates, costs, principal amounts, expectations and the TIF Projections.

Security for the Bonds:

Capitalized Interest and Other Payments: Subject to legal requirements, interest on the TIF Bonds is expected to be funded and paid from TIF Bond proceeds through completion of construction of the Project Improvements and until annual Statutory Service Payments are expected to be received in sufficient

amounts to pay the scheduled principal and interest on the TIF Bonds (“Bond Service Charges”) and associated “Administrative Expenses” (together with the Bond Service Charges, “Bond Payments”), including the annual or semiannual fees of the City, the Trustee and a qualified tax increment financing and/or special district administrator appointed by the City under the Bond Indenture (“TIF Administrator”), as well as anticipated additional costs of administering the trust estate under the Bond Indenture. Capitalized Bond Payments are not expected to extend beyond January 1, 2023 unless funded from Developer Party contributions (which will be required if the TIF Projections do not project a full year’s collection of Statutory Service Payments in TY22 (collection year 2023)).

Reserve Fund or Funds. From and after the TIF Bond Closing, a “Bond Reserve” shall be funded in an amount equal to average semi-annual debt service on the TIF Bonds from the TIF Bond Closing through Final Maturity (on the assumption that all Bonds to be delivered on Deferred Delivery Dates are, in fact, delivered on the applicable Deferred Delivery Date). So long as no default has occurred, the Bond Reserve requirement may be reduced in equal amounts (1/4 of original Bond Reserve requirement) on each Maturity Date beginning on July 1, 2050 – with released amounts applied to debt service due on such date[s]. In addition to the Bond Reserve, depending on the TIF Projections and marketing requirements, there may be a supplemental reserve fund requirement in place for the period through completion, valuation and first full-year Statutory Service Payment collection.

Loan and Service Agreement Covenants; TIF Declaration and Mortgage. The Loan/Service Agreement will provide for the terms of the loan of the TIF Bond Proceeds to the Leasehold Owner (“TIF Loan”). The obligation to make loan financing payments (including amounts sufficient to make all Bond Payments) will be evidenced by a promissory note delivered by the Leasehold Owner to the Bond Trustee (“TIF Loan Note”). The Loan/Service Agreement will also provide for the “service agreement” covenants of the Leasehold Owner and the joinder of the Ground Lessee therein, and such service agreement covenants shall be binding on all transferees and subsequent owners of the interests of the Developer Parties in all or any portion of the Project Site (the Ground Lessee, Leasehold Owner and all such transferees and subsequent owners, “Owners”), but subject to apportionment of payment obligations in the event the Ground Lease is subdivided in accordance with its terms. Such covenants, including (without limitation) covenants relating to development of the Project Site consistent with the Development Agreement and the Approved Project Budget, the application for the tax exemption granted under the TIF Ordinance, the statutory liens resulting from that tax exemption and the payment of all TIF Payments, in amounts sufficient to provide for all Bond Payments, will run with the land and be binding on the leasehold interests of the Ground Lessee and Leasehold Owner (and other interests derived therefrom exclusive of individual unit and store leases), and will be evidenced and secured by a declaration and open-end mortgage instrument recorded in the County real estate records, with foreclosure procedures benefiting the City and Bond Trustee, in form and substance satisfactory to the City and Placement Agent (“TIF Declaration/Mortgage”).

TIF Payments; Credits Against Loan Payments. It is anticipated that the County will collect and remit Statutory Service Payments to the City and that the City will transmit all such amounts, within twenty-one (21) days of final settlement with the County Fiscal Officer as to any amounts received, to the Bond Trustee, as assignee. Minimum Service Payments are expected to be invoiced by the Bond Trustee pursuant to direction of the TIF Administrator approximately thirty (30) days before, and will be due and payable at least three (3) business days before, the next-succeeding semiannual Interest Payment Date. The Bonds will be secured, in part, by a senior pledge of and lien on all TIF Payments. It is expected that TIF Payments will always be sufficient to pay all Bond Payments

when and as due and, if and to the extent that TIF Payments are timely made and available to make Bond Payments, such TIF Payments will be credited against the obligation of the Leasehold Owner to make payments to the Bond Trustee on the TIF Loan and TIF Loan Note.

School Compensation Payments. School Compensation Payments will be secured by a subordinate pledge of and lien on all Statutory Service Payments, and shall be paid annually within thirty (30) days after the end of each “Bond Year” (generally the period ending on a January 1 Principal Maturity date), in accordance with an acceptable report of the TIF Administrator calculating the annual School Compensation Payments due and payable for the applicable tax collection year. Any amounts remaining after the payment of all required School Compensation Payments for any year shall be applied in accordance with the 76:24 split required by the First Amendment to Development Agreement.

Owners: All Owners will be responsible for compliance with the covenants running with the land and evidenced by the TIF Declaration/Mortgage, including the Minimum Service Payment obligations. The Ground Lessee and Leasehold Owner will be the initial Owners and will be responsible for imposing all such covenants and related liens on their interests in the Project Site Parcel or Parcels, including obligations on each Owner to expressly transfer all such obligations to all succeeding Owners succeeding to such interests in any Project Site Parcel. Appropriate language consistent with the TIF Declaration/Mortgage must be included in any instrument transferring any portion of or interest in any of the Project Site Parcels to a subsequent Owner. Any such instruments shall be in form approved by the City and will require the signature of the transferee with respect to its acknowledgment and acceptance of all such covenants.

County Treasurer Agreement. To provide comfort that tax lien certificates relating to Project Site Parcels will not be sold at less than par, the County Treasurer, pursuant to an agreement with the City and/or Bond Trustee, will agree not to sell any tax lien certificate related to any Project Site Parcel for an amount less than 100% of the applicable tax lien without consent of the City and Bond Trustee.

Guaranties. The Developer Parties will jointly and severally guarantee timely completion of the Project Improvements in accordance with Development Agreement requirements under one or more completion guaranties in form and substance acceptable to the City and Placement Agent (“Completion Guaranty”). The Guarantor will guarantee the payment of all TIF Payments under a payment guaranty in form and substance acceptable to the City and Placement Agent (“Payment Guaranty”; together with the Completion Guaranty, “Guaranties”); provided, that such Payment Guaranty will be released at such time as the Statutory Service Payments have, for two consecutive tax collection years, met or exceeded 125% of the Bond Payments payable for the respective “Bond Year” ending on the January 1 immediately following the end of the applicable tax collection year.

City Requirements:

Development Agreement Generally. The Development Agreement will survive delivery of the TIF Bonds, Ground Lease and City Contribution, and completion of the Project Improvements, and the Developer Parties will confirm and perform their obligations thereunder except to the extent, if any, waived in writing by the City. The Loan/Service Agreement will include mutual agreement as to those Development Agreement requirements satisfied and outstanding.

Loan Commitment and Annual Fees. For issuing the Bonds and making the TIF Loan, the City will charge the Leasehold Owner a loan commitment fee equal to 0.4% of the principal amount of the TIF Bonds payable, in full (as to all TIF Bonds, regardless of the Delayed Delivery Dates of certain maturities), on the TIF Bond Closing date. In addition, the Leasehold Owner shall pay the City an

annual loan maintenance fee of 0.2% of the outstanding principal amount of the TIF Bonds, payable semiannually in advance beginning on the TIF Bond Closing Date (pro-rated for the period prior to the first Interest Payment Date) and thereafter on each Interest Payment Date (based on outstanding principal amount at the beginning of the interest period ending on the applicable Interest Payment Date). In addition, the Leasehold Owner will be responsible for all Bond Trustee, TIF Administrator fees and charges, and other Administrative Expenses. All such amounts due on the TIF Bond Closing date and during the period when interest is capitalized, are expected to be paid or provided for from TIF Bond Proceeds. Thereafter, all such Administrative Expenses are expected to be paid from the Statutory Service Payments as part of the Bond Payments and will, to the extent established in the Bond Indenture, have priority over Bond Service Charges.

Indemnification. The Developer Parties hereby accept responsibility for and will defend and indemnify the City and Bond Trustee against all costs, expenses and liabilities relating to the issuance, administration, security and enforcement of the TIF Bonds, the construction of the Project Improvements (except to the extent payable from Net TIF Bond Proceeds or the City Contribution), and the operation and use of the Project including, without limitation, any and all claims for damages or injury to persons or property in, on or about the Project Site or the Project Improvements. The Ground Lessee, the Leasehold Owner and any other Owner will be required to name the City and Bond Trustee as additional insureds under applicable liability policies and as loss payees on casualty policies, including builders' risk policies, insuring the Project.

Inclusion and Prevailing Wages. Developer Parties shall use commercially reasonable efforts, and will require that the general contractor ("GC") use commercially reasonable efforts (including requiring subcontractors to use commercially reasonable efforts), to achieve minority and female business enterprise ("MBE/FBE") participation goals acceptable to the City in connection with the construction of the Project Improvements, including utilization of certified MBE/FBE businesses in the construction of the Project Improvements at an aggregate level of 20% or greater. In addition, Developer Parties shall use commercially reasonable efforts, and will require that the GC use commercially reasonable efforts (including requiring subcontractors to use commercially reasonable efforts), to ensure that laborers and mechanics employed on the Project are paid at the prevailing rates of wages of laborers and mechanics for the class of work called for with respect to that work (determined in accordance with ORC Chapter 4115 requirements for such determinations) to the extent reasonably practicable consistent with the Approved Project Budget and, in any event, at an aggregate level of not less than 30% of related Project Costs (of laborers and mechanics employed on the Project). Representatives of Developer Parties and of GC will provide a semiannual status report to the City through completion (with the first such report due by August 1, 2020 (for the period ending June 30, 2020), with respect to then-current and cumulative MBE/FBE participation and prevailing wage payments, in the construction of the Project Improvements, and an affidavit as to cumulative MBE/FBE participation and prevailing wage payments upon completion.

Developer Parties shall also use commercially reasonable efforts, and will require that the GC use commercially reasonable efforts (including requiring subcontractors to use commercially reasonable efforts), to achieve the goals of having a majority of workers participating in construction on the Project Improvements (excluding Developer employees) being residents of northeast Ohio, and having the number of out-of-state workers (excluding Developer employees) not exceeding one-sixth (1/6) of the workforce on the Project Improvements. In furtherance of such goals, Developer and GC, together with applicable subcontractors, shall hold at least two worker outreach events in Cleveland Heights, with advance notice to the City, within six (6) months after

the TIF Bond Closing date, to promote local worker participation on the Project. The Developer Parties agree to share, and will require that the GC agree to share (and require its subcontractors to share) with the City and its agents, including but not limited to the Regional Income Tax Authority, all information needed to facilitate tracking of project construction workers on a monthly basis to assure payment of appropriate income taxes due to the City from such employment.

Other Participants:

Placement Agent. The City designated RSA as the Placement Agent to market the TIF Bonds after discussion with the Developer. The TIF Bonds are expected to be privately placed by RSA with the Purchaser (expected to be one or two financial institutions, funds or other permitted investors, as established in the Bond Placement Agreement). Purchaser will provide and confirm, on delivery, representations acceptable to the City and Placement Agent regarding its investigation, investment intent, and non-distribution. Fees and expenses of RSA in structuring and placing the Bonds will be established in the Bond Placement Agreement with approval of the Developer and the City.

Bond Counsel. The City retained Squire Patton Boggs (US) LLP as Bond Counsel after discussion with the Developer. Except to the extent paid previously, or paid or reimbursed from TIF Bond proceeds, the Developer Parties accepted and hereby confirm their responsibility for the reasonable fees and expenses of Bond Counsel, whether incurred prior to or after the signing of this Term Sheet or any separate engagement agreement and whether or not any TIF Bonds are ever issued. Any fees previously paid may be reimbursed from TIF Bond proceeds.

Other Counsel. For purposes of the transactions contemplated herein, the Developer Parties have designated Thompson Hine LLP as their counsel, the City has designated Tucker Ellis LLP as its development counsel, and the Placement Agent has retained Vorys, Sater, Seymour and Pease LLP as its counsel. Associated fees and expenses relating to issuance of the Bonds and any fees and expenses of counsel to the Purchaser, are expected to be payable from proceeds of the TIF Bonds.

TIF Consultant. RSA will retain MuniCap, Inc. or other qualified consultant acceptable to the City, at the Developer's cost, for an acceptable and independent estimate of the projected Statutory Service Payments expected to be realized from the Project Site Parcels and pledged to the Bond Payments. These TIF Projections will be disclosed to the Purchasers and must show that, while taking into account all terms of the School Compensation Agreement (including no increases in valuation after valuation upon stabilization and 100% payment to the School District of Statutory Service Payments relating to any School District millage approved as new after March 20, 2018), the projected Statutory Service Payments from the Project Site Parcels (at the time of marketing the TIF Bonds) are, in each year of collection, expected to equal at least (i) 125% of the estimated Bond Payments to be paid therefrom, and (ii) 100% of the sum of the estimated Bond Payments and estimated School Compensation Payments to be paid therefrom. All related costs will be paid or reimbursed from Bond proceeds.

TIF Administrator. MuniCap, Inc., or other qualified company appointed by the City under the Bond Indenture and a separate Administration Agreement. Will be responsible for Annual and Semiannual reports relating to administration of the TIF Bonds, application of available revenues, the need for and invoicing of any Supplemental Payments and any reporting required by the Purchaser.

Trustee. The Huntington National Bank, Cincinnati corporate trust office.

Timetable:

A preliminary critical path timeline has been issued and updated prior to the execution of this Term Sheet and will be further updated from time to time.

Modification:

This Term Sheet may be modified with the approval of all affected parties, but it is specifically understood and agreed that all final terms and conditions of the TIF Bonds will be established in the Financing Documents and in connection with the placement of the Bonds, and such terms and conditions may be different than those contained in this Term Sheet.

Subject to execution on behalf of the Developer Parties of this Term Sheet, the City will authorize Bond Counsel to commence drafting Financing Documents and other related documents for the issuance, sale and delivery of the TIF Bonds.

ROSS, SINCLAIRE & ASSOCIATES, LLC

CITY OF CLEVELAND HEIGHTS, OHIO

Daniel R. Blank, Managing Director

Tanisha Briley, City Manager

Approved as to form and correctness:

William Hanna, Law Director

Acknowledged, Approved, Accepted and Agreed, as authorized by and on behalf of all Developer Parties:

F & C DEVELOPMENT, INC., DEVELOPER

David Flaherty, Chief Executive Officer

Proposed: 01/21/2020

ORDINANCE NO. ___-2020

By Council Member Hart

An Ordinance providing for the issuance and sale of economic development tax increment financing revenue bonds, in a principal amount not to exceed \$26,000,000, for the purpose of paying a portion of the costs of the acquisition, construction, equipping, installation, furnishing and other improvement of a project, as defined in Section 165.01 of the Revised Code; authorizing execution and delivery of a trust agreement, a loan and service payment agreement, a bond placement agreement and related agreements, instruments and documents to provide for the revenues to pay and secure bond service charges and other required payments, the custody and application of funds and revenues, the permitted uses of bond proceeds in the financing of project costs, other requirements for the issuance, sale and delivery of the bonds and related matters; and declaring an emergency.

WHEREAS, the City is authorized and empowered by virtue of the laws of the State of Ohio, including, without limitation, Section 13 of Article VIII of the Ohio Constitution and Chapter 165 of the Revised Code (“Act”), among other things, (i) to issue bonds to acquire, construct, reconstruct, equip, or improve a “project” as defined in Section 165.01 of the Revised Code, comprising an industrial, commercial or research facility, located within the boundaries of the City, for the purpose of creating or preserving jobs and employment opportunities and improving the economic welfare of the people of the City and of the State; (ii) to secure such bonds by a pledge of revenues, as provided herein; and (iii) to pass this Ordinance and to sign, deliver and enter into the agreements, instruments and other documents authorized herein on the terms and conditions provided herein; and

WHEREAS, for the purpose of creating or preserving jobs and employment opportunities and improving the economic welfare of the people of the City and the State, the City has determined to issue the economic development tax increment financing revenue bonds described herein, to provide funds necessary to pay a portion of the costs of the redevelopment by F & C Development, Inc. (together with designated affiliates, “Developer”), of the site generally known as “Top of the Hill” located on approximately four acres of land situated between Euclid Heights Boulevard and Cedar Road at the top of Cedar Hill in the City (“Project Site”), with the Top of the Hill site to be leased to the Developer pursuant to a development agreement between the City and the Developer (as supplemented and amended, “Development Agreement”), and with Project Site improvements by the Developer to include (i) approximately 261 market-rate apartments, (ii) approximately 11,400 square feet of first floor restaurant, retail and commercial space, (iii) a public parking garage resulting in approximately 550 parking spaces, (iv) public gathering and green spaces and (v) all sidewalks, driveways, access ways and utility connections necessary for the improvements described in (i) through (iv) above (“Project Improvements” and, together with the Project Site, “Project”); and

WHEREAS, this Council has previously enacted legislation relating to and approving the Development Agreement, the ground lease and redevelopment of the Project Site, the Project Improvements, the exemption of 100% of the “improvements” (herein “TIF Improvements”), as defined in or for purposes of Section 5709.41 of the Revised Code (together with related statutory provisions, “TIF Act”), from real property taxation for a period of thirty (30) years ending not later than tax year 2050 (tax collection year 2051) (“TIF Exemption”) and the imposition of requirements

for payments in lieu of such exempted taxes (collectively “Service Payments”) by the Developer and future owners of the Project (collectively “Owners”), including payments to the Cuyahoga County Fiscal Officer in the same amounts and at the same times as the taxes exempted (“Statutory Service Payments”) and such supplemental or minimum service payments as are imposed on the Project consistent herewith (“Minimum Service Payments” and, together with the Statutory Service Payments, “TIF Payments”), an agreement (as amended and supplemented, “School Compensation Agreement”) with the Board of Education of the Cleveland Heights-University Heights City School District (“School District”) relating to the compensation to be paid to the School District from any Statutory Service Payments (“School Compensation Payments”) and related matters, and has previously determined and hereby confirmed that the Project constitutes a “project” as defined in the Act, that the Project is in furtherance of the City’s plans and actions in support of urban redevelopment in the City and that the City may, under the Act, issue tax increment financing revenue bonds and loan the proceeds thereof to the Developer to finance a portion of the costs of the Project; and

WHEREAS, the Cleveland Heights Community Improvement Corporation has certified to the City that the Project is in accordance with its plan for the industrial, commercial, distribution and research development of the City, as adopted and confirmed by the City pursuant to Section 1724.10 of the Revised Code; and

WHEREAS, the Developer and the City, together with Ross, Sinclair & Associates, LLC (“Placement Agent”) have signed a Preliminary Financing Term Sheet dated January ~~24~~27, 2020 (“Term Sheet”) outlining the terms and conditions for the issuance of tax increment financing revenue bonds by the City under the Act, in an aggregate principal amount estimated not to exceed \$26,000,000, to finance a portion of the costs of the Project, a copy of which is on file with this Council; and

WHEREAS, this Council has now determined that it is necessary and desirable, and in the best interest of the City, to enact this Ordinance to authorize, approve and provide for the issuance and sale of economic development tax increment financing revenue bonds (“Bonds”), in an aggregate principal amount not to exceed \$26,000,000, the loan of the proceeds thereof to the Developer to pay or provide for a portion of the costs of the acquisition, construction, equipping, installation, furnishing and other improvement of the Project, the execution and delivery of a trust agreement, a loan and service payment agreement, a bond placement agreement and related agreements, instruments and documents (collectively “Bond Documents”) to provide for the revenues to pay and secure the payment of the principal of and the interest and any premium on the Bonds (collectively “Bond Service Charges”), administrative expenses and charges relating to the Bonds, including fees payable to the City, to the corporate bond trustee under such trust agreement (“Trustee”), to a qualified administrator appointed by the City to fulfill requirements under the Bond Documents (“Administrator”) or otherwise (collectively “Administrative Expenses” and, together with Bond Service Charges, “Bond Payments”) and to provide for the School Compensation Payments and any other required payments from the Service Payments, the custody and application of funds and revenues, the permitted uses of proceeds of the Bonds, and the requirements for the issuance, sale and delivery of the Bonds and related matters;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cleveland Heights, County of Cuyahoga, Ohio, that:

SECTION 1. Recitals and Definitions. This Council hereby adopts, confirms and restates, as fully as if set forth in this Section 1, the Recitals to this Ordinance, which are incorporated herein by reference as a statement of the findings and determinations of this Council, including as to the public purposes of the City in enacting this Ordinance, entering into the Bond Documents, issuing the Bonds and taking such other actions as are authorized by this Ordinance. In addition to the words and terms defined elsewhere in this Ordinance (including in the Recitals incorporated herein) or by reference to the Act or TIF Act, unless the context or use clearly indicates another meaning or intent:

“Administration Agreement” means an agreement for administrative services among the City, the Trustee and the Administrator appointed from time to time by the City Executive, which agreement is authorized hereby and may be amended, supplemented or replaced from time to time consistent with the Bond Legislation, the Loan/Service Agreement and the Bond Indenture.

“Bond Indenture” means the trust indenture or agreement authorized hereby between the City and the Trustee, as the same may be supplemented and amended from time to time consistent with the Bond Legislation.

“Bond Legislation” means this Ordinance, together with the Certificate of Award, as either or both may be amended or supplemented from time to time.

“Bonds” means the revenue bonds authorized in Section 3 of this Ordinance and to be issued under the Bond Indenture and designated “Taxable Economic Development TIF Revenue Bonds, Series 2020 (Top of the Hill Development Project)” or as may be otherwise approved in the Certificate of Award or the Bond Indenture.

“Certificate of Award” means the certificate to be executed by the City Executive and Director of Finance pursuant to the delegations and authorizations in this Ordinance to provide for certain terms of the Bonds and their sale and to make the additional designations, appointments or approvals authorized hereby, which may be amended or supplemented from time to time consistent with this Ordinance (as amended or supplemented to the applicable time).

“City Executive” means the City Manager or the Mayor.

“City Manager” means the City Manager, other chief administrative officer of the City, or any person serving in an interim or acting capacity with respect to such office or offices.

“Closing Date” means the date of issuance and delivery of all Bonds maturing on or before January 1, 2050.

“Continuing Disclosure Agreement” means any agreement or provisions within an agreement to provide any continuing disclosure that may be required pursuant to the Placement Agreement and by and between the City and the Administrator (or other designated agent retained for the purpose of providing such disclosure), which agreement is authorized hereby and may be amended, supplemented or replaced from time to time consistent with the Bond Legislation, the Placement Agreement and the Bond Indenture.

“County” means the County of Cuyahoga, Ohio.

“County Treasurer Agreement” means an agreement between the City and the County, acting on behalf of the County Treasurer, providing for the agreement of the County Treasurer not to sell any tax lien certificate related to the Project Site for an amount less than 100% of the applicable tax lien without consent of the City and Trustee, which agreement is authorized hereby and may be supplemented and amended from time to time consistent with the Bond Indenture.

“Deferred Delivery Dates” means July 1, 2020~~and~~, January 4, 2021, July 1, 2021 and January 3, 2022.

“Deferred Delivery Bonds” means those Bonds maturing on or after July 1, 2050.

“Delivery Dates” means the Closing Date and each of the Deferred Delivery Dates.

“Director of Finance” means the Director of Finance or any person serving in an interim or acting capacity with respect to that office.

“Director of Law” means the Director of Law or the person at the time performing the duties of the chief legal officer of the City.

“Final Maturity Date” means January 1, 2052.

“Fund” or “Funds” means, as applicable, the Special Funds and the “Project Fund” and “Surplus Fund” to be established under the Bond Indenture, together with all of the accounts (and any subaccounts in those accounts) from time to time created in such Funds in accordance with the Bond Indenture, all of which are authorized hereby.

“Ground Lease” means the Ground Lease authorized pursuant to the Development Agreement between the City, as lessor, and the Developer, as lessee (which, as used herein, includes a Ground Lease between the City and Ground Lessee and a Sub-Ground Lease, co-terminous with and including all material terms of the Ground Lease, between the Ground Lessee and the Leasehold Owner), recorded, by memorandum or otherwise on or promptly after the Closing Date, as the same may be supplemented and amended in accordance with the terms and conditions of the Bond Indenture, Loan/Service Agreement and Development Agreement

“Ground Lessee” means Cleveland Heights FC II, LLC, an Ohio limited liability company, and its successors and permitted assigns.

“Guarantor” means David M. Flaherty, an individual and Indiana resident and one of the principals of the Developer.

“Holder” or “Bondholder” means the person in whose name a Bond is registered on the Bond register maintained by the Trustee, as Bond registrar.

“Interest Payment Date” means, as to the outstanding Bonds, January 1 and July 1 of each year commencing July 1, 2020.

“Leasehold Owner” means Cleveland Heights FC III, LLC, an Ohio limited liability company, and its successors and permitted assigns.

“Loan/Service Agreement” means a loan and service agreement between the City and Leasehold Owner, as borrower, joined as to certain service agreement covenants therein by the Ground Lessee, which agreement is authorized hereby and may be amended or supplemented from time to time consistent with the Bond Legislation and the Bond Indenture.

“Maturity Dates” means January 1 and July 1 of each year from July 1, 2023 through the Final Maturity Date.

“Mayor” means the Mayor of the City or any person serving in an interim or acting capacity with respect to that office.

“Owners” means the Ground Lessee, the Leasehold Owner, their successors and any permitted transferees therefrom, as lessees of the Project Site and owners of the Project Improvements.

“Placement Agreement” means a bond placement agreement with respect to the Bonds among the City, the Placement Agent, the Developer and, if and to the extent required, the Purchaser, which agreement is authorized hereby and may be amended or supplemented from time to time consistent with the Bond Legislation and the Bond Indenture.

“Pledged Revenues” means the TIF Payments, any other payments or amounts received or to be received by or on behalf of the City pursuant to the Loan/Service Agreement, the TIF Declaration/Mortgage and the other instruments and agreements contemplated by the Bond Indenture and intended to be used for Bond Service Charges, the proceeds of the sale of the Bonds (until applied to, and subject to application for, the purposes contemplated by the Bond Indenture), all other moneys received or to be received by the City or the Trustee and intended to be used for Bond Service Charges, any moneys, investments or other assets in or to be credited to the TIF Fund or the Special Funds, and all income and profit derived from the investment of the foregoing moneys- (excepting any income or profit derived from investments in the TIF Fund). The term “Pledged Revenues” does not include any moneys or investments in the Surplus Fund, including any amounts transferred thereto to pay School Compensation Payments or otherwise constituting excess Service Payments to be applied in accordance with the Development Agreement.

“Purchaser” means, individually or collectively, the purchaser or purchasers of the Bonds, as identified by the Placement Agent in or pursuant to the Placement Agreement.

“Special Funds” means the “Revenue Fund”, the “Administrative Expense Fund”, the “Bond Fund” and the “Bond Reserve Fund” to be established under the Bond Indenture, together with all of the accounts (and any subaccounts in those accounts) from time to time created in such Funds in accordance with the Bond Indenture, all of which are authorized hereby.

“TIF Declaration/Mortgage” means an open-end mortgage and declaration of covenants and conditions relative to payments in lieu of taxes to be executed by the Owners and the City and recorded against the Project Site in the real estate records maintained by the Cuyahoga County Fiscal Officer on or promptly after the Closing Date.

“TIF Fund” means the urban redevelopment tax increment equivalent fund established by the City under the TIF Ordinance for the deposit of the Statutory Service Payments

“TIF Ordinance” means ~~Ordinance No. _____~~ the ordinance passed by this Council approving the TIF Exemption.

“Trustee” means the corporate bond trustee appointed from time to time by the City Executive under the Bond Indenture and means initially The Huntington National Bank or another corporate bond trustee appointed in the Certificate of Award and its successors and permitted assigns, including any successor Trustee appointed consistent with the Bond Indenture.

Any reference herein to the City, to this Council, or to any officer, official or member of either, includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their functions, and any document authorized hereunder may be signed on behalf of the City by an official who, on the date of signing is the proper official, although on the date of this Ordinance (or any other ordinance or instrument providing authority to act), that person was not the proper official.

Any reference to a section or provision of the Constitution of the State or the Act, the TIF Act or the Revised Code includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time; provided, that no such amendment, modification, revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this provision if it constitutes in any way an impairment of the rights or obligations of the City or the holder of the Bonds under this Ordinance, the Bond Indenture, the Bonds or any other instrument or document entered into in connection with any of the foregoing, including, without limitation, any alteration of the obligation to pay the Bond Service Charges and other Bond Payments in the amount and manner, at the times and from the sources provided in this Ordinance, except as permitted herein.

SECTION 2. Council Determinations. This Council hereby adopts and confirms its prior determinations, approvals and authorizations relating to the Project and the public purposes thereof, the Development Agreement, the Ground Lease and the issuance of the Bonds to finance a portion of the costs of the Project and, without implied limitation on the foregoing, hereby further determines or confirms that: (i) the Project is a “project” as defined in the Act and is consistent with the purposes of Section 13 of Article VIII of the Ohio Constitution and is in furtherance of the City’s plans and actions in support of urban redevelopment in the City; (ii) the acquisition, construction, equipping, installation, furnishing and other improvement of the Project, and the issuance of the Bonds and the loan of the proceeds thereof to the Leasehold Owner, is in furtherance of the purposes of the Act and will benefit the people of the City and of the State by creating and preserving jobs and employment opportunities and improving the economic welfare of the people of the City and of the State; and (iii) it is necessary and desirable, and in the best interest of the City, to enact this Ordinance to authorize, approve and provide for (A) the issuance and sale of the Bonds, in an aggregate principal amount not to exceed \$26,000,000, (B) the loan of the proceeds of the Bonds to the Leasehold Owner to pay or provide for a portion of the costs of the acquisition, construction, equipping, installation, furnishing and other improvement of the Project, (C) the execution and delivery by the City of the Bond Documents to which it is a party (“City Documents”), including the Bond Indenture, the Loan/Service Agreement, the TIF Declaration/Mortgage, the Placement Agreement, the Administration Agreement, any Continuing Disclosure Agreement and the County Treasurer Agreement, to provide for (x) the revenues necessary to pay and secure the payment of Bond Service Charges and Administrative Expenses and to provide for the School Compensation Payments and any other required payments, (y) the custody and application of funds and revenues

and the permitted uses of proceeds of the Bonds, and (z) the requirements for the issuance, sale and delivery of the Bonds and related matters.

SECTION 3. Issuance and Terms of Bonds. The Bonds shall be issued pursuant to the Bond Indenture and the Loan/Service Agreement, and shall be issued only in certificated fully-registered form, and in form and substance authorized in the Bond Indenture consistent with the Bond Legislation and otherwise approved by the City Executive, Director of Finance and Director of Law, such approvals being conclusively established by the execution and delivery thereof in accordance herewith. The Bonds shall each be dated its respective Delivery Date and shall be designated “Taxable Economic Development TIF Revenue Bonds, Series 2020 (Top of the Hill Development Project)” or as may be otherwise approved in the Certificate of Award or the Bond Indenture. The Bonds shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to this Ordinance and the Bond Indenture.

The Bonds shall be numbered in such manner as is determined by the Trustee in order to distinguish each Bond from any other Bond, shall be of such authorized denominations as are authorized by the Bond Indenture, and each Bond shall bear interest (based on a 360-day year comprised of twelve 30-day months) from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from its date. Bonds shall be exchangeable for Bonds of any authorized denomination or denominations and shall be subject to such transfer restrictions, including provision for a suitable legend evidencing those restrictions, as are further provided in or pursuant to the Bond Legislation and the Bond Indenture. Bond Service Charges shall be payable in such manner and at such place or places as are provided in the Bond Indenture.

The Bonds shall be issued in the aggregate principal amount, not to exceed \$26,000,000, established in the Certificate of Award, shall bear interest at the rate or rates, not to exceed seven percent (7.00%) per year, established in the Certificate of Award, payable on the Interest Payment Dates. The interest rate applicable to any Bond may vary from time to time in such manner as is approved in the Certificate of Award and provided for in the Bond Indenture. The Bonds shall mature serially in semiannual installments, in such amounts as are established in the Certificate of Award, on their respective Maturity Dates, each within 30 years from its respective Delivery Date, and all of the Bonds shall mature on or before the Final Maturity Date. The Bonds may be issued as one Bond, or multiple Bonds, maturing in serial installments; however, no such Bond shall bear interest at more than one rate at any particular time. The Bonds shall be subject to redemption prior to maturity at such times, in such principal amounts and at such prices as shall be established in the Certificate of Award, including redemption at the option of the City and on such notice and other conditions as shall be established in the Bond Indenture.

The principal maturities, the interest rate or rates and all other matters determined in the Certificate of Award shall be determined in the best interests of the City, shall be consistent with applicable requirements of the Development Agreement and School Compensation Agreement, and shall be established such that the Statutory Service Payments, as projected by a qualified consultant, will be sufficient in each year, together with the amounts deposited or to be deposited in the Funds for those purposes upon the Delivery Dates for the Bonds, to pay all scheduled Bond Payments and the projected School Compensation Payments payable therefrom.

The Bonds shall be signed by the City ~~Manager~~Executive and the Director of Finance, in the name of the City and in their official capacities, provided that one or both of those signatures may be a facsimile, and those officials are hereby authorized and directed to execute and deliver the Bonds in accordance herewith and with the Bond Indenture, but subject to satisfaction or waiver of any conditions stated in the Bond Legislation or the City Documents. The Bonds shall be issued and delivered on their respective Delivery Dates in the authorized denominations and numbers requested by the Placement Agent or Purchaser. A Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Legislation or the Bond Indenture unless and until a certificate of authentication on such Bond is signed by the Trustee, as registrar and authenticating agent pursuant to the Bond Indenture.

SECTION 4. Sale and Delivery of Bonds. The Bonds shall be awarded and sold to the Purchaser pursuant to the Certificate of Award and Placement Agreement, and shall be sold at a purchase price equal to not less than 97% of the aggregate principal amount thereof plus any interest accrued from their Delivery Date, with all such discount representing net original issue discount. The City Manager and Director of Finance shall, in accordance with such officers' determination of the best interests of and financial advantages to the City and based on conditions then existing in the financial markets, consistently with the provisions of this Ordinance, establish the aggregate principal amount of and interest rate or rates to be borne by the Bonds, and the maturities thereof and other terms required in this Ordinance to be set forth in the Certificate of Award, sign the Certificate of Award evidencing that sale to the Purchaser, cause the Bonds to be prepared, and have the Bonds signed and delivered to the Trustee for authentication and delivery, on the respective Delivery Dates, to the Purchaser against payment by the Purchaser on such Delivery Dates, of the purchase price or prices thereof, and they shall, in the Certificate of Award, fix the principal amount of the Bonds to be issued in an amount which will provide the moneys necessary, together with other moneys expected to be available therefor, to make the deposits and payments required by the Bond Legislation and Bond Indenture, including those amounts to be used to pay Project costs, but subject to the limitations set forth or referenced herein or in the Bond Documents.

Other terms of the Bonds and the sale thereof may be specified in the Certificate of Award including, without limitation, the compensation payable to the Placement Agent in connection with the structuring, placement and sale of the Bonds, but not to exceed 1.3% of the principal amount of the Bonds, the amount and manner of funding of the Bond Reserve Fund, the amount of interest to be paid from Bond proceeds or other sources, the amount of the City's fees to be paid or reimbursed from the proceeds of the Bonds or other sources, the amounts of other fees and expenses to be paid or reimbursed from the proceeds of the Bonds or other sources, designation of an Administrator qualified to perform the duties required under the Administration Agreement and other City Documents and, if other than as identified herein, the Trustee. Nothing herein shall require that anything be done or established in the Certificate of Award (whether or not amended or supplemented, and whether or not previously done or established in the Certificate of Award) merely because this Ordinance authorizes the same to be done or established therein, so long as such thing is done or established consistent with this Ordinance. All matters determined in the Certificate of Award, or otherwise determined consistent with this Ordinance, as the same may be amended from time to time, shall be conclusive and binding on the City. All amounts payable with respect to the Project costs including, without limitation, any interest capitalized or otherwise funded consistent with the Act, counsel fees and other fees and charges to be paid or reimbursed in connection with the structuring, placement, issuance, sale and delivery of the Bonds may be

paid or reimbursed from, and as further described herein, are hereby appropriated from the proceeds of the sale of the Bonds and any other sources made available therefor under the Loan/Service Agreement and the Bond Indenture.

The City Executive and the Director of Finance are each authorized and directed, alone or together, to make the necessary arrangements with the Placement Agent and the Purchaser to establish the date or dates, and the location or locations, procedures and conditions, for delivery of the Bonds to the Purchaser pursuant to the Placement Agreement and the Bond Indenture, and are further authorized and directed to execute and deliver the Placement Agreement, with such necessary and customary terms and conditions that are not inconsistent with the provisions of the Bond Legislation, and otherwise in form and substance approved as in the best interest of the City by the official or officials executing the ~~same~~ and approved as to form and correctness by the Director of Law; provided, that the Placement Agreement shall provide that the Bonds are sold in a private placement to one or more investors knowledgeable with respect to the nature of, and risks related to, Ohio tax increment financing revenue bonds secured by service payments imposed pursuant to the TIF Act, and are so placed based on such customary representations of the Purchaser (in the Placement Agreement, a separate “investor acknowledgment letter” or both) relating to its status as such an investor and to its knowledge, research, diligence, non-distribution and investment intent as are acceptable to the official or officials signing or approving the Placement Agreement, all of which approvals shall be evidenced conclusively by the execution and delivery of the Placement Agreement consistent with this Ordinance. It is determined by this Council that the price for and the terms of the Bonds and the sale thereof, all as provided in this Ordinance and the Certificate of Award, Placement Agreement, Bond Indenture and other Bond Documents, are in the best interests of the City and are in compliance with all legal requirements.

SECTION 5. Application of Proceeds of Bonds; Creation of Funds. The Funds are hereby authorized and directed to be created, and the proceeds from the sale of the Bonds, together with any other amounts to be delivered to the Trustee for deposit therein, shall be deposited in accordance with the Bond Indenture and the written direction of the City Executive or Director of Finance, and all such amounts so deposited shall be applied in accordance with the Loan/Service Agreement and the Bond Indenture, including to pay or reimburse Project costs in accordance therewith and to pay or reimburse closing and other transaction costs relating to the issuance of the Bonds and the financing of Project costs (including costs of issuance of the Bonds, fees and expenses of the City, costs of funding the initial deposit to the Bond Reserve Fund, costs of funding permitted interest and Administrative Expenses with respect to the Bonds), all as provided in the Bond Indenture; and the proceeds from the sale of the Bonds, and any other moneys provided by or on behalf of the City for those purposes, are hereby appropriated for those purposes. Disbursement and application of amounts deposited in the Funds (and any accounts and subaccounts established therein under the Bond Indenture, all of which are authorized hereby) shall be in accordance with the Bond Indenture and Loan/Service Agreement.

SECTION 6. Security for the Bonds. Notwithstanding anything to the contrary herein or in the Bonds or in the Bond Indenture or any Bond Document: (i) the Bonds and the Bond Service Charges thereon shall be payable solely from and secured only by the Pledged Revenues and the Special Funds, as provided herein and in the Bond Indenture; (ii) the Bonds do not and shall not represent or constitute a debt or pledge of the faith and credit of the City, and do not and shall not pledge the general credit or taxing power of the City; (ii) nothing herein or in any of the Bonds, or

in the Bond Indenture, the Loan/Service Agreement, the TIF Declaration/Mortgage or any of the Bond Documents, gives the holders or owners of the Bonds, and they do not have, the right to have excises or taxes levied by this Council, or by the City or the State, for the payment of Bond Service Charges or any other obligations under or with respect to the Bonds, the Bond Indenture or any Bond Documents; and (iv) each of the Bonds shall contain a statement to the foregoing effects; provided, however, that nothing herein shall be deemed to prohibit the City, of its own volition and upon due appropriation therefor, from using to the extent it is lawfully authorized to do so, any other resources or revenues for the fulfillment of any of the terms, conditions or obligations of the Bond Legislation, the Bond Indenture or the Bonds.

SECTION 7. City Covenants. In addition to other representations and warranties of the City contained in this Ordinance, the City covenants and agrees that:

(a) Performance of Covenants and City Actions. The City will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions to be performed on its part under the Bond Legislation and the Bonds, the Bond Documents and all proceedings of this Council pertaining thereto. The City represents that (i) it is a municipal corporation, duly organized and existing under and by virtue of the laws of the State; (ii) it is, and upon delivery of the Bonds covenants that it will be, duly authorized by the Constitution and laws of the State, to issue the Bonds, to execute and deliver the City Documents, and to provide the security for payment of the Bond Service Charges in the manner and to the extent set forth herein and in the Bond Indenture and the Bonds; (iii) all actions on its part for the issuance of the Bonds, and the loan and use of the proceeds thereof, have been or will be taken duly and effectively; and (iv) the Bonds will be a valid and enforceable special obligations of the City according to their terms. Each obligation of the City required to be undertaken pursuant to the ~~Ordinance~~Bond Legislation, the Bond Indenture and the Bonds is binding upon the City, and upon each officer or employee of the City as may from time to time have the authority under law to take any action on behalf of the City as may be necessary to perform all or any part of such obligation, as a duty of the City and of each of those officers and employees resulting from an office, trust or station within the meaning of Section 2731.01 of the Revised Code, providing for enforcement by writ of mandamus.

(b) Use of Proceeds. The City will use, or cause or require to be used, the proceeds of the Bonds to pay such costs of and relating to the Project and the Bonds as are authorized herein and in the Bond Documents.

(c) Payment of Bond Service Charges; Segregation of Funds. The City will, solely from the Pledged Revenues, pay or cause to be paid the Bond Service Charges on the dates, at the places and in the manner provided in the Bond Legislation, the Bond Indenture and the Bonds. The City will segregate, for accounting purposes, the Pledged Revenues and the Funds from all other revenues and funds of the City.

(d) Further Actions and Delivery of Instruments. The City will, at any and all times, cause to be done all such further acts and things and cause to be executed and delivered all such further instruments as may be necessary to carry out the purpose of the Bonds and the Bond Legislation or as may be required or authorized by the TIF Act, the Act, including Section 13 of Article VIII of the Ohio Constitution, the Bond Indenture or the Loan/Service Agreement, and will comply with all requirements of law applicable to the Bonds.

(e) Inspection of Project Books. All books and documents in the City's possession relating to the Project and the Pledged Revenues shall be open at all times during the City's regular business hours to inspection by such accountants or other agents of the ~~holder~~holders of the Bonds as the ~~holder~~holders of the Bonds may from time to time designate.

(f) Transcript of Proceedings. The Clerk of Council, or another appropriate officer of the City, shall furnish to the Bond Trustee a true transcript of proceedings, certified by that officer, of all proceedings had with reference to the issuance of the Bonds along with such information from its records as is necessary to determine the regularity and validity of the issuance of the Bonds.

SECTION 8. City Documents. To secure the payment of the Bond Service Charges on the Bonds as the same shall become due and payable and the performance by the City as provided in this Ordinance and in the City Documents, and to provide for the issuance and sale of the Bonds and the loan of proceeds thereof in accordance herewith to finance a portion of the costs of the acquisition, construction, installation, equipping, furnishing and other improvement of the Project Improvements, the City Executive and the Director of Finance, alone or together, are hereby authorized, for and in the name of the City and on its behalf, to execute and deliver the City Documents, and to acknowledge, approve or otherwise accept any Bond Documents benefiting the City, with such necessary and customary terms and conditions that are not inconsistent with the provisions of the Bond Legislation and otherwise in form and substance approved as in the best interest of the City by the official or officials executing, acknowledging, approving or otherwise accepting the same, and approved as to form and correctness by the Director of Law. To the extent applicable, the terms and conditions of the Bond Documents shall be in substantial conformity to the Term Sheet, but with such changes as are not inconsistent with the Bond Legislation, as are permitted by the Act and as are approved by the officer or officers executing, acknowledging, approving or otherwise accepting the Bond Documents. The approval of the City Documents, and of any other Bond Documents benefiting the City, shall be conclusively evidenced by the execution, acknowledgment, approval or acceptance of those documents by the officer or officers of the City authorized hereunder.

SECTION 9. Further Actions. The City Executive, Director of Finance, Director of Law and Clerk of Council, alone or together, are hereby further authorized and directed to execute any certifications, financing statements, assignments, memoranda, affidavits, applications, requests, consents, approvals, acknowledgments, notices, agreements, instruments and other documents, and any amendments or supplements thereto or replacements thereof, and to take such further actions as are necessary or appropriate to permit, undertake, implement, consummate and complete the transactions contemplated herein and in the Bonds and City Documents consistent with the Bond Legislation, the Bond Documents, the Development Agreement and the School Compensation Agreement and the best interests of the City, including (i) any such actions taken or to be taken either prior to or after the issuance and delivery of the Bonds, (ii) any such actions taken or to be taken in connection with disbursements of Bond proceeds or the collection, deposit, application and transfer of Service Payments, Pledged Revenues or other funds held from time to time in or to the credit of the TIF Fund or under the Bond Indenture, (iii) any such actions taken or to be taken in connection with the succession or replacement of the Trustee or Administrator, or the delivery of any credit enhancement or other additional or substitute security for the Bonds, (iv) any such actions taken or to be taken in connection with the determination, documentation or payment of School Compensation Payments, or any other amounts payable from the Statutory

Service Payments, (v) any such actions taken or to be taken in connection with any amendments or supplements to the City Documents, and (vi) any other action authorized, directed or permitted by the City Documents from time to time, all to the extent consistent with the Bond Legislation and the authority therein granted and at the time in effect.

SECTION 10. Certification and Delivery of Ordinance and Certificate of Award; Notice to Director of Development Services Agency. The Clerk of Council is directed to deliver or cause to be delivered a certified copy of this Ordinance and a signed copy of the Certificate of Award to the Cuyahoga County Fiscal Officer. The City Manager is directed to deliver or cause to be delivered written notice by certified mail to the director of the Ohio Development Services Agency advising such director of the proposed delivery of the Bonds, the principal amount thereof, the identities of the Ground Lessee and Leasehold Owner, and a general description of the Project.

SECTION 11. Satisfaction of Conditions to Issue Bonds. This Council determines that all acts and conditions necessary to be done or performed by the City or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding special obligations of the City have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

SECTION 12. Severability. Each section of this Ordinance and each subdivision of any section thereof is hereby declared to be independent, and the finding or holding of any section or subdivision of any section thereof to be invalid or void shall not be deemed nor held to affect the validity of any other section or subdivision of this Ordinance.

SECTION 13. Ratification. Each action taken by the City and any officer or official of the City in connection with the Project and the Bonds is hereby ratified and confirmed and shall be given full force and effect as of the time such action was taken.

SECTION 14. Compliance with Open Meeting Requirements. This Council finds and determines that all formal actions of this Council and of any of its committees concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council or ~~committees~~any such committee, and that all deliberations of this Council and of any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law.

SECTION 15. Captions and Headings. The captions and headings in this Ordinance are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this Ordinance unless otherwise indicated.

SECTION 16. Declaration of Emergency; Effective Date. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety of the City, and for the further reason that this Ordinance is required to be immediately effective in order to execute and deliver the City Documents and to issue and sell the Bonds, which is necessary to enable the ~~City to meet its contractual commitments for the~~ undertaking and financing of the Project consistent with the Development Agreement, and so that the City may provide for additional jobs and employment opportunities and improve the economic welfare of the City and its residents; wherefore,

ORDINANCE NO. _____-2020

this Ordinance shall be in full force and effect immediately upon its passage, provided it receives the affirmative vote of five members of Council elected thereto; otherwise, it shall be in full force and effect from and after the earliest period allowed by law.

JASON S. STEIN, Mayor
President of Council

SUSANNA NIERMANN O'NEIL
Acting Clerk of Council

PASSED: _____, 2020

Project Proceeds; (v) the City will loan the TIF Bond Proceeds to Leasehold Owner to pay a portion of the costs of the Project Improvements consistent with the Approved Project Budget; and (vi) Leasehold Owner will obtain a first-mortgage construction loan ("Construction Loan") from Goldman Sachs Bank USA ("Construction Lender") which, together with (x) City Project Proceeds plus (y) net TIF Bond Proceeds (net of all transactional and financing costs) plus (z) member-funded equity contributions to Leasehold Owner ("Member Equity"), is required to be sufficient to pay all costs of the Project Improvements consistent with the Approved Project Budget.

Developer has represented to the City that: (i) Ground Lessee will be owned and controlled entirely by principals of Developer and its affiliates through Cleveland Heights FCS, Inc., an Ohio s-corporation, (ii) Leasehold Owner will be owned entirely by Cleveland Heights FC Owners, LLC, an Ohio limited liability company ("Leasehold Owner Parent"), and (iii) Leasehold Owner and Leasehold Owner Parent will be managed and controlled by principals of Developer and its affiliates. Developer, Ground Lessee, Leasehold Owner, Leasehold Owner Parent and David M. Flaherty (an individual and Indiana resident, and herein the "Guarantor") are referred to herein, collectively, as the "Developer Parties".

This Term Sheet is provided by Ross, Sinclair & Associates, LLC ("RSA" or "Placement Agent") and the City to the Developer Parties in anticipation of entering into agreements pertaining to the structuring and marketing of the TIF Bonds and is preliminary and subject to change. It is intended to serve as the basis for such structuring and marketing, but is not definitive or complete; all terms, costs and other items included herein are preliminary and will be finalized in the documentation providing for the issuance, sale and delivery of the Bonds, including the Placement Agreement, Loan/Service Agreement, Bond Indenture, TIF Declaration/Mortgage and Guaranties, all referred to below.

Description of the Project:

Project Authorization: The Project is generally described in the Introduction to this Term Sheet and is comprised of the Project Site and Project Improvements authorized or to be authorized under each of the following: (1) the Bond Act, (2) the Development Agreement, (3) ORC §5709.41 and related statutory provisions (collectively, "TIF Act" and, together with the Bond Act, "Authorizing Acts"), (4) an Ordinance No. 116-2019 passed by City Council under the TIF Act and effective on or after January 1, 2020 ("TIF Ordinance"), and (5) an ordinance authorizing the TIF Bonds ("Bond Ordinance").

Project Costs: Project Costs payable from TIF Bond Proceeds will include costs of acquisition, construction, equipping, installation, furnishing and other improvement of the Project Site and Project Improvements and related costs permitted under the Authorizing Acts, including costs of issuing the TIF Bonds and funding required capitalized interest and reserves. Aggregate Project Costs are estimated at approximately \$74,887,107, as shown under "Preliminary Sources and Uses" below. Aggregate TIF Bond Proceeds are currently projected at up to approximately \$~~23.5~~24.2 million, with approximately \$18.~~56~~ million available, together with investment earnings on unspent construction-period TIF Bond proceeds (currently estimated at \$175,000) (collectively "Net TIF Bond Proceeds"), for construction and related costs of the Project Improvements, all as further described below under Preliminary Sources and Uses. Project Costs that cannot be funded from TIF Bond Proceeds must be funded, or available without material conditions, at or prior to the closing of the initial TIF Bond issuance ("TIF Bond Closing"), including all Construction Loan proceeds, City Project Proceeds, and member equity contributions to Leasehold Owner.

TIF Bond Proceeds: The TIF Bonds are expected to be issued in such amount as can be supported by payments in lieu of exempted taxes required under the TIF Act and TIF Ordinance ("Statutory Service Payments") derived from improvements to the Project Site Parcels, as projected by MuniCap, Inc. ("TIF Consultant") consistent with (i) such information as may be available regarding the prospective completed and stabilized tax valuation (and related timing) of the Project, and (ii) requirements under the Development Agreement and a Compensation Agreement dated March 20, 2018 between the City and the Cleveland Heights-University Heights City School District ("School District"), as supplemented by an Addendum to Compensation Agreement previously approved and to be executed prior to sale of the TIF Bonds between the City and School District (as supplemented, "School Compensation Agreement"). The net

proceeds of the TIF Bonds will be made available for and applied towards the payment of the Project Costs in accordance with (x) a Loan and Service Agreement between the City and Leasehold Owner, joined as to all Service Agreement covenants by Ground Lessee ("Loan/Service Agreement") and (y) a Trust Indenture ("Bond Indenture") between the City and a qualified corporate bond trustee ("Trustee"). Bond issuance costs and other specified Project Costs to be paid or reimbursed at or promptly after the TIF Bond Closing will be disbursed in accordance with direction given in the Bond Indenture. Funded interest and administrative expenses (for the period prior to anticipated receipt of Statutory Service Payments) will be disbursed in accordance with a schedule and direction included in the Bond Indenture. Amounts available for remaining costs of the Project Improvements will be disbursed on request of Developer, with approval of the City, in accordance with the Loan/Service Agreement and Bond Indenture.

Issuance and Sale of TIF Bonds:

Subject to approval of the Bond Ordinance by City Council, and to satisfaction of the conditions established in the Development Agreement, School Compensation Agreement, Bond Ordinance, Bond Indenture and Loan/Service Agreement, and based on satisfactory documentation and legal opinion of Squire Patton Boggs (US) LLP, bond counsel to the City ("Bond Counsel"), the City expects to issue (and the Placement Agent expects to place) the TIF Bonds to finance a portion of the costs of the Project Improvements. The TIF Bonds will be sold by the City, and placed by the Placement Agent, pursuant to a bond placement agreement ("Placement Agreement") among the Placement Agent, the City, such Developer Parties as are acceptable to the Placement Agent and City, and, if applicable, the purchaser or purchasers of the TIF Bonds (collectively, "Purchaser"). To the extent required by the Purchaser for purposes of locking an interest rate or otherwise, parties to this Term Sheet agree to review and, if necessary sign a supplemental or separate term sheet further establishing agreed material terms of the TIF Bonds.

General Terms of the TIF Bonds

Principal Amount; Term; Serial Bonds. The principal amount of TIF Bonds issued for the Project is currently not expected to exceed approximately Twenty ~~Five~~^{Six} Million Dollars (\$~~25~~²⁶,000,000) and could vary significantly based on the projected tax valuation of the Project. That principal amount (and the related Net TIF Bond Proceeds) will depend on the amount of Statutory Service Payments projected by the TIF Consultant to be generated by the "*improvement*" (as defined in the TIF Act and herein "TIF Improvement") to Project Site Parcels resulting from construction of the Project Improvements, the sale prices of and interest rates on the TIF Bonds, and other factors. The projected Statutory Service Payments ("TIF Projections") will depend on the estimated valuation of the Project, as projected by the TIF Consultant consistent with County Fiscal Office assessor valuation protocols, projected "effective tax rates" of levies exempted by the TIF Ordinance, and the limits established by the School District compensation regime under the School Compensation Agreement. The actual Statutory Service Payments will differ from the TIF Projections and the variance could be significant. Consistent with the Bond Act, City Charter and Bond Ordinance, the TIF Bonds will mature serially within 30 years from their respective dates of issuance, with a final maturity of January 1, 2052 ("Final Maturity"). TIF Bonds are expected to mature serially in semiannual installments established under the Bond Indenture on January 1 and July 1 of each year from July 1, 2023 through Final Maturity ("Maturity Dates"). The term of the TIF Bonds may be reduced based upon market conditions and will be established in the Placement Agreement.

Interest Rates; Stepped-Coupon. Interest will be payable semiannually on January 1 and July 1 of each year, commencing July 1, 2020 ("Interest Payment Dates"). It is anticipated that all outstanding TIF Bonds will bear interest at the same fixed annual interest rate at any given time, but that the Bonds will have "stepped-coupon" interest rates established in the Bond Indenture and estimated

and summarized as follows: (i) from the TIF Bond Closing date through June 30, 2028, outstanding TIF Bonds will bear interest at approximately 5.00% per year (“Initial Rate”); (ii) from July 1, 2040 until maturity and final payment, outstanding TIF Bonds will bear interest at approximately 6.00% per year (“Final Rate”); and (iii) from July 1, 2028 through June 30, 2040, outstanding TIF Bonds will bear interest at an agreed rate between the Initial Rate and the Final Rate (“Second Rate”). Interest will be calculated for all periods, including the initial period, for a 360-day year comprised of twelve 30-day months. The interest rate or rates on the TIF Bonds are subject to market conditions at the time of pricing, and will be established in the Placement Agreement and may include a floor and ceiling (based on an agreed index and margin) for the Second Rate and Final Rate; provided, that debt service coverage requirements will, in that event, be determined based on the “ceiling” rates for the Second Rate and Final Rate periods.

Sale and Delivery; Deferred Deliveries. All of the TIF Bonds will be sold under the Placement Agreement for delivery as follows: (1) Bonds maturing on or before January 1, 2050 will be authenticated and delivered to the Purchaser at TIF Bond Closing, (2) Bonds maturing on July 1, 2050 will be authenticated and delivered to the Purchaser on July 1, 2020 (“First Deferred Delivery Date”), (3) Bonds maturing on January 1, 2051 will be authenticated and delivered to the Purchaser on January 4, 2021 (“Second Deferred Delivery Date”), (4) Bonds maturing on July 1, 2051 will be authenticated and delivered to the Purchaser on July 1, 2021 (“Third Deferred Delivery Date”), and (5) Bonds maturing on January 1, 2052 will be authenticated and delivered to the Purchaser on January 3, 2022 (“Final Deferred Delivery Date”). The process for delivery of and payment for Bonds to be delivered on each “Deferred Delivery Date” will be established in the Bond Indenture and Placement Agreement.

Optional Redemption. Subject to market conditions, it is expected that the TIF Bonds will be subject to optional redemption at par approximately five (5) years after the TIF Bond Closing date.

Denominations; Form; Global Bond. TIF Bonds may be issued in “authorized denominations” of \$100,000 and any integral multiple of \$5,000 in excess thereof. The TIF Bonds will be issued in certificated fully-registered form and may be issued as one or more Bonds maturing in serial installments; provided, that no Bond shall bear interest at more than one rate at any particular time.

Revenue Bonds; Non-Recourse to City. The Bonds will be issued as tax increment financing revenue bonds secured only by (i) the revenues and security pledged and provided under the Bond Indenture, including Statutory Service Payments and “Minimum Service Payments” or related “Supplemental Payments” (collectively “TIF Payments”) and any other loan payments made under the Loan/Service Agreement, all of which will be assigned by the City to the Trustee under the Bond Indenture, (ii) the TIF Declaration/Mortgage described below, and the (iii) “Guaranties” described below; ~~and~~ The Bonds will not be secured by (i) any other revenues, including any tax revenues, of the City or (ii) any obligation of the City except the obligation to transfer the TIF Payments to the Trustee at such times as are required under the Loan/Service Agreement and Bond Indenture. As such, the TIF Bonds will be special or limited non-recourse obligations of the City and will not be considered a debt of the City.

Rating; Credit Enhancement. The TIF Bonds will not be rated by any rating agency and will be issued without bond insurance or any other similar credit enhancement.

Additional Bonds. Additional Bonds are not expected to be issuable under the Bond Indenture.

Taxable Bonds. Interest on the TIF Bonds will not be excluded from gross income for federal income tax purposes. With certain exceptions, interest on, and any profit made on the sale, exchange or other disposition of the TIF Bonds, will be exempt from Ohio state and local taxation.

Preliminary Sources and Uses:

Project Costs. The current preliminary estimated sources and uses of funds for the Project, based on current estimates, projections, market conditions and assumptions and a draft of the Approved Project Budget, are as follows:

Sources:*

Construction Loan	\$51,000,000
TIF Bond Project Fund Deposits	\$18,500,000
Construction Period <u>Proceeds, including Earnings</u> (Bond Deposits)	\$ 175
	<u>\$23,940,000</u>
City Greenhouse Purchase Price	\$ 369,632
City Project Proceeds (maximum)	\$ 1,480,368
Member Equity	\$ 3,362,257,107
Aggregate Project Sources	\$74,887,80,047,107

Uses:*

Greenhouse Purchase Price	\$ 369,632
Site Preparation	\$ 3,100,000
Architecture, Engineering and Design	\$ 3,454,675
Permitting, Etc.	\$ 250,000
<u>City Connection/Impact Fees/Permits</u>	<u>\$ 783,000</u>
Project Improvements Construction	\$56,985,000
FF&E, TI and <u>Project</u> Soft Costs	\$ 7,723
<u>6,885,550</u>	
<u>Bond/TIF Soft Costs, including Interest</u>	<u>\$ 5,465,000</u>
Contingency	\$ 3,004,250
Aggregate Project Uses	\$74,887,80,047,107

* All Project costs are preliminary, estimated, and subject to completion, execution and delivery of a “guaranteed maximum price” construction contract currently under negotiation by the Developer. Developer Member equity, and the Project sources and uses, do not include any allocation for Developer Parties’ overhead related to the Project (estimated at \$3,725,000874).

TIF Bonds. The current preliminary estimated sources and uses of funds for the TIF Bonds, based on current information, estimates, projections, market conditions and assumptions, are as follows:

Sources:*

Initial <u>TIF</u> Bond Closing	\$20,025,000,000
Deferred Deliveries	\$ 3,500,740,000
Aggregate TIF Bond Proceeds	\$22,424,23,765,000

Uses:*

Project Fund Deposits	\$18,500,300,000
Bond Reserve Fund	\$ 800,815,000
Capitalized Interest	\$ 3,175,230,000
Transaction <u>Costs of Issuance</u>	\$
800 <u>Paid/Reimbursed</u>	<u>\$ 1,200,000</u>
Other Costs (during CAPI Period)	\$ 225,220,000
Aggregate TIF Bond Uses	\$23,500,765,000

* All amounts are estimated or assumed. This assumes \$24.2 million of TIF Bonds are issued and sold at 98.2% of par. All amounts will be adjusted and

finalized (and may be adjusted significantly) as of the Initial TIF Bond Closing date to reflect market conditions and pricing, known or revised estimated interest rates, costs, principal amounts, expectations and the TIF Projections.

Security for the Bonds:

Capitalized Interest and Other Payments: Subject to legal requirements, interest on the TIF Bonds is expected to be funded and paid from TIF Bond proceeds through completion of construction of the Project Improvements and until annual Statutory Service Payments are expected to be received in sufficient amounts to pay the scheduled principal and interest on the TIF Bonds (“Bond Service Charges”) and associated “Administrative Expenses” (together with the Bond Service Charges, “Bond Payments”), including the annual or semiannual fees of the City, the Trustee and a qualified tax increment financing and/or special district administrator appointed by the City under the Bond Indenture (“TIF Administrator”), as well as anticipated additional costs of administering the trust estate under the Bond Indenture. Capitalized Bond Payments are not expected to extend beyond January 1, 2023 unless funded from Developer Party contributions (which will be required if the TIF Projections do not project a full year’s collection of Statutory Service Payments in TY22 (collection year 2023)).

Reserve Fund or Funds. From and after the TIF Bond Closing, a “Bond Reserve” shall be funded in an amount equal to average semi-annual debt service on the TIF Bonds from the TIF Bond Closing through Final Maturity (on the assumption that all Bonds to be delivered on Deferred Delivery Dates are, in fact, delivered on the applicable Deferred Delivery Date). So long as no default has occurred, the Bond Reserve requirement may be reduced in equal amounts (1/4 of original Bond Reserve requirement) on each Maturity Date beginning on July 1, 2050 – with released amounts applied to debt service due on such date[s]. In addition to the Bond Reserve, depending on the TIF Projections and marketing requirements, there may be a supplemental reserve fund requirement in place for the period through completion, valuation and first full-year Statutory Service Payment collection.

Loan and Service Agreement Covenants; TIF Declaration and Mortgage. The Loan/Service Agreement will provide for the terms of the loan of the TIF Bond Proceeds to the Leasehold Owner (“TIF Loan”). The obligation to make loan financing payments (including amounts sufficient to make all Bond Payments) will be evidenced by a promissory note delivered by the Leasehold Owner to the Bond Trustee (“TIF Loan Note”). The Loan/Service Agreement will also provide for the “service agreement” covenants of the Leasehold Owner and the joinder of the Ground Lessee therein, and such service agreement covenants shall be binding on all transferees and subsequent owners of the interests of the Developer Parties in all or any portion of the Project Site (the Ground Lessee, Leasehold Owner and all such transferees and subsequent owners, “Owners”), but subject to apportionment of payment obligations in the event the Ground Lease is subdivided in accordance with its terms. Such covenants, including (without limitation) covenants relating to development of the Project Site consistent with the Development Agreement and the Approved Project Budget, the application for the tax exemption granted under the TIF Ordinance, the statutory liens resulting from that tax exemption and the payment of all TIF Payments, in amounts sufficient to provide for all Bond Payments, will run with the land and be binding on the leasehold interests of the Ground Lessee and Leasehold Owner (and other interests derived therefrom exclusive of individual unit and store leases), and will be evidenced and secured by a declaration and open-end mortgage instrument recorded in the County real estate records, with foreclosure procedures benefiting the City and Bond Trustee, in form and substance satisfactory to the City and Placement Agent (“TIF Declaration/Mortgage”).

TIF Payments; Credits Against Loan Payments. It is anticipated that the County will collect and remit Statutory Service Payments to the City and that the City

will transmit all such amounts, within twenty-one (21) days of final settlement with the County Fiscal Officer as to any amounts received, to the Bond Trustee, as assignee. Minimum Service Payments are expected to be invoiced by the Bond Trustee pursuant to direction of the TIF Administrator approximately thirty (30) days before, and will be due and payable at least three (3) business days before, the next-succeeding semiannual Interest Payment Date. The Bonds will be secured, in part, by a senior pledge of and lien on all TIF Payments. It is expected that TIF Payments will always be sufficient to pay all Bond Payments when and as due and, if and to the extent that TIF Payments are timely made and available to make Bond Payments, such TIF Payments will be credited against the obligation of the Leasehold Owner to make payments to the Bond Trustee on the TIF Loan and TIF Loan Note.

School Compensation Payments. School Compensation Payments will be secured by a subordinate pledge of and lien on all Statutory Service Payments, and shall be paid annually within thirty (30) days after the end of each “Bond Year” (generally the period ending on a January 1 Principal Maturity date), in accordance with an acceptable report of the TIF Administrator calculating the annual School Compensation Payments due and payable for the applicable tax collection year. Any amounts remaining after the payment of all required School Compensation Payments for any year shall be applied in accordance with the 76:24 split required by the First Amendment to Development Agreement.

Owners: All Owners will be responsible for compliance with the covenants running with the land and evidenced by the TIF Declaration/Mortgage, including the Minimum Service Payment obligations. The Ground Lessee and Leasehold Owner will be the initial Owners and will be responsible for imposing all such covenants and related liens on their interests in the Project Site Parcel or Parcels, including obligations on each Owner to expressly transfer all such obligations to all succeeding Owners succeeding to such interests in any Project Site Parcel. Appropriate language consistent with the TIF Declaration/Mortgage must be included in any instrument transferring any portion of or interest in any of the Project Site Parcels to a subsequent Owner. Any such instruments shall be in form approved by the City and will require the signature of the transferee with respect to its acknowledgment and acceptance of all such covenants.

County Treasurer Agreement. To provide comfort that tax lien certificates relating to Project Site Parcels will not be sold at less than par, the County Treasurer, pursuant to an agreement with the City and/or Bond Trustee, will agree not to sell any tax lien certificate related to any Project Site Parcel for an amount less than 100% of the applicable tax lien without consent of the City and Bond Trustee.

Guaranties. The Developer Parties will jointly and severally guarantee timely completion of the Project Improvements in accordance with Development Agreement requirements under one or more completion guaranties in form and substance acceptable to the City and Placement Agent (“Completion Guaranty”). The Guarantor will guarantee the payment of all TIF Payments under a payment guaranty in form and substance acceptable to the City and Placement Agent (“Payment Guaranty”; together with the Completion Guaranty, “Guaranties”); provided, that such Payment Guaranty will be released at such time as the Statutory Service Payments have, for two consecutive tax collection years, met or exceeded 125% of the Bond Payments payable for the respective “Bond Year” ending on the January 1 immediately following the end of the applicable tax collection year.

City Requirements:

Development Agreement Generally. The Development Agreement will survive delivery of the TIF Bonds, Ground Lease and City Contribution, and completion of the Project Improvements, and the Developer Parties will confirm and perform their obligations thereunder except to the extent, if any, waived in

writing by the City. The Loan/Service Agreement will include mutual agreement as to those Development Agreement requirements satisfied and outstanding.

Loan Commitment and Annual Fees. For issuing the Bonds and making the TIF Loan, the City will charge the Leasehold Owner a loan commitment fee equal to 0.4% of the principal amount of the TIF Bonds payable, in full (as to all TIF Bonds, regardless of the Delayed Delivery Dates of certain maturities), on the ~~Initial~~TIF Bond Closing date. In addition, the Leasehold Owner shall pay the City an annual loan maintenance fee of 0.2% of the outstanding principal amount of the TIF Bonds, payable semiannually in advance beginning on the ~~Initial~~TIF Bond Closing Date (pro-rated for the period prior to the first Interest Payment Date) and thereafter on each Interest Payment Date (based on outstanding principal amount at the beginning of the interest period ending on the applicable Interest Payment Date). In addition, the Leasehold Owner will be responsible for all Bond Trustee ~~and~~ TIF Administrator fees and charges, ~~and other Administrative Expenses.~~ All such amounts due on the ~~Initial~~TIF Bond Closing date and during the period when interest is capitalized, are expected to be paid or provided for from TIF Bond Proceeds. Thereafter, all such ~~fees and charges, and any other~~ Administrative Expenses are expected to be paid from the Statutory Service Payments as part of the Bond Payments and will, to the extent established in the Bond Indenture, have priority over Bond Service Charges.

Indemnification. The Developer Parties hereby accept responsibility for and will defend and indemnify the City and Bond Trustee against all costs, expenses and liabilities relating to the issuance, administration, security and enforcement of the TIF Bonds, the construction of the Project Improvements (except to the extent payable from ~~Net~~ TIF Bond ~~proceeds~~Proceeds or ~~the~~ City Contribution), and the operation and use of the Project including, without limitation, any and all claims for damages or injury to persons or property in, on or about the Project Site or the Project Improvements. The Ground Lessee, the Leasehold Owner and any other Owner will be required to name the City and Bond Trustee as additional insureds under applicable liability policies and as loss payees on casualty policies, including builders' risk policies, insuring ~~to~~ the Project.

Inclusion and Prevailing Wages. Developer Parties shall use commercially reasonable efforts, and will require that the general contractor ("GC") use commercially reasonable efforts (including requiring subcontractors to use commercially reasonable efforts), to achieve minority and female business enterprise ("~~MBE/FBE~~") participation goals acceptable to the City in connection with the construction of the Project Improvements, including utilization of certified MBE/FBE businesses in the construction of the Project Improvements at an aggregate level of 20% or greater. In addition, Developer Parties shall use commercially reasonable efforts, and will require that the ~~general contractor~~ ("~~GC~~")GC use commercially reasonable efforts (including requiring subcontractors to use commercially reasonable efforts), to ensure that laborers and mechanics employed on the Project are paid at the prevailing rates of wages of laborers and mechanics for the class of work called for with respect to that work (determined in accordance with ORC Chapter 4115 requirements for such determinations) to the extent reasonably practicable consistent with the Approved Project Budget and, in any event, at an aggregate level of not less than 30% of related Project Costs (of laborers and mechanics employed on the Project). Representatives of Developer Parties and of GC will provide a semiannual status report to the City through completion (with the first such report due by August 1, 2020 (for the period ending June 30, 2020), with respect to then-current and cumulative MBE/FBE participation and prevailing wage payments, in the construction of the Project Improvements, and an affidavit as to cumulative MBE/FBE participation and prevailing wage payments upon completion.

Developer Parties shall also use commercially reasonable efforts, and will require that the GC use commercially reasonable efforts (including requiring subcontractors to use commercially reasonable efforts), to achieve the goals of having a majority of workers participating in construction on the Project Improvements (excluding Developer employees) being residents of northeast Ohio, and having the number of out-of-state workers (excluding Developer employees) not exceeding one-sixth (1/6) of the workforce on the Project Improvements. In furtherance of such goals, Developer and GC, together with applicable subcontractors, shall hold at least two worker outreach events in Cleveland Heights, with advance notice to the City, within six (6) months after the TIF Bond Closing date, to promote local worker participation on the Project. The Developer Parties agree to share, and will require that the GC agree to share (and require its subcontractors to share) with the City and its agents, including but not limited to the Regional Income Tax Authority, all information needed to facilitate tracking of project construction workers on a monthly basis to assure payment of appropriate income taxes due to the City from such employment.

Other Participants:

Placement Agent. The City designated RSA as the Placement Agent to market the TIF Bonds after discussion with the Developer. The TIF Bonds are expected to be privately placed by RSA with the Purchaser (expected to be one or two financial institutions, funds or other permitted investors, as established in the Bond Placement Agreement). Purchaser will provide and confirm, on delivery, representations acceptable to the City and Placement Agent regarding its investigation, investment intent, and non-distribution. Fees and expenses of RSA in structuring and placing the Bonds will be established in the Bond Placement Agreement with approval of the Developer and the City.

Bond Counsel. The City retained Squire Patton Boggs (US) LLP as Bond Counsel after discussion with the Developer. Except to the extent paid previously, or paid or reimbursed from TIF Bond proceeds, the Developer Parties accepted and hereby confirm their responsibility for the reasonable fees and expenses of Bond Counsel, whether incurred prior to or after the signing of this Term Sheet or any separate engagement agreement and whether or not any TIF Bonds are ever issued. Any fees previously paid may be reimbursed from TIF Bond proceeds.

Other Counsel. For purposes of the transactions contemplated herein, the Developer Parties have designated Thompson Hine LLP as their counsel, the City has designated Tucker Ellis LLP as its development counsel, and the Placement Agent has retained ~~_____~~ Vorys, Sater, Seymour and Pease LLP as its counsel. Associated fees and expenses relating to issuance of the Bonds and any fees and expenses of counsel to the Purchaser, are expected to be payable from proceeds of the TIF Bonds.

TIF Consultant. RSA will retain MuniCap, Inc. or other qualified consultant acceptable to the City, at the Developer's cost, for an acceptable and independent estimate of the projected Statutory Service Payments expected to be realized from the Project Site Parcels and pledged to the Bond Payments. These TIF Projections will be disclosed to the Purchasers and must show that, while taking into account all terms of the School Compensation Agreement (including no increases in valuation after valuation upon stabilization and 100% payment to the School District of Statutory Service Payments relating to any School District millage approved as new after March 20, 2018), the projected Statutory Service Payments from the Project Site Parcels (at the time of marketing the TIF Bonds) are, in each year of collection, expected to equal at least (i) 125% of the estimated Bond Payments to be paid therefrom, and (ii) 100% of the sum of the estimated Bond Payments and estimated School Compensation Payments to be paid therefrom. All related costs will be paid or reimbursed from Bond proceeds.

TIF Administrator. MuniCap, Inc., or other qualified company appointed by the City under the Bond Indenture and a separate Administration Agreement. Will be responsible for Annual and Semiannual reports relating to administration of the TIF Bonds, application of available revenues, the need for and invoicing of any Supplemental Payments and any reporting required by the Purchaser.

Trustee. ~~{The Huntington National Bank, Cincinnati corporate trust office}~~.

Timetable:

A preliminary critical path timeline has been issued and updated prior to the execution of this Term Sheet and will be further updated from time to time.

Modification:

This Term Sheet may be modified with the approval of all affected parties, but it is specifically understood and agreed that all final terms and conditions of the TIF Bonds will be established in the Financing Documents and in connection with the placement of the Bonds, and such terms and conditions may be different than those contained in this Term Sheet.

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Subject to execution on behalf of the Developer Parties of this Term Sheet, ~~and to payment of any outstanding Bond Counsel invoices,~~ the City will authorize Bond Counsel to commence drafting ~~the Bond Ordinance,~~ Financing Documents and other related documents for the issuance, sale and delivery of the TIF Bonds.

ROSS, SINCLAIRE & ASSOCIATES, LLC

CITY OF CLEVELAND HEIGHTS, OHIO

Daniel R. Blank, Managing Director

Tanisha Briley, City Manager

Approved as to form and correctness:

William Hanna, Law Director

Acknowledged, Approved, Accepted and Agreed, as authorized by and on behalf of all Developer Parties:

F & C DEVELOPMENT, INC., DEVELOPER

David Flaherty, Chief Executive Officer

Proposed: 01/21/2020

ORDINANCE NO. 6-2020 (F), *Second Reading*

By Council Member Hart

An Ordinance providing for the issuance and sale of not to exceed \$1,850,000 of economic development nontax revenue bond anticipation notes, in anticipation of the issuance of bonds, for the purpose of paying a portion of the costs of the acquisition, construction, equipping, installation, furnishing and other improvement of a project, as defined in Section 165.01 of the Revised Code, and declaring an emergency.

WHEREAS, the City is authorized and empowered by virtue of the laws of the State of Ohio, including, without limitation, Section 13 of Article VIII of the Ohio Constitution and Chapter 165 of the Revised Code, among other things, (i) to issue bond anticipation notes and bonds to acquire, construct, reconstruct, equip, or improve a “project” as defined in Section 165.01 of the Revised Code, comprising an industrial, commercial or research facility, located within the boundaries of the City, for the purpose of creating or preserving jobs and employment opportunities and improving the economic welfare of the people of the City and of the State; (ii) to secure such notes and bonds by a pledge of nontax revenues, as provided herein; and (iii) to pass this Ordinance and enter into related agreements, upon the terms and conditions provided herein; and

WHEREAS, for the purpose of creating or preserving jobs and employment opportunities and improving the economic welfare of the people of the City, the City has determined to issue the economic development nontax revenue bond anticipation notes described in Section 3, in anticipation of the issuance of the bonds described in Section 5, to provide funds necessary to pay a portion of the costs of the acquisition of a portion of, and redevelopment by F & C Development, Inc. (together with certain designated affiliates, the Developer) of, the site generally known as “Top of the Hill” located on approximately four acres of land situated between Euclid Heights Boulevard and Cedar Road at the top of Cedar Hill in the City, the Top of the Hill site being leased to the Developer pursuant to a development agreement between the City and the Developer, with improvements to include (i) approximately 261 market-rate apartments, (ii) approximately 11,400 square feet of first floor restaurant, retail and commercial space, (iii) a public parking garage resulting in approximately 550 parking spaces, (iv) public gathering and green spaces and (v) all sidewalks, driveways, access ways and utility connections necessary for the improvements described in (i) through (iv) above; and

WHEREAS, the Cleveland Heights Community Improvement Corporation, as the City’s designated community improvement corporation, has approved the project described above as a

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project in accordance with the plan for the industrial, commercial, distribution and research development of the City confirmed by the City pursuant to Section 1724.10 of the Revised Code;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cleveland Heights, County of Cuyahoga, Ohio, that:

SECTION 1. Definitions. In addition to the words and terms defined elsewhere in this Ordinance or by reference to the Act, unless the context or use clearly indicates another meaning or intent:

“Act” means Chapter 165 of the Revised Code, as enacted and amended pursuant to Section 13 of Article VIII of the Ohio Constitution.

“Bonds” means the bonds in anticipation of which the Notes are issued, the estimated terms of which are described in Section 5.

“City Manager” means the City Manager or any person serving in an interim or acting capacity with respect to that office.

“Director of Finance” means the Director of Finance or any person serving in an interim or acting capacity with respect to that office.

“Director of Law” means the Director of Law or the person at the time performing the duties of the chief legal officer of the City.

“Nontax Revenues” means all moneys of the City which are not moneys raised by taxation, to the extent available for the purpose of paying Note service charges, including, but not limited to the following: (a) proceeds from the sale or lease of all or a portion of the Project Site; (b) grants from the United States of America and the State; (c) payments in lieu of taxes now or hereafter authorized by State statute to the extent not pledged to pay debt charges on other City indebtedness; (d) fines and forfeitures which are deposited in the City’s General Fund; (e) fees deposited in the City’s General Fund for services provided and from properly imposed licenses and permits; (f) investment earnings on the City’s General Fund and which are credited to the City’s General Fund; (g) investment earnings on other funds of the City that are credited to the City’s General Fund, including, without limitation, investment earnings on the Project Fund which are paid into the General Fund; (h) proceeds from the sale of assets which are deposited in the City’s General Fund; (i) gifts and donations; (j) all rental payments which are deposited in the City’s General Fund; and (k) any moneys in the Project Fund which are not needed to pay costs of the Project.

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“Note Purchase Agreement” means a note purchase agreement, if any, between the City and the Original Purchaser of the Notes.

“Note service charges” means, for any period of time, the principal of and interest required to be paid by the City on the Notes for such time period.

“Notes” means the Economic Development Nontax Revenue Bond Anticipation Notes, Series 2020 (Top of the Hill Project), authorized in Section 3.

“Ordinance” means this Ordinance as amended or supplemented from time to time.

“Original Purchaser” means the purchaser to whom the Notes are sold in accordance with Section 7.

“Parity Obligations” means bonds, notes or other obligations of or guaranties by the City payable from Nontax Revenues on a parity with or prior to the Notes or Bonds.

“Paying Agent” means a bank or trust company designated by the Director of Finance to serve as paying agent for the Notes in the Certificate of Award, or the Director of Finance if agreed to by the Director of Finance and the Original Purchaser.

“Project” means the acquisition of a portion of, and redevelopment by F & C Development, Inc. (together with certain designated affiliates) of, the Project Site, with improvements to include (i) approximately 261 market-rate apartments, (ii) approximately 11,400 square feet of first floor restaurant, retail and commercial space, (iii) a public parking garage resulting in approximately 550 parking spaces, (iv) public gathering and green spaces and (v) all sidewalks, driveways, access ways and utility connections necessary for the improvements described in (i) through (iv) above.

“Project Fund” means the Project Fund described in Section 8.

“Project Site” means the approximately four acres of land situated between Euclid Heights Boulevard and Cedar Road at the top of Cedar Hill in the City.

Any reference herein to the City, to this Council, or to any officer or member of either, includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their functions.

Any reference to a section or provision of the Constitution of the State or the Act or the Revised Code includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time; provided, that no such amendment, modification,

revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this provision if it constitutes in any way an impairment of the rights or obligations of the City or the holder of the Notes under this Ordinance, the Notes or any other instrument or document entered into in connection with any of the foregoing, including, without limitation, any alteration of the obligation to pay the Note service charges in the amount and manner, at the times and from the sources provided in this Ordinance, except as permitted herein.

SECTION 2. Council Determinations. This Council determines that (i) the Project is a “project” as defined in the Act and is consistent with the purposes of Section 13 of Article VIII of the Ohio Constitution; (ii) the utilization of the Project is in furtherance of the purposes of the Act and will benefit the people of the City and of the State by creating and preserving jobs and employment opportunities and improving the economic welfare of the people of the City and of the State; and (iii) it is necessary for the City to borrow money, by the issuance and sale of the Notes, as provided herein, to provide funds necessary to pay a portion of the costs of the Project.

SECTION 3. Authorized Principal Amount of Notes; Dating; Interest Rate; Parity Obligations. This Council determines it to be necessary to issue, and the City shall, issue, sell and deliver, as provided and authorized herein the Notes, in anticipation of the issuance of Bonds, in an aggregate principal amount not to exceed \$1,850,000 for the purpose of paying a portion of the costs of the Project. The Notes shall be designated “Economic Development Nontax Revenue Bond Anticipation Notes, Series 2020 (Top of the Hill Project)”, or as otherwise designated by the Director of Finance in the Certificate of Award (as defined below).

The Notes shall be dated the date of issuance and shall mature one year from the date of issuance; provided that the Director of Finance may, if it is determined to be necessary or advisable to the sale of the Notes, establish a maturity date that is any date up to one year from the date of issuance by setting forth that maturity date in the certificate signed in accordance with Section 7 (the Certificate of Award). The Notes shall bear interest at a rate not to exceed 4% per year (computed on the basis of a 360-day year consisting of 12 30-day months), payable at maturity and until the principal amount is paid or payment is provided for. The aggregate principal amount of and rate of interest on the Notes shall be determined by the Director of Finance in the Certificate of Award.

The City may in the future issue Parity Obligations. The Director of Finance may agree in the Certificate of Award to reasonable limits on the future issuance of Parity Obligations, consistent with that officer’s determination of the best interest of and financial advantages to the City; provided, that any limit on the maximum annual aggregate of estimated service charges on the Bonds and required payments on any existing Parity Obligations and proposed Parity Obligations payable from Nontax Revenues shall not be less than 50% of estimated Nontax Revenues for the fiscal year immediately following the issuance of the proposed Parity Obligations.

SECTION 4. Payment of Debt Charges; Paying Agent; Prepayment. The Note service charges shall be payable in lawful money of the United States of America, or in Federal Reserve funds of the United States of America, as determined by the Director of Finance in the Certificate of Award, and shall be payable, without deduction for services of the Paying Agent, at the designated office of the Paying Agent.

If agreed to by the Original Purchaser, the Notes shall be prepayable in whole or in part, without penalty or premium, at the option of the City, at any time or at any time following a period of no prepayment agreed to by the Original Purchaser (the Prepayment Date). Prepayment prior to maturity shall be made by deposit with the Paying Agent of the principal amount of the Notes to be prepaid, together with interest accrued thereon to the Prepayment Date. The City's right of prepayment shall be exercised by mailing a notice of prepayment, stating the principal amount to be prepaid, the Prepayment Date and the name and address of the Paying Agent, by certified or registered mail to the Original Purchaser of the Notes not less than 30 days prior to the Prepayment Date, unless such notice is waived by the Original Purchaser. If money for prepayment is on deposit with the Paying Agent on the Prepayment Date following the giving of that notice, interest on the principal amount prepaid shall cease to accrue on the Prepayment Date. The Director of Finance may request the Original Purchaser of the Notes to use its best efforts to arrange for the delivery of the Notes at the designated office of the Paying Agent for prepayment, surrender and cancellation if the Notes have been prepaid in whole, or for replacement with a Note or Notes in the principal amount then outstanding, if the Notes has been prepaid in part.

SECTION 5. Estimated Bond Terms. It is necessary that Bonds be issued in an aggregate principal amount not to exceed \$1,850,000 for the purpose of paying a portion of the costs of the Project, which Bonds are anticipated to be dated approximately February 1, 2021, shall bear interest at the now estimated rate of 6% per year, payable semiannually until the principal amount is paid; and such Bonds are estimated to mature in 30 annual principal installments on December 1 of each year that are in such amounts that the total principal and interest payments on the Bonds in any fiscal year in which principal is payable are not more than three times the amount of those payments in any other fiscal year. Nothing in this Ordinance shall prevent the City from retiring all or any portion of the Notes with the proceeds of bond anticipation notes, or with the proceeds of Bonds or other obligations containing terms different than those described in this Ordinance.

SECTION 6. Execution of Notes; Book Entry System. The Notes shall be signed by the City Manager and the Director of Finance, in the name of the City and in their official capacities, provided that one of those signatures may be a facsimile. The Notes shall be issued in the denominations and numbers as requested by the Original Purchaser and approved by the Director of Finance, provided that no Note shall be issued in a denomination less than \$100,000. The entire principal amount may be represented by a single note and may be issued as fully registered securities (for which the Director of Finance will serve as note registrar) and in book entry or other uncertificated

form in accordance with Section 9.96 and Chapter 133 of the Revised Code if it is determined by the Director of Finance that issuance of fully registered securities in that form will facilitate the sale and delivery of the Notes. The Notes shall not have coupons attached, shall be numbered as determined by the Director of Finance and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to this Ordinance. As used in this Section and in this Ordinance:

“Book entry form” or “book entry system” means a form or system under which (i) the ownership of beneficial interests in the Notes and the principal of, and interest on, the Notes may be transferred only through a book entry, and (ii) a single physical Note certificate is issued by the City and payable only to a Depository or its nominee, with such Notes deposited and maintained in the custody of the Depository or its agent for that purpose. The book entry maintained by others than the City is the record that identifies the owners of beneficial interests in the Notes and that principal and interest.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its Participants or otherwise, a book entry system to record ownership of beneficial interests in the Notes or the principal of, and interest on, the Notes and to effect transfers of the Notes, in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Participant” means any participant contracting with a Depository under a book entry system and includes security brokers and dealers, banks and trust companies, and clearing corporations.

The Notes may be issued to a Depository for use in a book entry system and, if and as long as a book entry system is utilized, (i) the Notes may be issued in the form of a single Note made payable to the Depository or its nominee and deposited and maintained in the custody of the Depository or its agent for that purpose; (ii) the beneficial owners in book entry form shall have no right to receive the Notes in the form of physical securities or certificates; (iii) ownership of beneficial interests in book entry form shall be shown by book entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of beneficial interests shall be made only by book entry by the Depository and its Participants; and (iv) the Notes as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the City.

If any Depository determines not to continue to act as a Depository for the Notes for use in a book entry system, the Director of Finance may attempt to establish a securities depository/book entry relationship with another qualified Depository. If the Director of Finance does not or is unable to do so, the Director of Finance, after making provision for notification of the beneficial owners by the then Depository and any other arrangements deemed necessary, shall permit withdrawal of the Notes

from the Depository, and shall cause the Notes in bearer or payable to order form to be signed by the officers authorized to sign the Notes and delivered to the assigns of the Depository or its nominee, all at the cost and expense (including any costs of printing), if the event is not the result of City action or inaction, of those persons requesting such issuance.

The Director of Finance is also hereby authorized and directed, to the extent necessary or required, to enter into any agreements determined necessary in connection with the book entry system for the Notes, after determining that the signing thereof will not endanger the funds or securities of the City.

SECTION 7. Award and Sale of the Notes.

(a) To the Original Purchaser. The Notes shall be sold at not less than 97% of par at private sale by the Director of Finance in accordance with law and the provisions of this Ordinance. The Director of Finance shall, in accordance with that officer's determination of the best interests of and financial advantages to the City and based on conditions then existing in the financial markets, consistently with the provisions of this Ordinance, establish the aggregate principal amount of and interest rate to be borne by the Notes and their maturity and other terms required in this Ordinance to be set forth in the Certificate of Award, sign the Certificate of Award evidencing that sale to the selected Original Purchaser, cause the Notes to be prepared, and have the Notes signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Notes if requested by the Original Purchaser, to the Original Purchaser upon payment of the purchase price.

A Note Purchase Agreement is approved, and the City Manager and the Director of Finance are authorized to sign and deliver, on behalf of the City, the Note Purchase Agreement with such necessary and customary terms and conditions that are not inconsistent with the provisions of this Ordinance, are not materially adverse to the interests of the City and are approved by the City Manager and the Director of Finance. Such approval by the City Manager and the Director of Finance shall be evidenced conclusively by the signing of the Note Purchase Agreement by the City Manager and the Director of Finance.

The City Manager, the Director of Finance, the Director of Law, the Clerk of Council and other City officials, as appropriate, are each authorized and directed to sign any transcript certificates, financial statements, paying agent agreement, term sheet, placement agreement and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this Ordinance.

(b) Application for Rating; Financing Costs. The Director of Finance is authorized to request a rating for the Notes from one or more nationally-recognized rating agencies in connection with the sale and issuance of the Notes. The expenditure of the amounts necessary to secure those

rating(s) and to pay the other financing costs (as defined in Section 133.01 of the Revised Code) in connection with the Notes is authorized and approved, and the Director of Finance is authorized to provide for the payment of any such amounts and costs from the proceeds of the Notes to the extent available and otherwise from any other funds lawfully available that are appropriated or shall be appropriated for that purpose.

SECTION 8. Appropriation and Expenditure of Proceeds of Notes; Project Fund. The proceeds from the sale of the Notes shall be deposited and credited to a separate account or fund (the Project Fund). Moneys in the Project Fund shall be invested in accordance with the provisions of the City's Charter, Codified Ordinances and investment policy. Those proceeds are hereby appropriated and shall be used to pay costs of the Project, including, without limitation, financing costs in connection with the issuance of the Notes and reimbursement of any funds advanced to pay costs of the Project by the City, and are hereby appropriated for that purpose. The expenditure of funds for the foregoing purpose is hereby authorized.

SECTION 9. Payment and Security of the Notes. The Notes and the Bonds shall be special obligations of the City, and the Note service charges on the Notes and the debt charges on any Bonds issued to retire the Notes shall be payable solely from the Nontax Revenues, and the payment of Note service charges is secured by a pledge of and lien on the Nontax Revenues on deposit in the Bond Fund, as described below. The Notes and any Bonds issued to retire the Notes are not and shall not be secured by an obligation or pledge of any money raised by taxation. The Notes and any Bonds issued to retire the Notes do not and shall not represent or constitute a debt or pledge of the faith and credit or taxing power of the City, and the holder or holders thereof have and shall have no right to have taxes levied by the City for the payment of Note service charges on the Notes or debt charges on any Bonds issued to retire the Notes.

There is hereby created a separate account or fund designated as the "Top of the Hill Retirement Fund" (the Note Fund) into which Nontax Revenues shall be deposited on or prior to the date of maturity of the Notes in an amount sufficient to pay Note service charges on the Notes. The City covenants and agrees that while the Notes are outstanding, it will appropriate and maintain Nontax Revenues at such times and in such amounts as will be sufficient, together with the proceeds of the Bonds or renewal notes issued in anticipation of the Bonds available for the purpose, to pay the Note service charges on the Notes and required payments on Parity Obligations when due and will so restrict the issuance of future Parity Obligations as will ensure the continuing availability for appropriation of sufficient Nontax Revenues to pay Note service charges and required payments on outstanding Parity Obligations when due, which Nontax Revenues are hereby selected by the City pursuant to Section 165.12 of the Revised Code as moneys that are not raised by taxation.

The par value to be received from the sale of any Bonds issued to retire the Notes or of any renewal notes and any excess funds resulting from the issuance of the Notes shall, to the extent

necessary, be used to pay the Note service charges on the Notes at maturity and are pledged for that purpose.

Nothing herein shall be construed as requiring the City to use or apply to the payment of Note service charges on the Notes any funds or revenues from any source other than Nontax Revenues. Nothing herein, however, shall be deemed to prohibit the City, of its own volition, from using, to the extent that it is authorized by law to do so, any other resources for the fulfillment of any of the terms, conditions or obligations of this Ordinance or of the Notes.

SECTION 10. City Covenants. In addition to other representations and warranties of the City contained in this Ordinance, the City covenants and agrees that:

(a) Payment of Note Service Charges. Except to the extent paid from the proceeds of refunding bond anticipation notes or the Bonds, the City will, solely from the Nontax Revenues, pay or cause to be paid the Note service charges on the dates, at the places and in the manner provided herein and in the Notes. For that purpose, in each year while the Notes are outstanding, this Council, after providing for the payment of debt charges payable on the City's general obligation securities in that year from sources available for that purpose, will appropriate Nontax Revenues required to pay, and for the purpose of paying, the Note service charges due and required payments on Parity Obligations due in that year. Further, this Council will give effect to such appropriations in all ordinances it passes thereafter in that year appropriating money for expenditure and encumbrance and limit the other appropriations of Nontax Revenues in that year to the amount available after deducting the amount required for the payment of debt charges payable on the City's general obligation securities and to pay those Note service charges and required payments on Parity Obligations.

(b) Performance of Covenants and City Actions. The City will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions to be performed on its part under this Ordinance and the Notes and under all proceedings of this Council pertaining thereto. The City represents that (i) it is a municipal corporation, duly organized and existing under and by virtue of the laws of the State; (ii) it is, and upon delivery of the Notes covenants that it will be, duly authorized by the Constitution and laws of the State, to issue the Notes and any Bonds issued to retire the Notes and to provide the security for payment of the Note service charges in the manner and to the extent set forth herein and in the Notes; (iii) all actions on its part for the issuance of the Notes have been or will be taken duly and effectively; and (iv) the Notes will be a valid and enforceable special obligations of the City according to their terms. Each obligation of the City required to be undertaken pursuant to the Ordinance and the Notes is binding upon the City, and upon each officer or employee of the City as may from time to time have the authority under law to take any action on behalf of the City as may be necessary to perform all or any part of such obligation, as a duty of the City and of each of those officers and employees resulting from an office, trust or

station within the meaning of Section 2731.01 of the Revised Code, providing for enforcement by writ of mandamus.

(c) Inspection of Project Books. All books and documents in the City's possession relating to the Project and the Nontax Revenues shall be open at all times during the City's regular business hours to inspection by such accountants or other agents of the holder of the Notes as the holder of the Notes may from time to time designate.

(d) Transcript of Proceedings. The Clerk of Council, or another appropriate officer of the City, shall furnish to the Original Purchaser a true transcript of proceedings, certified by that officer, of all proceedings had with reference to the issuance of the Notes along with such information from the records as is necessary to determine the regularity and validity of the issuance of the Notes.

SECTION 11. Federal Tax Considerations. The City covenants that it will use, and will restrict the use and investment of, the proceeds of the Notes in such manner and to such extent as may be necessary so that (a) the Notes will not (i) constitute private activity bonds or arbitrage bonds under Sections 141 or 148 of the Internal Revenue Code of 1986, as amended (the Code), or (ii) be treated other than as bonds the interest on which is excluded from gross income under Section 103 of the Code, and (b) the interest on the Notes will not be an item of tax preference under Section 57 of the Code.

The City further covenants that (a) it will take or cause to be taken such actions that may be required of it for the interest on the Notes to be and remain excluded from gross income for federal income tax purposes, (b) it will not take or authorize to be taken any actions that would adversely affect that exclusion, and (c) it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Notes to the governmental purpose of the borrowing, (ii) restrict the yield on investment property, (iii) make timely and adequate payments to the federal government, (iv) maintain books and records and make calculations and reports and (v) refrain from certain uses of those proceeds, and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

The Director of Finance or any other officer of the City having responsibility for issuance of the Notes is hereby authorized (a) to make or effect any election, selection, designation (including specifically designation of the Notes as "qualified tax-exempt obligations" if such designation is applicable and desirable, and to make any related necessary representations and covenants), choice, consent, approval, or waiver on behalf of the City with respect to the Notes as the City is permitted to or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for in or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Notes or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such

compliance, reducing the rebate amount or payments or penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Notes, and (c) to give one or more appropriate certificates of the City, for inclusion in the transcript of proceedings for the Notes, setting forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Notes, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Notes.

SECTION 12. Discharge of Notes and Related Covenants. If the City shall pay or cause to be paid and discharged the Notes, the covenants, agreements and other obligations of the City hereunder and in the Notes shall be discharged and satisfied.

SECTION 13. Payments on Sundays and Legal Holidays. If any date on which Note service charges are due shall be a Sunday or a day on which the holder of the Notes is required, or authorized or not prohibited, by law (including executive orders) to close and is closed, then payment of Note service charges need not be made on that date but may be made on the next succeeding business day on which the holder is open for business with the same force and effect as if made on the due date and no interest shall accrue for the period after that date.

SECTION 14. Notification of Note Issuance. The City Manager is directed to deliver or cause to be delivered the notification required by Section 165.03(D) of the Revised Code to the Director of the Ohio Development Services Agency.

SECTION 15. Satisfaction of Conditions to Issue Notes. This Council determines that all acts and conditions necessary to be done or performed by the City or to have been met precedent to and in the issuing of the Notes in order to make them legal, valid and binding special obligations of the City have been performed and have been met, or will at the time of delivery of the Notes have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Notes.

SECTION 16. Severability. Each section of this Ordinance and each subdivision of any section thereof is hereby declared to be independent, and the finding or holding of any section or subdivision of any section thereof to be invalid or void shall not be deemed nor held to affect the validity of any other section or subdivision of this Ordinance.

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SECTION 17. Ratification. Each action taken by the City and any officer of the City in connection with the Project and the Notes is hereby ratified and confirmed and shall be given full force and effect as of the time such action was taken.

SECTION 18. Compliance with Open Meeting Requirements. This Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council or committees, and that all deliberations of this Council and any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law.

SECTION 19. Captions and Headings. The captions and headings in this Ordinance are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this Ordinance unless otherwise indicated.

SECTION 20. Declaration of Emergency; Effective Date. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety of the City, and for the further reason that this Ordinance is required to be immediately effective in order to issue and sell the Notes, which is necessary to enable the City to meet its contractual commitments for the undertaking of the Project and so that the City may provide for additional jobs and employment opportunities and improve the economic welfare of the City and its residents; wherefore, this Ordinance shall be in full force and effect immediately upon its passage, provided it receives the affirmative vote of five members of Council elected thereto; otherwise, it shall be in full force and effect from and after the earliest period allowed by law.

JASON S. STEIN, Mayor
President of Council

SUSANNA NIERMANN O'NEIL
Acting Clerk of Council

PASSED: _____, 2020

Proposed: 02/03/2020

RESOLUTION NO. 11-2020 (MS)

By Council Member

A Resolution authorizing the City Manager to enter into an agreement with Wade Trim, Inc. of Ohio, for professional design, bid, and construction administration services relating to the Delamere Drive Basement Flooding Relief Project; and declaring an emergency.

WHEREAS, pursuant to Ohio Revised Code Chapter 6119, generally, and Ohio Revised Code Section 6119.06(F), the Northeast Ohio Regional Sewer District (“NEORS”) established a Member Community Infrastructure Program to provide water resource project funding opportunities to member communities or other eligible political subdivisions for sewer infrastructure projects in NEORS’s service area; and

WHEREAS, this Council, by Resolution No. 97-2019, authorized acceptance of funds offered by NEORS under the 2020 Member Community Infrastructure Grant Program for the Delamere Drive Basement Flooding Relief Project, which focuses on relieving chronic basement and overland flooding concentrated on Delamere Drive and nearby Nottinghill Lane, Tudor Drive and Woodmere Road; and

WHEREAS, the total funds awarded to the City under the program for the Delamere Drive Basement Flooding Relief Project is \$1,337,898.000; and

WHEREAS, the City requires professional design, bid, and construction administration services for the Delamere Drive Basement Flooding Relief Project; and

WHEREAS, the City Manager has recommended that the services proposed by Wade Trim, Inc. of Ohio best meet the City’s needs; and

WHEREAS, such services are professional services for which no bidding is necessary.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Cleveland Heights, Ohio, that:

SECTION 1. The City Manager be, and she is hereby, authorized to enter into an agreement with Wade Trim, Inc. of Ohio, for professional design, bid, and construction administration services relating to the Delamere Drive Basement Flooding Relief Project. The contract shall be in accordance with the terms and conditions set forth in the proposed agreement for professional services submitted by Wade Trim, Inc. of Ohio, a copy of which is on file with the Clerk of Council. Compensation for the services detailed therein shall not exceed Three Hundred Thirty-Two Thousand Two Hundred Dollars (\$332,200.00), with such funds to be derived from the Northeast Ohio Regional Sewer District 2020 Member Community Infrastructure

RESOLUTION NO. 11-2020 (MS)

Grant Program for the Delamere Drive Basement Flooding Relief Project. All agreements hereunder shall be approved as to form and subject to the final approval of the Director of Law.

SECTION 2. Notice of the passage of this Resolution shall be given by publishing the title and abstract of its contents, prepared by the Director of Law, once in one newspaper of general circulation in the City of Cleveland Heights.

SECTION 3. This Resolution is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health and safety of the inhabitants of the City of Cleveland Heights, such emergency being the need to commence the above-described project at the earliest possible time to protect the safety and welfare of those persons affected by the chronic flooding. Wherefore, provided it receives the affirmative vote of five (5) or more of the members elected or appointed to this Council, this Resolution shall take effect and be in force immediately upon its passage; otherwise, it shall take effect and be in force from and after the earliest time allowed by law.

JASON S. STEIN, Mayor
President of Council

SUSANNA NIERMANN O'NEIL
Acting Clerk of Council

PASSED:

**STANDARD FORM
OF AGREEMENT
BETWEEN OWNER AND
DESIGN PROFESSIONAL
FOR
PROFESSIONAL SERVICES**

*ON
THE FOLLOWING PROJECT:*

Delamere Drive Basement Flooding Relief Design, Bid and Construction
Administration Services

Source Document: Engineers Joint Contract Documents Committee
EJCDC E-500 (2008 Edition)

01/29/2020

Standard Form of Agreement Between Owner and Design Professional for Professional Services

THIS IS AN AGREEMENT effective as of _____, 2020 ("Effective Date") between The City of Cleveland Heights ("Owner") and Wade Trim Inc. of Ohio ("Design Professional"). Owner's Project, of which Design Professional's services under this Agreement are a part, is generally identified as follows: Delamere Drive Basement Flooding Relief Design, Bid and Construction Administration Services

("Project"). Design Professional's services under this Agreement are generally identified as follows: Design, Bid and Construction Admin Service, see attached Exhibit A for specific scope

Owner and Design Professional further agree as follows:

ARTICLE 1 – SERVICES OF DESIGN PROFESSIONAL

1.1 Scope

1.1.1 Design Professional shall provide, or cause to be provided, the services set forth herein and in Exhibit A.

ARTICLE 2 – OWNER'S RESPONSIBILITIES

2.1 General

2.1.1 Owner shall have the responsibilities set forth herein and in Exhibit B.

2.1.2 Owner shall pay Design Professional as set forth in Exhibit C.

2.1.3 Owner agrees to establish an allowance for additional services equal to not less than 10% of the Compensation for Basic Services specified in Exhibit C.

2.1.4 Owner shall be responsible for, and Design Professional may rely upon, the accuracy and completeness of all requirements, programs, instructions, reports, data, and other information furnished by Owner to Design Professional pursuant to this Agreement. Design Professional may use such requirements, programs, instructions, reports, data, and information in performing or furnishing services under this Agreement.

2.1.5 Owner shall give prompt written notice to Design Professional whenever Owner observes or otherwise reasonably should have become aware of:

A. Any development that affects the scope or time of performance of Design Professionals' services;

B. The presence at the Site of any Constituent of Concern; or

C. Any relevant, material defect or nonconformance in Engineer's services. Failure of Owner to provide specific written notice to Design Professional of any relevant material defect or nonconformance in Design Professional's services as required herein shall constitute an absolute bar and waiver of any right of Owner to make a claim against Design Professional for any such material defect or nonconformance

or to withhold payment from Design Professional using as a basis any such relevant, material defect or nonconformance.

D. Any relevant, material defect or nonconformance in (a) the work, (b) the performance of any Contractor or Subcontractor, or (c) Owner's performance of its responsibilities under this Agreement. Failure of Owner to provide specific written notice to Design Professional of any such relevant material defect or nonconformance shall constitute an absolute bar and waiver of any right of Owner to make a claim against Design Professional for any such material defect or nonconformance or to withhold payment from Design Professional using as a basis any such material defect or nonconformance except to the extent that Owner can conclusively demonstrate that Design Professional knew of such relevant, material defect or nonconformance.

ARTICLE 3 – SCHEDULE FOR RENDERING SERVICES

3.1 Commencement

3.1.1 Design Professional is authorized to begin rendering services as of the Effective Date.

3.2 Time for Completion

3.2.1 Design Professional shall complete its obligations within a reasonable time unless specific periods of time for rendering services are set forth or specific dates by which services are to be completed are provided in Exhibit A.

3.2.2 If, through no fault of Design Professional, such periods of time or dates are changed, or the orderly and continuous progress of Design Professional's services is impaired, or Design Professional's services are delayed or suspended, then the time for completion of Design Professional's services, and the rates and amounts of Design Professional's compensation, shall be adjusted equitably.

3.2.3 If Owner authorizes changes in the scope, extent, or character of the Project, then the time for completion of Design Professional's services, and the rates and amounts of Design Professional's compensation, shall be adjusted equitably.

3.2.4 Owner shall make decisions and carry out its other responsibilities in a timely manner so as not to delay the Design Professional's performance of its services.

3.2.5 If Design Professional fails, through its own fault, to complete the performance required in this Agreement within the time set forth, as duly adjusted, then Owner shall be entitled, as its sole remedy, to the recovery of direct damages, if any, resulting from such failure. Specifically excluded are claims for damages related or pertaining to lost rent, losses of use, income, profit, business and reputation, and for loss of management or employee productivity or of the services of such persons.

ARTICLE 4 – INVOICES AND PAYMENTS

4.1 Invoices

4.1.1 *Preparation and Submittal of Invoices:* Design Professional shall prepare invoices in accordance with its standard invoicing practices and the terms of Exhibit C. Design Professional shall submit its invoices to Owner on a monthly basis. Invoices are due and payable within 30 days of receipt.

4.2 Payments

4.2.1 *Application to Interest and Principal:* Payment will be credited first to any interest owed to Design Professional and then to principal.

4.2.2 *Failure to Pay:* If Owner fails to make full payment due Design Professional for services and expenses within 30 days after receipt of Design Professional's invoice, then:

A. Amounts due Design Professional will be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day; and

B. Design Professional may, after giving seven days written notice to Owner, suspend services under this Agreement until Owner has paid in full all amounts due for services, expenses, and other related charges. Owner waives any and all claims against Design Professional for any such suspension.

4.2.3 *Disputed Invoices:* If Owner contests an invoice, Owner shall advise Design Professional within 30 days of receipt of invoice of the specific basis for doing so, may withhold only that portion so contested, and must pay the undisputed portion in accordance with this Article 4.2.3.

4.2.4 *Legislative Actions:* If after the Effective Date any governmental entity takes a legislative action that imposes taxes, fees, or charges on Design Professional's services or compensation under this Agreement, then the Design Professional may invoice such new taxes, fees, or charges as a Reimbursable Expense to which a factor of 1.0 shall be applied. Owner shall reimburse Design Professional for the cost of such invoiced new taxes, fees, and charges; such reimbursement shall be in addition to the compensation to which Design Professional is entitled under the terms of Exhibit C.

ARTICLE 5 – OPINIONS OF COST

5.1 Opinions of Probable Construction Cost

5.1.1 Design Professional's opinions of probable Construction Cost are to be made on the basis of Design Professional's experience and qualifications and represent Design Professional's best judgment as an experienced and qualified professional generally familiar with the construction industry. However, because Design Professional has no control over the cost of labor, materials, equipment, or services furnished by others, or over contractors' methods of determining prices, or over competitive bidding or market conditions, Design Professional cannot and does not guarantee that proposals, bids, or actual Construction Cost will not vary from opinions of probable Construction Cost prepared by Design Professional. If Owner requires greater assurance as to probable Construction Cost, Owner must employ an independent cost estimator.

5.2 Opinions of Total Project Costs

5.2.1 The services, if any, of Design Professional with respect to Total Project Costs shall be limited to assisting the Owner in collating the various cost categories which comprise Total Project Costs. Design Professional assumes no responsibility for the accuracy of any opinions of Total Project Costs.

ARTICLE 6 – GENERAL CONSIDERATIONS

6.1 Standards of Performance

6.1.1 *Standard of Care:* The standard of care for all Design Professional and related services performed or furnished by Design Professional under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. Design Professional makes no warranties, express or implied, under this Agreement or otherwise, in connection with Design Professional's services.

6.1.2 *Technical Accuracy.* Owner shall not be responsible for discovering deficiencies in the technical accuracy of Design Professional's services. Design Professional shall correct deficiencies in technical accuracy without additional compensation, unless such corrective action is directly attributable to deficiencies in Owner-furnished information, in which case Engineer shall be compensated for such corrective actions as Additional Services.

6.1.3 *Consultants:* Design Professional may employ such Consultants as Design Professional deems necessary to assist in the performance or furnishing of the services, subject to reasonable, timely, and substantive objections by Owner.

6.1.4 *Reliance on Others:* Subject to the standard of care set forth in Paragraph 6.1.1 Design Professional and its Consultants may use or rely upon design elements and

information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards.

6.1.5 Compliance with Laws and Regulations, and Policies and Procedures:

A. Design Professional and Owner shall comply with applicable Laws and regulations.

B. Prior to the Effective Date, Owner shall provide to Design Professional, in writing, any and all policies and procedures of Owner applicable to Design Professional's performance of services under this Agreement. Design Professional shall comply with such policies and procedures, subject to the standard of care set forth in Paragraph 6.1.1, and to the extent compliance is not inconsistent with professional practice requirements.

C. This Agreement is based on Laws and Regulations and Owner-provided written policies and procedures as of the Effective Date. Changes after the Effective Date to these Laws and Regulations, or to Owner-provided written policies and procedures may be the basis for modifications to Owner's responsibilities or to Design Professional's scope of services, times of performance, or compensation.

6.1.6 Design Professional shall not be required to sign any documents, no matter by whom requested, that would result in the Design Professional having to certify, guarantee, or warrant the existence of any conditions. Owner agrees not to make resolution of any dispute with the Design Professional or payment of any amount due to the Design Professional in any way contingent upon the Design Professional signing any such documents.

6.1.7 The general conditions for any construction contract documents prepared hereunder are to be the "Standard General Conditions of the Construction Contract" as prepared by Design Professional. If any documents utilized by Owner and Contractor are documents other than set forth herein, Design Professional must approve of the use of said documents in writing. In addition, any provision set forth in any such document that is contrary to provisions herein will not be binding upon Design Professional unless specifically agreed to in writing by an authorized representative of Design Professional for it to become binding upon Design Professional.

6.1.8 Design Professional shall not at any time supervise, direct, control, or have authority over any Contractor or Subcontractor work, nor shall Design Professional have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any Contractor or Subcontractor, or the safety precautions and programs incident thereto, for security or safety at the Site, nor for any failure of a contractor to comply with Laws and Regulations applicable to such Contractor's or Subcontractor's furnishing and performing of its work.

6.1.9 Design Professional neither guarantees the performance of any Contractor or Subcontractor nor assumes responsibility for any Contractor's or Subcontractor's failure to furnish and perform the Work in accordance with the Contract Documents.

6.1.10 Design Professional shall not have any responsibility for surety bonding or insurance-related advice, recommendations, counseling, or research, or enforcement of construction insurance or surety bonding requirements.

6.1.11 Design Professional shall not be responsible for the acts or omissions of any Contractor, Subcontractor, or Supplier, or of any of their agents or employees or of any other persons (except Design Professional's own agents, employees, and Consultants) at the Site or otherwise furnishing or performing any Work; or for any decision made regarding the Contract Documents, or any application, interpretation, or clarification, of the Contract Documents, other than those made by Design Professional.

6.1.12 While at the Site, Design Professional's employees and representatives shall comply with the specific applicable requirements of Contractor's and Owner's safety programs of which Design Professional has been informed in writing.

6.1.13 Design Professional's services do not include providing legal advice or representation.

6.1.14 Design Professional's services do not include (1) serving as a "municipal advisor" for purposes of the registration requirements of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) or the municipal advisor registration rules issued by the Securities and Exchange Commission, or (2) advising Owner, or any municipal entity or other person or entity, regarding municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, or other similar matters concerning such products or issuances.

6.2 *Design Without Construction Phase Services*

6.2.1 Design Professional shall be responsible only for those Construction Phase services expressly required of Design Professional in Exhibit A. With the exception of such expressly required services, Design Professional shall have no design, Shop Drawing review, or other obligations during construction and Owner assumes all responsibility for the application and interpretation of the Contract Documents, review and response to Contractor claims, contract administration, processing Change Orders, revisions to the Contract Documents during construction, construction surety bonding and insurance requirements, construction observation and review, review of payment applications, and all other necessary Construction Phase engineering and professional services. Owner waives all claims against the Design Professional that may be connected in any way to Construction Phase engineering or professional services except for those services that are expressly required of Design Professional in Exhibit A.

6.3 Use of Documents

6.3.1 All Documents are instruments of service in respect to this Project, and Design Professional shall retain an ownership and property interest therein (including the copyright and the right of reuse at the discretion of the Design Professional) whether or not the Project is completed. Owner shall not rely in any way on any Document unless it is in printed form, signed and sealed by the Design Professional or one of its Consultants.

6.3.2 Either party to this Agreement may rely that data or information set forth on paper (also known as hard copies) that the party receives from the other party by mail, hand delivery, or facsimile, are the items that the other party intended to send. Files in electronic media format of text, data, graphics, or other types that are furnished by one party to the other are furnished only for convenience, not reliance by the receiving party. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.

6.3.3 Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it will perform acceptance tests or procedures within 45 days, after which the receiving party shall be deemed to have accepted the data thus transferred. Any transmittal errors detected within the 45-day acceptance period will be corrected by the party delivering the electronic files.

6.3.4 When transferring documents in electronic media format, the transferring party makes no representations as to long-term compatibility, usability, or readability of such documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by the documents' creator.

6.3.5 Owner may make and retain copies of Documents for information and reference in connection with use on the Project by Owner. Design Professional grants Owner a limited license to use the Documents on the Project, extensions of the Project, and for related uses of the Owner, subject to receipt by Design Professional of full payment for all services relating to preparation of the Documents and subject to the following limitations: (1) Owner acknowledges that such Documents are not intended or represented to be suitable for use on the Project unless completed by Design Professional, or for use or reuse by Owner or others on extensions of the Project, on any other project, or for any other use or purpose, without written verification or adaptation by Design Professional; (2) any such use or reuse, or any modification of the Documents, without written verification, completion, or adaptation by Design Professional, as appropriate for the specific purpose intended, will be at Owner's sole risk and without liability or legal exposure to Design Professional or to its officers, directors, members, partners, agents, employees, and Consultants; and (3) such limited license to Owner shall not create any rights in third parties.

6.3.6 If Design Professional at Owner's request verifies the suitability of the Documents, completes them, or adapts them for extensions of the Project or for any other purpose, then Owner shall compensate Design Professional at rates or in an amount to be agreed upon by Owner and Design Professional.

6.4 Suspension and Termination

6.4.1 Suspension:

A. By Owner: Owner may suspend the Project for up to 90 days upon seven days written notice to Design Professional.

B. By Design Professional: Design Professional may, after giving seven days written notice to Owner, suspend services under this Agreement if Design Professional's performance has been substantially delayed through no fault of Design Professional.

6.4.2 *Termination*: The obligation to provide further services under this Agreement may be terminated:

A. For cause,

1. By either party upon 30 days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

2. By Design Professional:

a) upon seven days written notice if Design Professional believes that Design Professional is being requested by Owner to furnish or perform services which are outside of the agreed upon scope of services without compensation, which are contrary to Design Professional's responsibilities as a licensed professional; or

b) upon seven days written notice if the Design Professional's services for the Project are delayed or suspended for more than 90 days for reasons beyond Design Professional's control.

c) For failure to make payments in accordance with Article 4.2.

d) Design Professional shall have no liability to Owner on account of such termination.

3. Notwithstanding the foregoing, this Agreement will not terminate under Paragraph 6.4.2.A if the party receiving such notice begins, within seven days of receipt of such notice, to correct its substantial failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt thereof; provided, however, that if and to the extent such substantial failure cannot be reasonably cured within

such 30 day period, and if such party has diligently attempted to cure the same and thereafter continues diligently to cure the same, then the cure period provided for herein shall extend up to, but in no case more than, 60 days after the date of receipt of the notice.

B. For convenience,

1. By Owner effective upon Design Professional's receipt of notice from Owner.

6.4.3 *Effective Date of Termination:* The terminating party under Paragraph 6.4.2 may set the effective date of termination at a time up to 30 days later than otherwise provided to allow Design Professional to demobilize personnel and equipment from the Site, to complete tasks whose value would otherwise be lost, to prepare notes as to the status of completed and uncompleted tasks, and to assemble Project materials in orderly files.

6.4.4 *Payments Upon Termination:*

A. In the event of any termination under Paragraph 6.4, Design Professional will be entitled to invoice Owner and to receive full payment for all services performed or furnished in accordance with this Agreement and all Reimbursable Expenses incurred through the effective date of termination. Upon making such payment, Owner shall have the limited right to the use of Documents, at Owner's sole risk, subject to the provisions of Paragraph 6.3.5.

B. In the event of termination by Owner for convenience or by Design Professional for cause, Design Professional shall be entitled, in addition to invoicing for those items identified in Paragraph 6.4.4.A, to invoice Owner and to payment of a reasonable amount for services and expenses directly attributable to termination, both before and after the effective date of termination, such as reassignment of personnel, costs of terminating contracts with Design Professional's Consultants, and other related close-out costs, using methods and rates for Additional Services as set forth in Exhibit C.

6.5 *Controlling Law*

6.5.1 This Agreement is to be governed by the law of the state or jurisdiction in which the Design Professional's company is organized.

6.6 *Successors, Assigns, and Beneficiaries*

6.6.1 Owner and Design Professional are hereby bound and the successors, executors, administrators, and legal representatives of Owner and Design Professional (and to the extent permitted by Paragraph 6.6.2 the assigns of Owner and Design Professional) are hereby bound to the other party to this Agreement and to the successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements, and obligations of this Agreement.

6.6.2 Neither Owner nor Design Professional may assign, sublet, or transfer any rights under or interest (including, but without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

6.6.3 Unless expressly provided otherwise in this Agreement:

A. Nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by Owner or Design Professional to any Contractor, Subcontractor, Supplier, other individual or entity, or to any surety for or employee of any of them.

B. All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of Owner and Design Professional and not for the benefit of any other party.

6.7 *Dispute Resolution*

All claims, counterclaims, disputes and other matters in question between the parties hereto arising out of or relating to this Agreement or breach thereof will be decided in a court having jurisdiction in the State of Ohio.

6.8 *Environmental Condition of Site*

6.8.1 Owner has disclosed to Design Professional in writing the existence of all known and suspected Asbestos, PCBs, Petroleum, Hazardous Waste, Radioactive Material, hazardous substances, and other Constituents of Concern located at or near the Site, including type, quantity, and location.

6.8.2 Owner represents to Design Professional that to the best of its knowledge no Constituents of Concern, other than those disclosed in writing to Design Professional, exist at the Site.

6.8.3 If Design Professional encounters or learns of an undisclosed Constituent of Concern at the Site, then Design Professional shall notify (1) Owner and (2) appropriate governmental officials if Design Professional reasonably concludes that doing so is required by applicable Laws or Regulations.

6.8.4 It is acknowledged by both parties that Design Professional's scope of services does not include any services related to Constituents of Concern. If Design Professional or any other party encounters an undisclosed Constituent of Concern, or if investigative or remedial action, or other professional services, are necessary with respect to disclosed or undisclosed Constituents of Concern, then Design Professional may, at its option and without liability for consequential or any other damages, suspend performance of services on the portion of the Project affected thereby until

Owner: (1) retains appropriate specialist consultants or contractors to identify and, as appropriate, abate, remediate, or remove the Constituents of Concern; and (2) warrants that the Site is in full compliance with applicable Laws and Regulations.

6.8.5 If the presence at the Site of undisclosed Constituents of Concern adversely affects the performance of Design Professional's services under this Agreement, then the Design Professional shall have the option of (1) accepting an equitable adjustment in its compensation or in the time of completion, or both; or (2) terminating this Agreement for cause on 30 days notice.

6.8.6 Owner acknowledges that Design Professional is performing professional services for Owner and that Design Professional is not and shall not be required to become an "owner," "arranger," "operator," "generator," or "transporter" of hazardous substances, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as amended, which are or may be encountered at or near the Site in connection with Design Professional's activities under this Agreement.

6.9 *Indemnification and Mutual Waiver*

6.9.1 *Indemnification by Design Professional.* To the fullest extent permitted by law, Design Professional shall indemnify Owner, and Owner's officers, directors, members, partners, agents, consultants, and employees from reasonable claims, costs, losses, and damages arising out of or relating to the Project, provided that any such claim, cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting there from, but only to the extent caused by any negligent act or omission of Design Professional or Design Professional's officers, directors, members, partners, agents, employees, or Consultants. This indemnification provision is subject to and limited by Article 6.9.6.

6.9.2 *Percentage Share of Negligence:* To the fullest extent permitted by law, a party's total liability to the other party and anyone claiming by, through, or under the other party for any cost, loss, or damages caused in part by the negligence of the party and in part by the negligence of the other party or any other negligent entity or individual, shall not exceed the percentage share that the party's negligence bears to the total negligence of Owner, Design Professional, and all other negligent entities and individuals.

6.9.3 *Mutual Waiver:* To the fullest extent permitted by law, Owner and Design Professional waive against each other, and the other's employees, officers, directors, members, agents, insurers, partners, and consultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to the Project.

6.9.4 *Limitation of Liability.* To the fullest extent permitted by law, Owner and Design Professional (1) waive against each other, and the other's employees, officers, directors, agents, insurers, partners, and consultants, any and all

claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to the Project, and (2) agree that Design Professional's total liability to Owner under this Agreement shall be limited to those insurance limits required for the project.

6.10 *Insurance*

6.10.1 Design Professional shall procure and maintain insurance as set forth in Exhibit F. Design Professional shall cause Owner to be listed as an additional insured on any applicable general liability insurance policy carried by Design Professional.

6.10.2 Owner shall procure and maintain insurance as set forth in Exhibit F. Owner shall cause Design Professional and its Consultants to be listed as additional insureds on any general liability policies carried by Owner, which are applicable to the Project.

6.10.3 Owner shall require Contractor to purchase and maintain policies of insurance covering workers' compensation, general liability, motor vehicle damage and injuries, and other insurance necessary to protect Owner's and Design Professional's interests in the Project. Owner shall require Contractor to cause Design Professional and its Consultants to be listed as additional insureds with respect to such liability insurance purchased and maintained by Contractor for the Project.

6.10.4 Owner and Design Professional shall each deliver to the other certificates of insurance evidencing the coverages indicated in Exhibit F. Such certificates shall be furnished prior to commencement of Design Professional's services and at renewals thereafter during the life of the Agreement.

6.10.5 This paragraph regarding subrogation has been deleted for the current contract.

6.10.6 All policies of insurance shall contain a provision or endorsement that the coverage afforded will not be canceled or reduced in limits by endorsement, and that renewal will not be refused, until at least 10 days prior written notice has been given to the primary insured. Upon receipt of such notice, the receiving party shall promptly forward a copy of the notice to the other party to this Agreement.

6.10.7 At any time, Owner may request that Design Professional or its Consultants, at Owner's sole expense, provide additional insurance coverage, increased limits, or revised deductibles that are more protective than those specified in Exhibit F. If so requested by Owner, and if commercial available, Design Professional shall obtain and shall require its Consultants to obtain such additional insurance coverage, different limits, or revised deductibles for such periods of time as requested by Owner, and Exhibit F will be supplemented to incorporate these requirements.

6.11 *MMiscellaneous Provisions*

6.11.1 *Notices*: Any notice required under this Agreement will be in writing, addressed to the appropriate party at its address on the signature page and given personally, by facsimile, by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

6.11.2 *Survival*: All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.

6.11.3 *Severability*: Any provision or part of the Agreement held to be void or unenforceable under any Laws or Regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Design Professional, which agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

6.11.4 *Waiver*: A party's non-enforcement of any provision shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Agreement.

ARTICLE 7 – DEFINITIONS

7.1 *Defined Terms*

7.1.1 Wherever used in this Agreement (including the Exhibits hereto) terms (including the singular and plural forms) printed with initial capital letters have the meanings indicated in the text above, in the exhibits, or in the following provisions:

7.1.1.1 *Additional Services* – The services to be performed for or furnished to Owner by Design Professional in accordance with Exhibit A of this Agreement.

7.1.1.2 *Agreement* – This written contract for professional services between Owner and Design Professional, including all exhibits identified in Paragraph 8.1 and any duly executed amendments.

7.1.1.3 *Asbestos* – Any material that contains more than one percent asbestos and is friable or is releasing asbestos fibers into the air above current action levels established by the United States Occupational Safety and Health Administration.

7.1.1.4 *Basic Services* – The services to be performed for or furnished to Owner by Design Professional in accordance with Exhibit A of this Agreement.

7.1.1.5 *Construction Contract* – The entire and integrated written agreement between Owner and Contractor concerning the Work.

7.1.1.6 *Construction Cost* – The cost to Owner of those portions of the entire Project designed or specified by Design Professional. Construction Cost does not include costs of services of Design Professional or other design professionals and consultants; cost of land or rights-of-way, or compensation for damages to properties; Owner's costs for legal, accounting, insurance counseling or auditing services; interest or financing charges incurred in connection with the Project; or the cost of other services to be provided by others to Owner. Construction Cost is one of the items comprising Total Project Costs.

7.1.1.7 *Constituent of Concern* – Any substance, product, waste, or other material of any nature whatsoever (including, but not limited to, Asbestos, Petroleum, Radioactive Material, and PCBs) which is or becomes listed, regulated, or addressed pursuant to (a) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq. ("CERCLA"); (b) the Hazardous Materials Transportation Act, 49 U.S.C. §§1801 et seq.; (c) the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq. ("RCRA"); (d) the Toxic Substances Control Act, 15 U.S.C. §§2601 et seq.; (e) the Clean Water Act, 33 U.S.C. §§1251 et seq.; (f) the Clean Air Act, 42 U.S.C. §§7401 et seq.; and (g) any other federal, state, or local statute, law, rule, regulation, ordinance, resolution, code, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material.

7.1.1.8 *Consultants* – Individuals or entities having a contract with Design Professional to furnish services with respect to this Project as Design Professional's independent professional associates and consultants; subcontractors; or vendors.

7.1.1.9 *Contract Documents* – Those items so designated in the Construction Contract, including the Drawings, Specifications, construction agreement, and general and supplementary conditions. Only printed or hard copies of the items listed in the Construction Contract are Contract Documents. Approved Shop Drawings, other Contractor submittals, and the reports and drawings of subsurface and physical conditions are not Contract Documents.

7.1.1.10 *Contractor* – The entity or individual with which Owner has entered into a Contract to construct the Work constituting the Project.

7.1.1.11 *Documents* – Data, reports, Drawings, Specifications, Record Drawings, and other deliverables, whether in printed or electronic media format, provided or furnished in appropriate phases by Design Professional to Owner pursuant to this Agreement.

7.1.1.12 *Drawings* – That part of the Contract Documents prepared or approved by Design Professional which graphically shows the scope, extent, and character of the Work to be performed by Contractor. Shop Drawings are not Drawings as so defined.

7.1.1.13 *Effective Date* – The date indicated in this Agreement on which it becomes effective, but if no such date is indicated, the date on which this Agreement is signed and delivered by the last of the parties to sign and deliver.

7.1.1.14 *Design Professional* – The individual or entity named as such in this Agreement.

7.1.1.15 *Hazardous Waste* – The term Hazardous Waste shall have the meaning provided in Section 1004 of the Solid Waste Disposal Act (42 USC Section 6903) as amended from time to time.

7.1.1.16 *Laws and Regulations; Laws or Regulations* – Any and all applicable laws, rules, regulations, ordinances, codes, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.

7.1.1.17 *Owner* – The individual or entity with which Design Professional has entered into this Agreement and for which the Design Professional's services are to be performed. Unless indicated otherwise, this is the same individual or entity that will enter into any Construction Contracts concerning the Project.

7.1.1.18 *PCBs* – Polychlorinated biphenyls.

7.1.1.19 *Petroleum* – Petroleum, including crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute), such as oil, petroleum, fuel oil, oil sludge, oil refuse, gasoline, kerosene, and oil mixed with other non-hazardous waste and crude oils.

7.1.1.20 *Project* – The total construction of which the Work to be performed under the Contract Documents may be the whole, or a part.

7.1.1.21 *Radioactive Material* – Source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954 (42 USC Section 2011 et seq.) as amended from time to time.

7.1.1.22 *Record Drawings* – Drawings depicting the completed Project, prepared by Design Professional as an Additional Service and based solely on Contractor's record copy of all Drawings, Specifications, addenda, change orders, work change directives, field orders, and written interpretations and clarifications, as delivered to Design

Professional and annotated by Contractor to show changes made during construction.

7.1.1.23 *Reimbursable Expenses* – The expenses incurred directly by Design Professional in connection with the performing or furnishing of Basic and Additional Services for the Project.

7.1.1.24 *Resident Project Representative* – The authorized representative of Design Professional assigned to assist Design Professional at the Site during the Construction Phase. As used herein, the term Resident Project Representative or "RPR" includes any assistants or field staff of Resident Project Representative agreed to by Owner. The duties and responsibilities of the Resident Project Representative, if any, are as set forth in the General Conditions of the Construction Contract.

7.1.1.25 *Samples* – Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and which establish the standards by which such portion of the Work will be judged.

7.1.1.26 *Shop Drawings* – All drawings, diagrams, illustrations, schedules, and other data or information which are specifically prepared or assembled by or for Contractor and submitted by Contractor to illustrate some portion of the Work.

7.1.1.27 *Site* – Lands or areas to be indicated in the Contract Documents as being furnished by Owner upon which the Work is to be performed, including rights-of-way and easements for access thereto, and such other lands furnished by Owner which are designated for the use of Contractor.

7.1.1.28 *Specifications* – That part of the Contract Documents consisting of written technical descriptions of materials, equipment, systems, standards, and workmanship as applied to the Work and certain administrative details applicable thereto.

7.1.1.29 *Subcontractor* – An individual or entity having a direct contract with Contractor or with any other Subcontractor for the performance of a part of the Work at the Site.

7.1.1.30 *Substantial Completion* – The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of Design Professional, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms "substantially complete" and "substantially completed" as applied to all or part of the Work refer to Substantial Completion thereof.

7.1.1.31 *Supplier* – A manufacturer, fabricator, supplier, distributor, material man, or vendor having a direct contract with Contractor or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by Contractor or Subcontractor.

7.1.1.32 *Total Project Costs* – The sum of the Construction Cost, allowances for contingencies, and the total costs of services of Design Professional or other design professionals and consultants, together with such other Project-related costs that Owner furnishes for inclusion, including but not limited to cost of land, rights-of-way, compensation for damages to properties, Owner's costs for legal, accounting, insurance counseling and auditing services, interest and financing charges incurred in connection with the Project, and the cost of other services to be provided by others to Owner pursuant to Exhibit B of this Agreement.

7.1.1.33 *Work* – The entire construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction, and furnishing, installing, and incorporating all materials and equipment into such construction, all as required by the Contract Documents.

ARTICLE 8 – EXHIBITS AND SPECIAL PROVISIONS

8.1 Exhibits Included:

8.1.1 Exhibit A, Design Professional's Services and Completion Date Provisions.

8.1.2 Exhibit B, Owner's Responsibilities.

8.1.3 Exhibit C, Payments to Design Professional for Services and Reimbursable Expenses.

8.1.4 Exhibit D, Responsibilities and Limitations of Authority of Resident Project Representative.

8.1.5 Exhibit E, Notice of Acceptability of Work

8.1.6 Exhibit F, Insurance Requirements

8.2 Total Agreement:

8.2.1 This Agreement, (together with the exhibits identified above) constitutes the entire agreement between Owner and Design Professional and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

8.3 Designated Representatives:

8.3.1 With the execution of this Agreement, Design Professional and Owner shall designate specific individuals to act as Design Professional's and Owner's representatives with respect to the services to be performed or furnished by Design Professional and responsibilities of Owner under this Agreement. Such an individual shall have authority to transmit instructions, receive information, and render decisions relative to the Project on behalf of the respective party whom the individual represents.

8.4 Design Professional's Certifications:

8.4.1 Design Professional certifies that it has not engaged in corrupt, fraudulent, or coercive practices in competing for or in executing the Agreement. For the purposes of this Paragraph 8.4:

8.4.1.1 "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the selection process or in the Agreement execution;

8.4.1.2 "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the selection process or the execution of the Agreement to the detriment of Owner, or (b) to deprive Owner of the benefits of free and open competition;

8.4.1.3 "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the selection process or affect the execution of the Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the Effective Date of which is indicated on page 1.

Owner:

By: _____
(Print Name)

Title: _____

Date Signed: _____

Witness: _____

Address for giving notices:

Designated Representative (Paragraph 8.3.1):

Title: _____

Phone Number: _____

Facsimile Number: _____

E-Mail Address: _____

Professional:

By: _____
(Print Name)

Title: _____

Date Signed: _____

Witness: _____

Address for giving notices:

Designated Representative (Paragraph 8.3.1):

Title: _____

Phone Number: _____

Facsimile Number: _____

E-Mail Address: _____

Delamere Drive Basement Flooding Relief

Scope of Services

December 5, 2019

PROJECT OBJECTIVES

This project would relieve chronic basement and overland flooding concentrated on Delamere Drive and nearby Nottingham Lane, Tudor Drive and Woodmere Road in Cleveland Heights. Chronic flooding in this area has been reported by residents for more than 30 years. The City has completed extensive data collection and investigation including hosting resident meetings, sending detailed questionnaires to residents, flow monitoring and field work. Dyed water flood testing and CCTV inspection has been performed in the public right-of-way and on private property to understand the magnitude of the flooding problems and crossflows in this area. A system model of the sanitary and storm sewers in this area was created to simulate sanitary and storm flows through existing pipes to help analyze alternatives.

The recommended project will reduce the risk of basement flooding by replacing and upsizing and lowering sanitary and storm sewers on Nottingham Lane and Delamere Drive to provide inline storage for larger rainfall events. The design will also seek to reduce, or at least maintain, existing system peak wet weather flows downstream on Fairmount Boulevard and Cedar Road, which are currently projected to experience excessive wet weather peak flows as well.

The project will also replace sanitary and storm sewer laterals from the sewer mains to the property line and encourage homeowners to rehabilitate or replace their leads on private property while the project is ongoing. Plugged stormwater lateral traps will be targeted for removal with homeowner consent.

PROJECT MANAGEMENT

The Consultant will provide monthly invoices. Monthly project meetings will be held to review progress of the project, discuss outstanding issues and potential problems and provide schedule updates. Quarterly progress reports will be submitted to the District.

TASK 1 – PRE-DESIGN - \$48,160

The pre-design task will develop and evaluate the project alignments, identify risks and establish design parameters. The consultant will conduct a Project Kickoff Meeting to discuss the proposed project schedule and scope of work. A pre-design review meeting will be held to discuss the recommended alternative and finalize Task 1.

Task 1A. Evaluation of Existing Information

Collect and review applicable information and data available from City of Cleveland Heights and Heights Hilltop Interceptor-LSSSES project. The following items will be reviewed:

- Infrastructure Condition

- Dye Testing Results
- Resident support letter, resident meeting minutes and resident questionnaires
- Existing ICM model profiles

Task 1B. Hydraulic Analysis

Hydraulic analysis/modeling will support the pre-design work to evaluate alternatives.

Task 1C. Surveying

The consultant will obtain a topographical survey showing relevant physical features, utilities, elevations, etc.

TASK 2 – DESIGN - \$179,200

The Consultant will develop drawings and technical specifications (up to 30) to integrate with the Client's standard specifications for the Project to produce construction bid documents suitable for competitive bidding purposes to produce a quality, cost-effective project. The drawings will indicate the layout, plans, sections and details of the Project.

Anticipated drawings are as follows:

- General: 3
- Plan and Profiles: 8
- Civil: 10
- Maintenance of Traffic: 2
- Erosion and Sediment Control: 2

The Consultant will coordinate the design work with existing utility owners.

The Consultant will coordinate design review with the Northeast Ohio Regional Sewer District (as necessary)

The Consultant should anticipate two (2) submittals for review. 60% and 90% design, for Cleveland Heights to review. Both submittals will include a cost estimate and construction schedule. Task 2 deliverables shall include five (5) 11x17 hard copies of drawings, 5 hard copies of technical specifications, and electronic upload of all submittal documents.

Construction drawings will be prepared on 22-inchx34-inch sheets consisting of plan and profile sheets (1-inch = 20-foot horizontal scale, 1-inch = 5-foot vertical scale) and miscellaneous details. Preparation of technical specifications is to be included as a component of the construction documents.

Task 2A: Alternatives Evaluation

- Geotechnical Investigation

- The consultant shall provide geotechnical consulting to prepare a final geotechnical data report, which shall be issued with the construction bid documents.
- Evaluate Alternatives and Alignments
 - Identify, study and evaluate up to 3 alternative concepts and alignments (up to three) for the Project. The analysis will include, but is not limited to:
 - Regulatory requirements/restrictions
 - Identification of key stakeholders
 - Technical considerations (demand/capacity analysis, implementation schedule, constructability)
 - Financial, social and environmental costs and benefits

Task 2B: 60% Design

The 60% design submittal is a detailed presentation of the design configurations and parameters established in the Pre-Design phase. The 60% submittal shall include:

- Drawings: Drawings shall depict the design, be suitable for submission to permitting agencies, and shall, at a minimum, include the following:
 - Cover sheet
 - General note, location plan, legend and drawing index sheet(s)
 - Plan and profile sheets
 - Site plans and preliminary restoration plans
 - Detail sheets
 - Erosion and sediment control plan
 - Maintenance of Traffic plan to be submitted to local municipality
- Specifications
 - Draft technical specifications
 - Applicable draft special specifications
- Construction Schedule
- EOPCC
- Permit Applications
- Utility Coordination
- Design Review Meeting

Task 2C: 90% Design

The 90% design submittal serves as the pre-final design submittal and incorporates comments and decisions made during previous submittal reviews and meetings. The 90% submittal shall include:

- Complete or near complete drawings
- Specifications
 - Final technical specifications
 - Final special specifications
 - Draft bid items

- Draft measurement and payment section
- Updated Construction Schedule
- Updated EOPCC
- Final Permit Applications
- Final Utility Coordination
- Design Review Meeting

Task 2D: Final Design

The final design will be represented in the documents to be used for bidding purposes. This includes final drawings, specifications, cost estimates and project schedules. The final design submittal will incorporate corrections and shall be complete and suitable for bid purposes. The final design submittal shall include:

- Final contract documents
 - Drawings
 - Technical specifications
 - Front end documents
 - Bid booklet
 - Final geotechnical data report
- Final hydraulic analysis
- Final EOPCC
- Final Construction Schedule
- Summary of all permits and approvals

TASK 3: BID AND AWARD - \$20,160

The Consultant shall provide Contract Documents for bidding purposes and for distribution to interested parties. The Consultant shall provide ten (10) sets of bid documents.

Task 3A. Pre-Bid Meeting

The consultant will prepare for and attend the pre-bid meeting and be available to answer questions during the bid period.

Task 3B. Addenda

The Consultant shall assist the Client's Project Manager in the preparation of up to three (3) addenda during the bid phase. Questions from bidders and answers to those questions, as well as any necessary revisions to bid documents shall be included in the addenda.

Task 3C. Bid Evaluation & Recommendation

The Consultant shall assess the Client's PM in analyzing bids and provide a letter of recommendation for award of the construction contract. The Consultant shall review any minimum qualifications or requirements specified in the Contract Bid Documents.

TASK 4. CONSTRUCTION ADMINISTRATION - \$69,680

Construction Administration services would include:

- Attend Pre-Construction Meeting: The consultant will attend the pre-construction meeting to support and respond to technical questions raised by the contractor.
- Attend Monthly Construction Meetings: The consultant will attend monthly construction meetings led by the Contractor (4).
- Submittal Review: The Consultant shall review submittals (up to 30) from the contractor to confirm all aspects of construction will adhere to the contract plans and specifications. A written response shall be provided for each submittal reviewed identifying any exceptions taken with the information provided.
- Provide responses to Requests For Information (up to 10)
- Provide responses to Change Orders (up to 5)
- Provide Resident Observation: The Resident Observer shall be on the project site for significant construction activities during the construction period (maximum 320 hours).
- Conformed Documents: The Consultant will prepare conformed documents based on Addendums and clarifications that arise during bidding process and construction.

TASK 5: POST-CONSTRUCTION MONITORING - \$15,000

Post construction flow monitoring will be installed after completion of the project work in the right of way. The consultant should anticipate a two (2) month duration for 2 flow meters, one in the sanitary sewer and one in the storm sewer. The consultant will prepare a technical memo summarizing the outcomes of the flow monitoring.

This is **EXHIBIT B**, consisting of 4 pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated _____ .

Owner's Responsibilities

Article 2 of the Agreement is supplemented to include the following agreement of the parties.

B2.01 In addition to other responsibilities of Owner as set forth in this Agreement, Owner shall at its expense:

- A. Provide Engineer with all criteria and full information as to Owner's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility, and expandability, and any budgetary limitations.
- B. Give instructions to Engineer regarding Owner's procurement of construction services (including instructions regarding advertisements for bids, instructions to bidders, and requests for proposals, as applicable), Owner's construction contract practices and requirements, insurance and bonding requirements, electronic transmittals during construction, and other information necessary for the finalization of Owner's bidding-related documents (or requests for proposals or other construction procurement documents), and Construction Contract Documents. Furnish copies (or give specific directions requesting Engineer to use copies already in Engineer's possession) of all design and construction standards, Owner's standard forms, general conditions (if other than EJCDC® C-700, Standard General Conditions of the Construction Contract, 2013 Edition), supplementary conditions, text, and related documents and content for Engineer to include in the draft bidding-related documents (or requests for proposals or other construction procurement documents), and draft Construction Contract Documents, when applicable. Owner shall have responsibility for the final content of (1) such bidding-related documents (or requests for proposals or other construction procurement documents), and (2) those portions of any Construction Contract other than the design (as set forth in the Drawings, Specifications, or otherwise), and other engineering or technical matters; and Owner shall seek the advice of Owner's legal counsel, risk managers, and insurance advisors with respect to the drafting and content of such documents.
- A. Furnish to Engineer any other available information pertinent to the Project including reports and data relative to previous designs, construction, or investigation at or adjacent to the Site.
- B. Following Engineer's assessment of initially-available Project information and data and upon Engineer's request, obtain, furnish, or otherwise make available (if necessary through title searches, or retention of specialists or consultants) such additional Project-related information and data as is reasonably required to enable Engineer to complete its Basic and Additional Services. Such additional information or data would generally include the following:

1. Property descriptions.
 2. Zoning, deed, and other land use restrictions.
 3. Utility and topographic mapping and surveys.
 4. Property, boundary, easement, right-of-way, and other special surveys or data, including establishing relevant reference points.
 5. Explorations and tests of subsurface conditions at or adjacent to the Site; geotechnical reports and investigations; drawings of physical conditions relating to existing surface or subsurface structures at the Site; hydrographic surveys, laboratory tests and inspections of samples, materials, and equipment; with appropriate professional interpretation of such information or data.
 6. Environmental assessments, audits, investigations, and impact statements, and other relevant environmental, historical, or cultural studies relevant to the Project, the Site, and adjacent areas.
 7. Data or consultations as required for the Project but not otherwise identified in this Agreement.
- C. Arrange for safe access to and make all provisions for Engineer to enter upon public and private property as required for Engineer to perform services under the Agreement.
- D. Recognizing and acknowledging that Engineer's services and expertise do not include the following services, provide, as required for the Project:
1. Accounting, bond and financial advisory (including, if applicable, "municipal advisor" services as described in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) and the municipal advisor registration rules issued by the Securities and Exchange Commission), independent cost estimating, and insurance counseling services.
 2. Legal services with regard to issues pertaining to the Project as Owner requires, Contractor raises, or Engineer reasonably requests.
 3. Such auditing services as Owner requires to ascertain how or for what purpose Contractor has used the money paid.
- E. Provide the services of an independent testing laboratory to perform all inspections, tests, and approvals of samples, materials, and equipment required by the Construction Contract Documents (other than those required to be furnished or arranged by Contractor), or to evaluate the performance of materials, equipment, and facilities of Owner, prior to their incorporation into the Work with appropriate professional interpretation thereof. Provide Engineer with the findings and reports generated by testing laboratories, including findings and reports obtained from or through Contractor.

- F. Provide reviews, approvals, and permits from all governmental authorities having jurisdiction to approve all phases of the Project designed or specified by Engineer and such reviews, approvals, and consents from others as may be necessary for completion of each phase of the Project.
- G. Advise Engineer of the identity and scope of services of any independent consultants employed by Owner to perform or furnish services in regard to the Project, including, but not limited to, cost estimating, project peer review, value engineering, and constructibility review.
- H. If Owner designates a construction manager or an individual or entity other than, or in addition to, Engineer to represent Owner at the Site, define and set forth as an attachment to this Exhibit B the duties, responsibilities, and limitations of authority of such other party and the relation thereof to the duties, responsibilities, and authority of Engineer.
- I. If more than one prime contract is to be awarded for the Work designed or specified by Engineer, then designate a person or entity to have authority and responsibility for coordinating the activities among the various prime Contractors, and define and set forth the duties, responsibilities, and limitations of authority of such individual or entity and the relation thereof to the duties, responsibilities, and authority of Engineer as an attachment to this Exhibit B that is to be mutually agreed upon and made a part of this Agreement before such services begin.
- J. Inform Engineer in writing of any specific requirements of safety or security programs that are applicable to Engineer, as a visitor to the Site.
- K. Examine all alternative solutions, studies, reports, sketches, Drawings, Specifications, proposals, and other documents presented by Engineer (including obtaining advice of an attorney, risk manager, insurance counselor, financial/municipal advisor, and other advisors or consultants as Owner deems appropriate with respect to such examination) and render in writing timely decisions pertaining thereto.
- L. Inform Engineer regarding any need for assistance in evaluating the possible use of Project Strategies, Technologies, and Techniques, as defined in Exhibit A.
- M. Advise Engineer as to whether Engineer's assistance is requested in identifying opportunities for enhancing the sustainability of the Project.
- N. Place and pay for advertisement for Bids in appropriate publications.
- O. Furnish to Engineer data as to Owner's anticipated costs for services to be provided by others (including, but not limited to, accounting, bond and financial, independent cost estimating, insurance counseling, and legal advice) for Owner so that Engineer may assist Owner in collating the various cost categories which comprise Total Project Costs.
- P. Attend and participate in the pre-bid conference, bid opening, pre-construction conferences, construction progress and other job related meetings, and Site visits to determine Substantial Completion and readiness of the completed Work for final payment.

- Q. Authorize Engineer to provide Additional Services as set forth in Part 2 of Exhibit A of the Agreement, as required.
- R. Perform or provide the following: _____ ***[List any other Owner responsibilities here.]***

Exhibit C – Compensation

Delamere Drive Basement Flooding Relief Design, Bid and Construction Administration
Services

Tasks and budgets for each task are summarized below:

Task	Amount, \$
Task 1 – Pre-Design	\$ 48,160
Task 2 – Design	\$179,200
Task 3 – Bid and Award	\$ 20,160
Task 4 – Construction Administration	\$ 69,680
Task 5 – Post-Construction Monitoring	\$ 15,000

This is **EXHIBIT D**, consisting of 5 pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated _____.

[Note to User: Delete this Exhibit D if Engineer will not be providing Resident Project Representative Services under Paragraph A1.05.A.2.]

Responsibilities and Limitations of Authority of Resident Project Representative

Article 1 of the Agreement is supplemented to include the following agreement of the parties:

ARTICLE 1 - SERVICES OF ENGINEER

D1.01 Resident Project Representative

- A. Engineer shall furnish a Resident Project Representative (“RPR”) to assist Engineer in observing progress and quality of the Work. The RPR may provide full time representation or may provide representation to a lesser degree. RPR is Engineer’s representative at the Site, will act as directed by and under the supervision of Engineer, and will confer with Engineer regarding RPR’s actions.
- B. Engineer shall not, as a result of such RPR observations of the Work, supervise, direct, or have control over the Work, nor shall Engineer (including the RPR) have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, for security or safety at the Site, for safety precautions and programs incident to the Work or any Constructor’s work in progress, for the coordination of the Constructors’ work or schedules, or for any failure of any Constructor to comply with Laws and Regulations applicable to the performing and furnishing of its work. The Engineer (including RPR) neither guarantees the performances of any Constructor nor assumes responsibility for any Constructor’s failure to furnish and perform the Work, or any portion of the Work, in accordance with the Construction Contract Documents. In addition, the specific terms set forth in Exhibit A, Paragraph A1.05, of this Agreement are applicable to services to be performed by RPR.
- C. The duties and responsibilities of the RPR are as follows:
 - 1. *General:* RPR’s dealings in matters pertaining to the Work in general shall be with Engineer and Contractor. RPR’s dealings with Subcontractors shall only be through or with the full knowledge and approval of Contractor. RPR shall generally communicate with Owner only with the knowledge of and under the direction of Engineer.
 - 2. *Conferences and Meetings:* Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences, and other Project-related meetings (but not including Contractor’s safety meetings), and as appropriate prepare and circulate copies of minutes thereof.

3. *Safety Compliance:* Comply with Site safety programs, as they apply to RPR, and if required to do so by such safety programs, receive safety training specifically related to RPR's own personal safety while at the Site.
4. *Liaison:*
 - a. Serve as Engineer's liaison with Contractor. Working principally through Contractor's authorized representative or designee, assist in providing information regarding the provisions and intent of the Construction Contract Documents.
 - b. Assist Engineer in serving as Owner's liaison with Contractor when Contractor's operations affect Owner's on-Site operations.
 - c. Assist in obtaining from Owner additional details or information, when required for proper execution of the Work.
5. *Clarifications and Interpretations:* Receive from Contractor submittal of any matters in question concerning the requirements of the Construction Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Construction Contract Documents. Report to Engineer regarding such RFIs. Report to Engineer when clarifications and interpretations of the Construction Contract Documents are needed, whether as the result of a Contractor RFI or otherwise. Transmit Engineer's clarifications, interpretations, and decisions to Contractor.
6. *Shop Drawings and Samples:*
 - a. Record date of receipt of Samples and Contractor-approved Shop Drawings.
 - b. Receive Samples that are furnished at the Site by Contractor, and notify Engineer of availability of Samples for examination.
 - c. Advise Engineer and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal, if RPR believes that the submittal has not been received from Contractor, or has not been approved by Contractor or Engineer.
7. *Proposed Modifications:* Consider and evaluate with Engineer Contractor's suggestions for modifications to the Drawings or Specifications, and report such suggestions, together with RPR's comments, if any, to Engineer. Transmit Engineer's response (if any) to such suggestions to Contractor.
8. *Review of Work; Defective Work:*
 - a. Report to Engineer whenever RPR believes that any part of the Work is defective under the terms and standards set forth in the Construction Contract Documents, and provide comments, if any, as to whether such Work should be corrected,

removed and replaced, or accepted as provided in the Construction Contract Documents.

- b. Inform Engineer of any Work that RPR believes is not defective under the terms and standards set forth in the Construction Contract Documents, but is nonetheless not compatible with the design concept of the completed Project as a functioning whole, and provide comments, if any, to Engineer for addressing such Work. ; and
- c. Advise Engineer of that part of the Work that RPR believes should be uncovered for observation, or requires special testing, inspection, or approval.

9. *Inspections, Tests, and System Start-ups:*

- a. Consult with Engineer in advance of scheduled inspections, tests, and systems start-ups.
- b. Verify that tests, equipment, and systems start-ups and operating and maintenance training are conducted in the presence of appropriate Owner's personnel, and that Contractor maintains adequate records thereof.
- c. Observe, record, and report to Engineer appropriate details relative to the test procedures and systems start-ups.
- d. Observe whether Contractor has arranged for inspections required by Laws and Regulations, including but not limited to those to be performed by public or other agencies having jurisdiction over the Work.
- e. Accompany visiting inspectors representing public or other agencies having jurisdiction over the Work, record the results of these inspections, and report to Engineer.

10. *Records:*

- a. Maintain at the Site orderly files for correspondence, reports of job conferences, copies of Construction Contract Documents including all Change Orders, Field Orders, Work Change Directives, Addenda, additional Drawings issued subsequent to the execution of the Construction Contract, RFIs, Engineer's clarifications and interpretations of the Construction Contract Documents, progress reports, approved Shop Drawing and Sample submittals, and other Project-related documents.
- b. Prepare a daily report or keep a diary or log book, in which RPR will generally record Contractor's hours on the Site, Subcontractors present at the Site, weather conditions, data relative to questions of Change Orders, Field Orders, Work Change Directives, or changed conditions, Site visitors, deliveries of equipment or materials, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to Engineer.

Exhibit D - Resident Project Representative.

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- c. Upon request from Owner to Engineer, photograph or video Work in progress or Site conditions.
- d. Record and maintain accurate, up-to-date lists of the names, addresses, fax numbers, e-mail addresses, websites, and telephone numbers (including mobile numbers) of all Contractors, Subcontractors, and major Suppliers of materials and equipment.
- e. Maintain records for use in preparing Project documentation.
- f. Upon completion of the Work, furnish original set of all RPR Project documentation to Engineer.

11. *Reports:*

- a. Furnish to Engineer periodic reports as required by Engineer of progress of the Work and of any recognized Contractor non-compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.
- b. Draft and provide comments, if any, to Engineer regarding proposed Change Orders, Work Change Directives, and Field Orders. Obtain backup material from Contractor or Owner supporting such.
- c. Furnish to Engineer and Owner copies of all inspection, test, and system start-up reports.
- d. Immediately inform Engineer of the occurrence of any Site accidents, emergencies, acts of God endangering the Work, possible force majeure or delay events, damage to property by fire or other causes, or the discovery of any potential differing site condition or Constituent of Concern about which RPR has actual knowledge.

12. *Payment Requests:* Review applications for payment with Contractor for compliance with the established procedure for their submission and forward with comments, if any, to Engineer, which comments may include the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.

13. *Certificates, Operation and Maintenance Manuals:* During the course of the Work, review whether materials and equipment certificates, operation and maintenance manuals and other data required by the Contract Documents to be assembled and furnished by Contractor appear to be applicable to the items actually installed and in accordance with the Contract Documents, and have these documents delivered to Engineer for review and forwarding to Owner prior to payment for that part of the Work.

14. *Completion:*

- a. Participate in Engineer's visits to the Site regarding Substantial Completion, assist Engineer in the determination of Substantial Completion, and prior to the issuance of a Certificate of Substantial Completion assist Engineer in the preparation of a punch list of observed items requiring completion or correction.
- b. Participate in Engineer's visit to the Site in the company of Owner and Contractor, to determine completion of the Work, and assist in the preparation of a final punch list of items to be completed or corrected by Contractor.
- c. Observe whether all items on the final punch list have been completed or corrected, and make comments to Engineer concerning acceptance and issuance of the Notice of Acceptability of the Work (Exhibit E).

D. Resident Project Representative shall not:

1. Authorize any deviation from the Construction Contract Documents or substitution of materials or equipment (including "or-equal" items).
2. Exceed limitations of Engineer's authority as set forth in this Agreement.
3. Undertake any of the responsibilities of Contractor, Subcontractors, or Suppliers, or any Constructor.
4. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences or procedures of the Work, by Contractor or any other Constructor.
5. Advise on, issue directions regarding, or assume control over security or safety practices, precautions, and programs in connection with the activities or operations of Owner or Contractor.
6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by Engineer.
7. Accept Shop Drawing or Sample submittals from anyone other than Contractor.
8. Authorize Owner to occupy the Project in whole or in part.

This is **EXHIBIT E**, consisting of 3 pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated _____ .

[Notes to User

- 1. Exhibit A, Paragraph A1.05.A.25 of this Agreement indicates that in connection with recommending final payment of the Construction Contractor, the Engineer will also provide a notice to Owner and Contractor of the acceptability of the Work, subject to stated limitations. The form for that purpose, "Notice of Acceptability of Work," is attached on the following pages of this Exhibit E.*

- 2. The Notice of Acceptability of Work should be served in compliance with the requirements for service of notice under the Construction Contract. See Paragraph 18.01, Giving Notice, of EJCDC C-700 (2013), Standard General Conditions of the Construction Contract.]*

Exhibit E – Notice of Acceptability of Work.

EJCDC® E-500, Agreement Between Owner and Engineer for Professional Services.

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NOTICE OF ACCEPTABILITY OF WORK

PROJECT:

OWNER:

CONTRACTOR:

OWNER'S CONSTRUCTION CONTRACT IDENTIFICATION:

EFFECTIVE DATE OF THE CONSTRUCTION CONTRACT:

ENGINEER:

NOTICE DATE:

To: _____

Owner

And To: _____

Contractor

From: _____

Engineer

The Engineer hereby gives notice to the above Owner and Contractor that Engineer has recommended final payment of Contractor, and that the Work furnished and performed by Contractor under the above Construction Contract is acceptable, expressly subject to the provisions of the related Contract Documents, the Agreement between Owner and Engineer for Professional Services dated _____, and the following terms and conditions of this Notice:

CONDITIONS OF NOTICE OF ACCEPTABILITY OF WORK

The Notice of Acceptability of Work ("Notice") is expressly made subject to the following terms and conditions to which all those who receive said Notice and rely thereon agree:

Exhibit E – Notice of Acceptability of Work.
EJCDC® E-500, Agreement Between Owner and Engineer for Professional Services.
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and American Society of Civil Engineers. All rights reserved.

1. This Notice is given with the skill and care ordinarily used by members of the engineering profession practicing under similar conditions at the same time and in the same locality.
2. This Notice reflects and is an expression of the Engineer's professional opinion.
3. This Notice is given as to the best of Engineer's knowledge, information, and belief as of the Notice Date.
4. This Notice is based entirely on and expressly limited by the scope of services Engineer has been employed by Owner to perform or furnish during construction of the Project (including observation of the Contractor's work) under Engineer's Agreement with Owner, and applies only to facts that are within Engineer's knowledge or could reasonably have been ascertained by Engineer as a result of carrying out the responsibilities specifically assigned to Engineer under such Agreement.
5. This Notice is not a guarantee or warranty of Contractor's performance under the Construction Contract, an acceptance of Work that is not in accordance with the related Contract Documents, including but not limited to defective Work discovered after final inspection, nor an assumption of responsibility for any failure of Contractor to furnish and perform the Work thereunder in accordance with the Construction Contract Documents, or to otherwise comply with the Construction Contract Documents or the terms of any special guarantees specified therein.
6. This Notice does not relieve Contractor of any surviving obligations under the Construction Contract, and is subject to Owner's reservations of rights with respect to completion and final payment.

By: _____

Title: _____

Dated: _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/31/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement.

Table with 2 main columns: PRODUCER (Ames & Gough) and CONTACT NAME (admin@amesgough.com). Includes a sub-table for INSURER(S) AFFORDING COVERAGE with columns for INSURER and NAIC #.

COVERAGES CERTIFICATE NUMBER: 1875334482 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES.

Main table with columns: INSR LTR, TYPE OF INSURANCE, ADDL INSD, SUBR WVD, POLICY NUMBER, POLICY EFF, POLICY EXP, LIMITS. Rows include Commercial General Liability, Automobile Liability, Umbrella Liab, Workers Compensation, and Excess Umbrella Professional Liability.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER CANCELLATION

Table with 2 columns: CERTIFICATE HOLDER (For Proposal Purposes Only) and CANCELLATION (SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. Includes signature of authorized representative).

Proposed: 2/3/2020

ORDINANCE NO. 12-2020 (PD), *First Reading*

By Council Member

An Ordinance declaring certain improvements to real property located in the City of Cleveland Heights, Ohio to be a public purpose; declaring such improvements to be exempt from real property taxation; making provision for the collection of service payments in lieu of taxes; establishing an urban redevelopment tax increment equivalent fund for the deposit of such service payments; confirming a compensation agreement with the Cleveland Heights-University Heights City School District; providing related authorizations pursuant to Ohio Revised Code Sections 5709.41, 5709.42 and 5709.43; rescinding Ordinance No. 116-2019 adopted on December 2, 2019; rescinding Ordinance No. 16-2018 adopted on March 19, 2018 except as stated herein; and declaring an emergency.

WHEREAS, the City of Cleveland Heights (the “City”) owns certain parcels of real property located at the intersection of Cedar Road and Euclid Heights Boulevard and referred to as the “Top of the Hill Property,” which parcels are described in Exhibit A hereto (collectively referred to herein as the “TIF Area,” with the parcels comprising the real property within the TIF Area, as improved, referred to herein as the “Parcels”); and

WHEREAS, Ohio Revised Code (“R.C.”) Section 5709.41 provides that this Council may, under certain circumstances, declare Improvements (as defined in R.C. Section 5709.41) to the Parcels to be a public purpose, thereby exempting those Improvements from real property taxation; and

WHEREAS, pursuant to R.C. Section 5709.41, said exemption may not exceed 75% of such Improvements for up to ten (10) years without the approval of the board of education of the city, local or exempted village school district within the territory in which the Parcels are located; and

WHEREAS, the City has entered into a Development Agreement (the “Development Agreement”) with F & C Development, Inc. pursuant to which a development entity established by F & C Development, Inc. (such entity, “the Developer”) will lease the Parcels from the City and improve the Parcels by building thereon a mixed-use development which will include construction of (a) approximately 261 market-rate apartments, (b) approximately 11,400 square feet of first floor restaurant, retail and commercial space, (c) a public parking garage resulting in 550 parking spaces, (d) public gathering and green spaces, and (e) all sidewalks, driveways, access ways and utility connections (all of the foregoing being referred to herein collectively as the “Development”); and

WHEREAS, on March 19, 2018, this Council passed Ordinance No. 16-2018 (“Ordinance No. 16-2018”) authorizing a Compensation Agreement dated March 20, 2018 (“Base Compensation Agreement”) with the Board of Education of the Cleveland Heights-University Heights City School District (“School District”), declaring certain Improvements to certain parcels included in the Top of the Hill Property to be a public purpose, declaring such Improvements to

ORDINANCE NO. 12-2020 (PD), *First Reading*

be exempt from real property taxation, and making provision for the collection of service payments in lieu of the exempted real property taxes; and

WHEREAS, on December 2, 2019, this Council passed Ordinance No. 116-2019 on request of the Developer and for the purposes stated therein (“Ordinance No. 116-2019” and, together with Ordinance No. 16-2018, the “Prior Ordinances”), rescinding Ordinance No. 16-2018 (except to the extent expressly saved in Section 1 of Ordinance No. 116-2019), confirming the Base Compensation Agreement and approving an Addendum thereto, declaring Improvements to certain parcels included in the Top of the Hill Property to be a public purpose under R.C. Section 5709.41, declaring such Improvements to be exempt from real property taxation for a period of thirty (30) years commencing with tax year 2021 (the “Exemption Period”), and making provision for the collection of service payments in lieu of the exempted real property taxes; and

WHEREAS, the financing for the Development, including the issuance of tax increment financing revenue bonds of the City (“TIF Bonds”), secured by a pledge of the anticipated service payments in lieu of exempted real property taxes to be paid by the owners of the Parcels included in the Development (“Service Payments,” as further defined below) is being finalized, and in conjunction with such TIF Bond financing, the City desires to enact this Ordinance to ensure that the Ohio Department of Taxation will, upon application for the applicable real property tax exemptions, recognize and approve an Exemption Period of thirty (30) years commencing with tax year 2021 for each of the Parcels included in the Development; and

WHEREAS, this Council has determined that it is necessary and appropriate and in the best interests of the City to provide that the owner of the Development (initially, the Developer) be required to make Service Payments with respect to the Improvements to the Parcels pursuant to R.C. Section 5709.42; and

WHEREAS, the City and School District have entered into the Base Compensation Agreement and, on request of the City, the School District has authorized an Addendum to such Base Compensation Agreement (the “Addendum”; the Base Compensation Agreement, as amended and supplemented by the Addendum, is referred to herein as the “Compensation Agreement”), to evidence that (1) the description of the Development has been modified since the date of the Base Compensation Agreement, and (2) the first year of the Exemption Period described in such Base Compensation Agreement may be tax year 2021; and

WHEREAS, under the Compensation Agreement, the Board of Education of the School District waived any notice periods prescribed in R.C. Section 5709.41 and 5709.83, approved a 100% exemption for the Improvements to the Parcels under R.C. Section 5709.41 for thirty (30) years, and waived any other rights to compensation related to the grant of that exemption; and

WHEREAS, R.C. Section 5709.85(A) requires the legislative authority of any municipal corporation granting an exemption from taxation under R.C. Section 5709.41 to create a tax incentive review council (“TIRC”), which TIRC is required to perform an annual review of exemptions from taxation granted pursuant to R.C. Section 5709.41, and the City has previously created a TIRC;

BE IT ORDAINED by the Council of the City of Cleveland Heights, that:

ORDINANCE NO. 12-2020 (PD), *First Reading*

SECTION 1. The Prior Ordinances are hereby rescinded in their entirety; provided, however, that the authority granted in Section 5 of Ordinance No. 16-2018 (to enter into the Base Compensation Agreement), as saved, adopted, confirmed, ratified and incorporated in Section 1 of Ordinance No. 116-2019, is hereby saved, adopted, confirmed, ratified and incorporated herein, effective as of the effective date of Ordinance No. 16-2018, and the execution and delivery of the Base Compensation Agreement by the City pursuant to that Section 5 is hereby approved, adopted, ratified and confirmed as fully as if either of the Prior Ordinances had remained in effect.

SECTION 2. The Improvements (other than those Improvements, if any, to be used for residential purposes as such term is used in R.C. Section 5709.41(B)) to the Parcels on which the Developer will construct the Development are hereby declared to be a public purpose for purposes of R.C. Section 5709.41. One hundred percent (100%) of the increase in the assessed value of the Parcels (which increase in assessed value is an “Improvement” as defined in R.C. Section 5709.41) shall be exempt from real property taxation for a period of thirty (30) years commencing with tax year 2021.

SECTION 3. As provided in R.C. Section 5709.42, the owner of the Development (initially, the Developer) is hereby required to make annual service payments for a period of thirty (30) years in lieu of taxes to the County Fiscal Officer on or before the final dates for payment of real property taxes. Each such payment (including interest and penalties) shall be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and payable if the Improvements were not exempt from taxation (with the payments in lieu of taxes, including any penalties, interest and rollback payments, collectively referred to as “PILOTS”). The County Fiscal Officer shall remit all PILOTS to the City. In addition to the payment of PILOTS described herein, in accordance with the Compensation Agreement, in connection with any TIF Debt (as defined in the Compensation Agreement), the owner(s) of the Development may also be required to make minimum service payments (the “Minimum Service Payments” and, together with the PILOTS, the “Service Payments”) as described in the Compensation Agreement.

This Council hereby authorizes the City Manager or designee (the “City Manager”) or an officer of the City who succeeds to the functions, duties or responsibilities of the City Manager pursuant to or by operation of law or who is fully authorized to perform such functions or duties (an “Authorized Officer”) to provide such information and certifications and execute and deliver, or accept delivery of such instruments as are necessary and incidental to collect those PILOTS from the County Fiscal Officer or collect the Minimum Service Payments from the Developer and to make such arrangements as are necessary and proper for payment of the portion of PILOTS and/or Minimum Service Payments dedicated to TIF Debt to be paid, if appropriate, to the trustee for any TIF Debt. Any late payments of PILOTS shall be subject to penalty and bear interest at the then current rate established under R.C. Sections 323.121 and 5703.47, as may be amended from time to time, or any successor provisions thereto, as the same may be amended from time to time.

No Owner of any portion of the Development shall, under any circumstances, be required in any tax year to both pay PILOTS with respect to an Improvement and reimburse local taxing authorities for the amount of real property taxes that would have been payable to local taxing authorities had the Improvements not been exempted from taxation to the extent set forth in this Ordinance.

ORDINANCE NO. 12-2020 (PD), *First Reading*

SECTION 4. The City Manager or an Authorized Officer shall make, or cause to be made, payments to the School District as described in the Compensation Agreement.

SECTION 5. This Council hereby establishes pursuant to and in accordance with the provisions of R.C. Section 5709.43, the Top of the Hill Urban Redevelopment Tax Increment Equivalent Fund (the "Fund"), into which shall be deposited the PILOTS distributed to the City with respect to the Improvements on the Parcels by or on behalf of the County Fiscal Officer as provided in Section 5709.42 of the Revised Code. One hundred percent (100%) of the moneys collected shall be deposited in the Fund and shall be retained by the City and used for any or all of the following purposes:

(i) Payment of all costs associated with the construction of the Development, including costs incurred by the City or other governmental entity, and including debt service and related costs or obligations or loans issued by the City, the State of Ohio or other governmental entity;

(ii) Construction, operation and maintenance of public improvements and publicly-owned facilities on the Parcels, including, but not limited to, streets, storm and sanitary sewers, water treatment facilities and water transmission lines, sidewalks, curbs, street trees and furniture, transitway improvements, off-street parking facilities, street lighting and signalization, pedestrian walkways, and public parks and plazas, whether owned by the City or other governmental entity by agreement with the City, and associated land acquisition and demolition, planning and engineering costs;

(iii) Land and building acquisition, demolition, site preparation, and relocation expenses related to the Development;

(iv) Compensating the School District pursuant to the Compensation Agreement; and

(v) Any other expenditures made with respect to the Parcels in accordance with the Development Agreement or other agreements entered into in connection with development of the Parcels provided such expenditures are otherwise permitted by law.

The Fund shall remain in existence so long as such PILOTS are collected, after which said Fund may be dissolved in accordance with said Section 5709.43 and transferred to the General Fund or any other fund as permitted by applicable law.

SECTION 6. The Compensation Agreement, including the Base Compensation Agreement and the Addendum, each in the form attached to this Ordinance as Exhibit B, is hereby authorized, approved and ratified, with changes or amendments thereto, not inconsistent with this Ordinance and not substantially adverse to the City, as determined by the Director of Law and which are approved by the City Manager or an Authorized Officer. The City Manager or an Authorized Officer, for and in the name of the City, is hereby authorized to execute the Addendum to the Compensation Agreement. The approval of changes or amendments by the City Manager or an Authorized Officer, and the character of the changes or amendments as not being inconsistent with this Ordinance and not being materially adverse to the City, shall be evidenced conclusively by the execution thereof by the City Manager or an Authorized Officer with the concurrence of the Director of Law. This Council further hereby authorizes and directs the City Manager or an

ORDINANCE NO. 12-2020 (PD), *First Reading*

Authorized Officer to make such arrangements as are necessary and proper for payments to be made to the School District pursuant to the Compensation Agreement.

SECTION 7. The City Manager or an Authorized Officer is authorized and directed to sign any other documents, instruments or certificates as are necessary or appropriate to consummate or implement the actions described herein, or contemplated by this Ordinance, including an agreement or agreements with the Developer to provide for the payment of PILOTS and Minimum Service Payments described in this Ordinance and in the Compensation Agreement.

SECTION 8. Pursuant to R.C, Section 5709.41, the City Manager is hereby directed to deliver a copy of this Ordinance to the Director of Development Services of the State within fifteen days after its passage. On or before March 31 of each year that the exemption set forth in Section 3 hereof remains in effect, the City Manager or an Authorized Officer shall prepare and submit to the Director of Development Services of the State the status report required under R.C. Section 5709.41(E).

SECTION 9. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council, and that all deliberations of this Council and any decision making bodies of the City that resulted in such formal actions were in meetings open to the public and in compliance with all legal requirements.

SECTION 10. Notice of the passage of this Ordinance shall be given by publishing the title and abstract of its contents, prepared by the Director of Law, once in one newspaper of general circulation in the City of Cleveland Heights.

SECTION 11. This Ordinance is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health and safety of the inhabitants of the City of Cleveland Heights, such emergency being the need to implement the financing for the Development, including the issuance of the TIF Bonds, as soon as possible. Wherefore, provided it receives the affirmative vote of five (5) or more of the members elected or appointed to this Council, this Ordinance shall take effect and be in force immediately upon its passage; otherwise, it shall take effect and be in force from and after the earliest time allowed by law.

JASON STEIN, Mayor
President of the Council

SUSANNA NIERMANN O'NEIL
Acting Clerk of Council

PASSED:

EXHIBIT A

DESCRIPTION OF PARCELS INCLUDED IN TIF AREA

(Identified by Parcel Number)

685-18-008

685-18-009

685-18-010

685-18-011

685-18-012

685-18-013

685-18- 016

685-18-018

685-18-019

ORDINANCE NO. (PD), *First Reading*

EXHIBIT B

COMPENSATION AGREEMENT AND FORM OF ADDENDUM

(See Attached)

EXHIBIT B

COMPENSATION AGREEMENT

This Compensation Agreement (this "Agreement"), is made and entered into on this day of March 30, 2018, by and between the CITY OF CLEVELAND HEIGHTS, OHIO (the "City"), a municipal corporation organized and existing under the laws of the State of Ohio, and the CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT (the "School District"), a city school district organized and existing under the laws of the State of Ohio.

WITNESSETH:

WHEREAS, the City owns (or may acquire) certain real property located at the intersection of Cedar Road and Euclid Heights Boulevard and sometimes referred to herein as the "Top of the Hill Property" more particularly depicted in Exhibit A attached hereto; and

WHEREAS, by Ordinance to be introduced in Cleveland Heights City Council (including any amendments thereto, the "TIF Ordinance"), the City proposes to establish a tax increment financing area with respect to the Top of the Hill Property, to exempt from real property taxation improvements to be made to the Top of the Hill Property pursuant to Section 5709.41 of the Ohio Revised Code (the "TIF Statute") and to require the development entity to be established by F & C Development, Inc. to lease from the City and improve the parcels included in the Top of the Hill Property (such entity, the "Developer"), to make Service Payments In Lieu of Taxes in an amount equal to the amount of real property taxes that would have been payable if the Improvements described below had not been exempted from taxation under the TIF Ordinance (those payments in lieu of taxes, together with any related penalties, interest and rollback payments, are collectively referred to herein as "PILOTS"), and to use such PILOTS to pay a portion of the principal of, interest on and premium, if any, with respect to bonds expected to be issued by the Cleveland-Cuyahoga County Port Authority (or any other such governmental authority as may be designated by the City) or other financing and any renewals or refunding thereof (collectively, the "TIF Debt") which may be issued or entered into to pay the cost of acquisition and construction of improvements as part of the proposed Top of the Hill Property development; and

WHEREAS, by the TIF Ordinance, the City intends to designate the parcels depicted in Exhibit A hereto (collectively referred to herein as the "TIF Area"), with the parcels comprising the real property within the TIF Area, as improved, referred to hereinafter as the "Parcels"; and

WHEREAS, the City has provided information to the School District with respect to a proposed mixed-use development of the Parcels which will include construction of (a) 200 luxury market-rate apartments, (b) 15,000 square feet of first floor restaurant, retail and commercial space, (c) a public parking garage containing 525 parking spaces, (d) public gathering and green spaces, (e) 20 for-sale townhomes, (f) a nationally-branded hotel or boutique hotel, (g) all sidewalks, driveways, access ways and utility connections, and which will potentially include (h) "Class A" office space (all of the foregoing being referred to herein collectively as the "Improvements"); and

WHEREAS, the City and the School District will derive substantial and significant benefits from the Improvements; and

WHEREAS, the City, in the TIF Ordinance, intends to declare the Improvements (other than those Improvements, if any, to be used for residential purposes as such term is used in Section 5709.41(B) of the Ohio Revised Code) to be for a "public purpose" and exempted 100% of the assessed valuation of the Improvements from real property taxation for a period not to exceed thirty (30) years in accordance with Section 5709.41 of the Ohio Revised Code; and

WHEREAS, on March [3], 2018, the Board of the School District adopted a resolution (the "School District Resolution") approving this Agreement and the exemption of the Improvements as will be provided in the TIF Ordinance (the "TIF Exemption"); and

WHEREAS, to facilitate the construction of the Improvements and to compensate the School District for a portion of the revenue that the School District would have received had the Improvements been made and not been exempted from taxation, the City and the School District have determined to enter into this Agreement, on the terms as hereinafter provided;

NOW, THEREFORE, in consideration of the premises and covenants contained herein, and to induce the Developer to proceed with the construction of the Improvements, the parties hereto agree as follows:

Section 1. Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

"Base Value" means the assessed value (35% of market value under current law) of the Parcels within the TIF Area for tax year 2017.

"Exempted Value" means the assessed value (35% of market value under current law) of the Parcels within the TIF Area over the Base Value that is to be exempted from real estate taxation under the TIF Ordinance and the TIF Statute.

"Exemption Year" means, for any Parcel, any calendar year in which Improvements would be taxable but for the exemption from taxation pursuant to the TIF Ordinance.

"\$44 Million Fair Market Value Threshold" means, for purposes of determining School Payments under Section 2(A) hereof, that portion of the market value of the Parcels within the TIF Area (excluding any Townhome Parcels) that is equal to or less than \$44,000,000.

"\$50 Million Fair Market Value Threshold" means, for purposes of determining School Payments under Section 2(A) hereof, that portion of the market value of the Parcels within the TIF Area (excluding any Townhome Parcels) that is equal to or greater than \$50,000,000.

"New School District Levies" means any School District levies first effective on or after the date of this Agreement. New School District Levies shall not include any replacement tax levies, to the extent of the effective rate of the levy that is being replaced, or any renewal levies. For example, if an existing levy has an effective tax rate of 10 mills as of the date of the replacement levy and 5 effective new mills are approved with the replacement of the existing levy,

New School District Levies shall exclude the prior existing effective millage (10 effective mills) and include the new 5 mills. The existing levies included in the School District's Effective Millage as of the 2017 tax year are set forth in Schedule I hereto.

"PILOTS to be received at the "\$44 Million Fair Market Threshold" means the PILOTS to be received by the City in any Exemption Year determined at the \$44 Million Fair Market Value Threshold.

"PILOTS to be received at the "\$50 Million Fair Market Threshold" means the PILOTS to be received by the City determined at the \$50 Million Fair Market Value Threshold.

"School District's Effective Millage" means the rate of real property tax millage applicable to the Parcels determined for the School District pursuant to Section 319.301 of the Ohio Revised Code in effect for any particular Exemption Year; provided, however, that the School District's Effective Millage shall not include any millage related to New School District Levies.

"Townhome Parcel" means any Parcel or portion thereof upon which is constructed a townhome or other Improvements to be used for residential purposes as such term is used in Section 5709.41(B) of the Ohio Revised Code.

Section 2. City Payments to School District. Unless otherwise agreed to in writing by the City and the School District, with respect to Improvements located within the TIF Area, for each Exemption Year for such Improvements, the City agrees to pay the School District the payments determined under subsection (A) of this Section 2 (referred to herein as the "School Payments"):

(A) School District Portion. The amounts calculated under the following clauses for each Exemption Year:

- (1) In any Exemption Year in which the market value of the Parcels in the TIF Area (excluding any Townhome Parcels) have a market value of equal to or less than the \$44 Million Fair Market Value Threshold, semi-annual payments equal to 25% of the tax revenue that the School District would have received with respect to that Exemption Year on the Exempted Value but for the TIF Exemption, based on the School District's Effective Millage.
- (2) In addition to the School Payments required by subsection (A)(1) hereof (i.e., the 25% payment calculated on the market value less than or equal to the \$44 Million Fair Market Value Threshold), in any Exemption Year in which the market value of the Parcels in the TIF Area (excluding any Townhome Parcels) have a market value of greater than the \$44 Million Fair Market Value Threshold but less than the \$50 Million Fair Market Value Threshold, semi-annual payments equal to 33.33% of the tax revenue that the School District would have received with respect to that Exemption Year on that portion of the Exempted Value attributable to that portion of the market value of the Parcels in the TIF Area (other than any Townhome Parcels) in excess of the \$44 Million Fair Market Value Threshold but for the TIF Exemption, based on the School District's Effective Millage.

- (3) In addition to the School Payments required by subsections (A)(1) and (A)(2) hereof (i.e., the 25% payment calculated on the market value less than or equal to the \$44 Million Fair Market Value Threshold and the 33.33% payment calculated on the market value greater than the \$44 Million Fair Market Value Threshold and less than or equal to the \$50 Million Fair Market Value Threshold), in any Exemption Year in which the market value of the Parcels in the TIF Area (excluding any Townhome Parcels) have a market value equal to or greater than the \$50 Million Fair Market Value Threshold, semi-annual payments equal to 50% of the tax revenue that the School District would have received with respect to that Exemption Year on that portion of the Exempted Value attributable to that portion of the market value of the Parcels in the TIF Area (other than any Townhome Parcels) in excess of the \$50 Million Fair Market Value Threshold but for the TIF Exemption, based on the School District's Effective Millage..
- (4) In addition to the School Payments required by subsections (A)(1), (A)(2) and (A)(3) hereof, semi-annual payments equal to 100% of the of the tax revenue that the School District would have received with respect to that Exemption Year from the New School District Levies, if any.

(B) Timing of Payments. The City shall cause the School Payments to be made semiannually within thirty (30) days after PILOT payments are received by the City from the Treasurer of Cuyahoga County, Ohio (the "Treasurer"). Such payments due to the School District shall be made by the City solely from the PILOTs it receives from the Treasurer. The City may provide that such amounts shall be paid directly by the Treasurer to the School District and shall not be paid to the City.

(C) Bond Issuance Test. Unless the School District consents as hereinafter described, no TIF Debt shall be issued by the City, the Cleveland-Cuyahoga County Port Authority or any such other governmental authority as may be designated by the City unless at the time of authorization of the TIF Debt the projected PILOTs based on the projected market value of the Exempted Property, according to pro forma projections presented to both the City and the School District, which projections shall assume no growth in value, will result in a debt service coverage ratio of not less than 1.25:1 for all of the TIF Debt, including principal and interest then due or coming due in the next succeeding 12-month period and administrative expenses of the City and the Cleveland-Cuyahoga County Port Authority (or any such other governmental authority as may be designated by the City) with respect to the TIF Debt, including but not limited to the fees of any trustee for the TIF Debt (the "Minimum Debt Service Coverage Ratio Requirement"). If the School District consents in writing, TIF Debt may be issued by the City, the Cleveland-Cuyahoga County Port Authority or any other such governmental authority as may be designated by the City even if the Minimum Debt Service Coverage Ratio Requirement is not satisfied. Such consent by the School District is in the sole and absolute discretion of the School District. It is the intention of the parties hereto that there will always be sufficient PILOTs during any given calendar year to pay both the debt service described in Section 2(D)(1)(a) below and all School Payments as required by this Agreement.

(D) Subordination of School Payments.

(1) The School District acknowledges and agrees that the right of the School District to receive School Payments is subordinate to the payment of the TIF Debt and that the PILOTs will be applied in the following order:

(a) First, to pay debt service charges on the TIF Debt, including principal, interest then due or coming due in the next succeeding 12-month period, early redemption premiums and the replenishment of any required reserve funds for the TIF Debt, and administrative expenses of the City and the Cleveland-Cuyahoga County Port Authority (or any other such governmental authority as may be designated by the City) with respect to the TIF Debt and the PILOTs (including but not limited to the fees of any trustee for the TIF Debt).

(b) Second, to pay to the School District the School Payments currently due under Section 2(A) hereof.

(c) Third, for all other uses as authorized by law and as may be agreed upon by the City and the Developer.

In consideration of the foregoing, the City agrees that, in connection with any TIF Debt, the owners of the Improvements on the Parcels within the TIF Area (excluding any Townhome Parcels) (initially, the Developer) will be required to pay so-called minimum service payments in an amount not less than the amount of PILOTs that would be payable had the market value of the Parcels in the TIF Area been equal to the \$44 Million Fair Market Threshold even though the market value of those Parcels may be less than the \$44 Million Fair Market Threshold (the "Minimum Service Payments"), provided that the payment of Minimum Service Payments by the owners of the Improvements on the Parcels within the TIF Area (excluding any Townhome Parcels) will not entitle the School District to School Payments in amounts greater than the amounts calculated as set forth in Section 2(A) hereof.

(2) In the event that the PILOTs are not sufficient to pay the School Payments due to the School District in full, any School Payments not paid in any Tax Year shall be a deficiency (each, a "Deficiency"). Notwithstanding anything to the contrary in this Agreement, in the event that one or more Deficiencies shall exist, in any Exemption Year in which the market value of the Parcels in the TIF Area have a market value of greater than the \$44 Million Fair Market Value Threshold, the PILOTs attributable to the Exempted Value in excess of the \$44 Million Fair Market Value Threshold will be used first to pay any Deficiencies due to the School District under this Section 2(D) (beginning with the oldest then-remaining Deficiency) and then, after payment of all such Deficiency amounts, the remainder applied according to Section 2(A) hereof.

(E) Termination of Agreement. After the Director of Finance has determined that (a) all of the payments and reimbursements described in the TIF Ordinance, including those then due and those coming due in the future, have been made or provided for, (b) the TIF Debt has been paid in full or otherwise discharged, and (c) all of the School Payments then due under this Section 2 have been made or provided for, then the exemption from taxation pursuant to the TIF Ordinance and the PILOTs shall end, and this Agreement shall terminate.

Section 3. Review of Records. The School District may from time to time, with reasonable advance notice, review the records of the City relating to its receipt of PILOTs. The City and School District shall work together and communicate as to the calculation of the payment in Section 2, including exchanging information as to the valuation of the Parcels and tax rates.

Section 4. Reconciliation. The City and School District shall annually meet to review, calculate and reconcile payments to the School District and City.

Section 5. School District Consents and Waivers. In consideration of the compensation to be provided to it under this Agreement, the School District hereby:

(A) approves all TIF exemptions that may be granted under the TIF Ordinance in the TIF Area for the number of years and the percentage specified (the "TIF Exemptions");

(B) waives any notice or other requirements set forth in Sections 5709.41, 5709.82, 5709.83 and 5715.27, Revised Code, with respect to the TIF Exemptions;

(C) waives any School District rights pursuant to Section 5715.27, Revised Code; and

(D) waives any defects or irregularities relating to the exemption from taxation of any Improvement, and agrees not to challenge, directly or indirectly, the validity of the exemption from taxation of any Improvement.

Section 6. Application of Ohio Revised Code Section 5709.82. The School District acknowledges and agrees that this Agreement provides for the only compensation to be received by the School District from the City in connection with real property tax exemptions granted pursuant to the TIF Ordinance, there will be no income tax sharing in connection with those exemptions, and the compensation provided for herein is in lieu of any other compensation that may be provided for in Section 5709.82, Revised Code.

Section 7. Amendment. This Agreement may be amended or modified by the parties only in writing, signed by both parties to the Agreement.

Section 8. Entire Agreement. This Agreement is executed pursuant to Sections 5709.41, 5709.82, 5709.83 and 5715.27(D) Revised Code, and sets forth the entire agreement and understanding between the parties as to the subject matter hereof, including without limitation all forms of compensation to be paid by the City to the School District pursuant to those sections, and merges and supersedes all prior discussions, agreements, and undertakings of every kind and nature between the parties with respect to the subject matter of this Agreement. It

or any part of the duty required by a given provision of this Agreement. Each duty of the City and its bodies, officers and employees, undertaken pursuant to the Agreement, is established as a duty with the City and of each such officer, employee or body having authority to perform that duty, specifically and enjoined by law resulting from an office, trust or station within the meaning of Section 2731.01, Revised Code, providing for enforcement by writ of mandamus. No such covenant, stipulation, obligation or agreement shall be deemed a covenant, stipulation, obligation or agreement of any present or future member, officer, agent, or employee of any of the parties in their individual capacity.

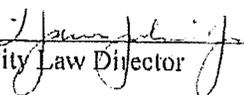
CITY OF CLEVELAND HEIGHTS, OHIO

CLEVELAND HEIGHTS-UNIVERSITY
HEIGHTS CITY SCHOOL DISTRICT

By:  _____
City Manager

By:  _____
Treasurer

Approved as to Form and Correctness:

By:  _____
City Law Director

4817-9955-3374

FISCAL OFFICER'S CERTIFICATE

The undersigned, Director of Finance of the City of Cleveland Heights under the foregoing Agreement, certifies hereby that any moneys required to meet the obligations of the City during the year ~~2017~~ under the foregoing Agreement have been appropriated lawfully for that purpose, and is in the Treasury of the City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

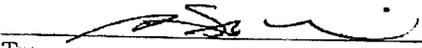
Dated: March 20, 2018

Lauree Sabin
Director of Finance
City of Cleveland Heights, Ohio

FISCAL OFFICER'S CERTIFICATE

The undersigned, Treasurer of the Cleveland Heights-University Heights City School District under the foregoing Agreement, certifies hereby that the moneys required to meet any obligations of the School District during the year 2018 under the foregoing Agreement have been appropriated lawfully for that purpose, and is in the Treasury of the District or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Dated: March 13, 2018



Treasurer
Cleveland Heights City School District, Ohio

EXHIBIT A
TIF AREA PARCELS
(Identified by Parcel Number)

685-18-008
685-18-009
685-18-010
685-18-011
685-18-012
685-18-013
685-18-016
685-18-018
685-18-019

SCHEDULE 1
SCHOOL DISTRICT'S CURRENT TAX LEVIES

See attached DTE 515 dated 12/8/17

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 PAGE 39

STATE OF OHIO
 COUNTY 18 CUYAHOGA
 COMPOSITE REDUCTION FACTOR REPORT FOR THE TAX YEAR 2017

TAXING DISTRICT NUMBER: 00180
 TAXING DISTRICT: CLEV HI-CY C HI/UNIV HT CSD

LEVY YEAR / DESCRIPTION	TAX RATE	RES/AG CLASS	REDUCTION FACTOR	COMPOSITE FACTOR	EFFECTIVE RATE	NON-RES/AG (OTHER) REDUCTION FACTOR	COMPOSITE FACTOR	EFFECTIVE RATE	CLASS
UNIT # 10180	0.500		XXXXXXX	0.009673	.500000	XXXXXXX	0.003129	.500000	Y
GENERAL FUND	0.950		XXXXXXX		.950000	XXXXXXX		.950000	Y
DEBT SERVICE	3.900		0.010786		3.857934	0.003488		3.886396	Y
2005 MENTAL HEALTH & RETARDATION	4.800		0.010786		4.748227	0.003488		4.783257	Y
2008 HEALTH AND WELFARE	3.900		0.010786		3.857934	0.003488		3.886396	Y
2013 HEALTH SERVICES	14.050			0.009673	13.914035		0.003129	14.006049	N
SUB TOTAL									
UNIT # 21080	4.450		XXXXXXX		4.450000	XXXXXXX		4.450000	Y
GENERAL FUND	52.050		0.795615		10.638239	0.591731		21.250401	Y
1976 CURRENT EXPENSE	6.900		0.625750		2.582325	0.502621		3.431915	Y
1980 CURRENT EXPENSE	6.000		0.570508		2.576932	0.439338		3.363972	Y
1983 CURRENT EXPENSE	4.500		0.570490		1.932795	0.437408		2.531664	Y
1985 CURRENT EXPENSE	6.000		0.548395		2.709630	0.384468		3.693192	Y
1986 CURRENT EXPENSE	9.500		0.548363		4.290551	0.384276		5.849378	Y
1988 CURRENT EXPENSE	8.900		0.343162		5.845858	0.182853		7.272608	Y
1993 CURRENT EXPENSE	8.900		0.246254		5.708339	0.140657		7.648152	Y
1996 CURRENT EXPENSE	9.400		0.192589		7.589663	0.081657		8.632424	Y
2000 CURRENT EXPENSE	0.600		XXXXXXXX		.600000	XXXXXXXX		.600000	Y
2001 BOND/LIBRARY (\$9,500,000)	3.800		0.086028		3.473093	0.000000		3.800000	Y
2002 PERMANENT IMPROVEMENT-ONGOING	8.500		0.000000		8.500000	0.000000		8.500000	Y
2004 CURRENT EXPENSE	7.200		0.000000		7.200000	0.000000		7.200000	Y
2007 CURRENT EXPENSE	6.900		0.000000		6.900000	0.000000		6.900000	Y
2011 CURRENT EXPENSE	5.500		XXXXXXXX		5.500000	XXXXXXXX		5.500000	N
2013 BOND (\$134,800,000)	156.090		0.000000		156.090000	0.000000		156.090000	N
2016 CURRENT EXPENSE				0.433100	88.487445		0.310567	107.613706	
SUB TOTAL									
UNIT # 51780	2.220		XXXXXXXX		2.220000	XXXXXXXX		2.220000	Y
GENERAL FUND	1.500		XXXXXXXX		1.500000	XXXXXXXX		1.500000	Y
SINKING FUND AND BOND	6.480		XXXXXXXX		6.480000	XXXXXXXX		6.480000	Y
1976 CHARTER/CURRENT EXPENSE	0.300		XXXXXXXX		.300000	XXXXXXXX		.300000	Y
1986 CHARTER/FIREMAN'S FUND	0.300		XXXXXXXX		.300000	XXXXXXXX		.300000	Y
1985 CHARTER/POLICE PENSION	0.700		XXXXXXXX		.700000	XXXXXXXX		.700000	Y
2004 CHARTER/RECREATION IMPROVEMENT	0.920		XXXXXXXX		.920000	XXXXXXXX		.920000	Y
2014 CHARTER/CURRENT EXP (H59 INCR)	12.420		XXXXXXXX		12.420000	XXXXXXXX		12.420000	N
SUB TOTAL				0.000000			0.000000		

UNIT # 60110
 CLEVELAND METRO PARKS
 CLEVELAND METRO PARK .050
 2004 CURRENT EXPENSE 1.800
 2013 CURRENT EXPENSE 0.900
 SUB TOTAL 2.750
 SARPAGE 41

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 PAGE 40

TAXING DISTRICT NUMBER: 00180 (CONTINUED)
 TAXING DISTRICT: CLEV HT-CY C HI/UNIV HT CSD

LEVY YEAR / DESCRIPTION	TAX RATE	RES/AG CLASS	REDUCTION	COMPOSITE	EFFECTIVE	RES/AG CLASS	REDUCTION	COMPOSITE	EFFECTIVE	NON-RES/AG (OTHER)	CLASS
ROLL			FACTOR	FACTOR	RATE		FACTOR	FACTOR	RATE		
UNIT # 60192		CLEVELAND HTS LIBRARY									
1992 CURRENT EXPENSE	4.000		0.343162		2.627352		0.182943		3.268228		Y
2000 CURRENT EXPENSE	1.900		0.192589		1.534080		0.081657		1.744851		Y
2008 CURRENT EXPENSE	1.900		0.000000		1.900000		0.000000		1.900000		Y
2014 CURRENT EXPENSE	2.200		0.000000		2.200000		0.000000		2.200000		N
SUB TOTAL	10.000			0.173857	8.261432			0.088693	9.113079		
UNIT # 61156		CUYAHOGA COMMUNITY COLLEGE									
2006 CUYAHOGA COMMUNITY COLLEGE	1.200		0.010786		1.187056		0.003488		1.195814		Y
2010 CUYAHOGA COMMUNITY COLLEGE	1.900		0.010786		1.879506		0.003488		1.893372		Y
2014 CUYAHOGA COMMUNITY COLLEGE	0.900		0.010786		.890292		0.003488		.896860		N
2017 BOND (\$227,500,000)	0.500		XXXXXXX		.500000		XXXXXXX		.500000		N
SUB TOTAL	4.500			0.009588	4.456854			0.003101	4.486045		
UNIT # 61157		CLEVELAND-CUYAHOGA PORT AUTHORITY									
1998 CCPA PORT AUTHORITY	0.130		0.130167		.113078		0.098914		.117141		Y
SUB TOTAL	0.130			0.130170	.113078			0.098916	.117141		
COMPOSITE	199.940			0.347949	130.371205			0.247293	150.496356		
SARPAGE 42											

STATE OF OHIO
 COMPOSITE REDUCTION FACTOR REPORT FOR THE TAX YEAR 2017
 COUNTY 18 CUYAHOGA

ADDENDUM TO COMPENSATION AGREEMENT

This Addendum to Compensation Agreement supplements that Compensation Agreement dated March 20, 2018 ("Base Agreement") and, with this Addendum, the "Compensation Agreement") and is made this 25 day of November, 2019 by and between the CITY OF CLEVELAND HEIGHTS, OHIO, a municipal corporation organized and existing under its Charter, the Ohio Constitution and other applicable Ohio law ("City") and the CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT, a city school district organized and existing under Ohio law ("School District"), under the following circumstances (with all capitalized terms used as defined terms herein and not defined herein being used as defined in the Base Agreement):

A. Pursuant to legislative authorization by the Council of the City and the Board of Education of the School District ("School Board"), the City and School District executed and delivered the Base Agreement to, among other things: (1) enable the City to enact a TIF Ordinance pursuant to the TIF Statute and thereby exempt from real property taxation 100% of the incremental value resulting from Improvements to the Parcels within the TIF Area for up to 30 years ("Exemption Period"), (2) provide for the compensation to be paid to the School District from PILOTS to be paid, collected and distributed annually to the School District during the Exemption Period, (3) establish the terms on which TIF Debt may be issued and secured by a senior lien on the PILOTS, and (4) evidence certain related waivers and consents by the School District; and

B. The City and Developer have notified the School District that they have agreed to make certain limited changes to the required Improvements to the TIF Area, that such Improvements have been delayed by nearly two years since execution of the Base Agreement and that, as a result of that delay and in order to facilitate the issuance of the TIF Debt necessary to support the construction and development of the Improvements, the City now expects to enact the TIF Ordinance in December 2019, to become effective in January 2020, with the Exemption Period to commence in tax year 2021; and

C. The City and Developer have requested that the School District join with the City in the execution and delivery of this Addendum to update their understandings regarding the Improvements, specify the years of the Exemption Period and confirm that the terms and conditions of the Base Agreement, as supplemented by this Addendum, will apply to the TIF Debt (and to the related real property tax exemption to be authorized by the City pursuant to the TIF Ordinance to be so enacted), and the School District and City have determined to execute and deliver this Addendum to supplement the Base Agreement for those purposes;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained in the Compensation Agreement, and to induce the Developer to proceed, upon enactment of the TIF Ordinance, with the financing and construction of the Improvements, the City and School District agree as follows:

1. The Improvements will consist of a single-phase mixed-use development that shall include (a) approximately 261 market-rate apartments, (b) approximately 11,400 square feet of first floor restaurant, retail and commercial space, (c) a public parking

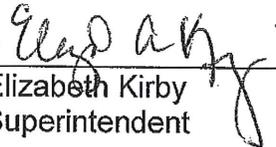
garage containing approximately 550 parking spaces, (d) public gathering and green spaces, and (e) all sidewalks, driveways, access ways and utility connections necessary for the improvements described in (a) through (d) above.

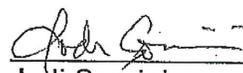
2. The 30 Year Exemption Period is expected to commence with tax year 2020 or 2021 and shall end not later than tax year 2050.

3. This Addendum shall be attached to the Base Agreement and be and become a part of the Compensation Agreement.

4. As supplemented hereby, each and all of the terms and conditions of the Base Agreement are hereby expressly ratified and confirmed. The Base Agreement and this Addendum represent the entire agreement of the parties with respect to the subject matter hereof and thereof.

**BOARD OF EDUCATION OF THE CLEVELAND
HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL
DISTRICT**

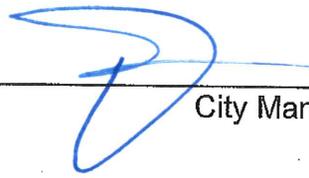
By: 
Elizabeth Kirby
Superintendent


Jodi Sourini
Board President


A. Scott Gainer
Treasurer/CFO

Approved as to Form and Correctness: CITY OF CLEVELAND HEIGHTS, OHIO

By: 
City Law Director

By: 
City Manager

Proposed: 2/3/2020

RESOLUTION NO. 13-2020 (AS)

By Council Member

A Resolution authorizing the use of a Consent Agenda within the agenda of meetings of the City Council; establishing the parameters thereof; and declaring an emergency.

WHEREAS, pursuant to Article III, Section 8 of the Charter of the City of Cleveland Heights, this Council has the authority to determine its own rules and order of business, including prescribing the form, method, and procedure for legislative enactments; and

WHEREAS, the use of a Consent Agenda would permit this Council to address routine or non-controversial matters more efficiently by permitting the approval of such matters without need for separate discussion, debate, or vote as to each matter contained within the Consent Agenda; and

WHEREAS, this Council has determined that having the ability to utilize a Consent Agenda in its meetings is in the best interest of the City, its residents, and the general goal of civic efficiency.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Cleveland Heights, Ohio, that:

SECTION 1. Pursuant to Article III, Section 8 of the Charter of the City of Cleveland Heights, this Council hereby determines to approve the use of a Consent Agenda. The use of a Consent Agenda is hereby authorized but not mandated with respect to any particular meeting.

SECTION 2. The utilization of a Consent Agenda shall be governed by the following rules: The Consent Agenda may include ordinances and resolutions, acceptance of property and dedications, easement agreements, and such other items as Council determines. Items which may not be included on the Consent Agenda are those which impose a tax or propose a levy or question for popular consideration on the ballot or which would be prohibited by the City Charter or Ordinances. Any member of Council, for any reason, may request that an item on the Consent Agenda be removed and if such request is made the item shall be removed and placed on the regular agenda without discussion on that request. Action on any item on the consent portion of the agenda shall not eliminate the need for a greater majority vote if one is called for by the Charter or the Codified Ordinances of the City of Cleveland Heights. Action upon the Consent Agenda will require two motions: the first to suspend the rules under Chapter 111 of the Codified Ordinances of the City of Cleveland Heights, and a second for approval or adoption of the items within the Consent Agenda. A vote upon adoption of the Consent Agenda operates as to all items on the Consent Agenda at the time the motion to approve or adopt is made.

RESOLUTION NO. 13-2020 (AS)

SECTION 3. At any time, this Council may, as it deems necessary or advisable, prescribe different or additional rules and limitations governing the use of the Consent Agenda, consistent with the Charter and Ordinances of the City of Cleveland Heights.

SECTION 4. Notice of the passage of this Resolution shall be given by publishing the title and abstract of its contents, prepared by the Director of Law, once in one newspaper of general circulation in the City of Cleveland Heights.

SECTION 5. This Resolution is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health and safety of the inhabitants of the City of Cleveland Heights, such emergency being the need to implement the above-described practice to streamline Council meetings by providing appropriate flexibility to address in an expedient manner non-controversial matters coming before Council. Wherefore, provided it receives the affirmative vote of five (5) or more of the members elected or appointed to this Council, this Resolution shall take effect and be in force immediately upon its passage; otherwise, it shall take effect and be in force from and after the earliest time allowed by law.

JASON S. STEIN, Mayor
President of Council

SUSANNA NIERMANN O'NEIL
Acting Clerk of Council

PASSED:



CLEVELAND HEIGHTS

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