

CITY OF AKRON, OHIO

2009

ANNUAL INFORMATIONAL STATEMENT

The City of Akron intends that this Annual Informational Statement will be used (1) together with information to be specifically provided by the City for that purpose, in connection with the original offering and issuance by the City of its bonds, notes and other obligations and (2) to provide information concerning the City on a continuing annual basis.

Questions regarding information contained in this Annual Informational Statement should be directed to Diane L. Miller-Dawson, Director of Finance, City of Akron, Municipal Building, 166 South High Street, Akron, Ohio 44308; telephone 330-375-2316; telecopy 330-375-2291; email milledidi@ci.akron.oh.us.

The date of this Annual Informational Statement is June 1, 2009, as supplemented as of June 26, 2009.

REGARDING THIS ANNUAL INFORMATIONAL STATEMENT

The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Annual Informational Statement nor any sale made in connection therewith shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the City since the date of this Annual Informational Statement.

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*This Annual Informational Statement serves to comply with the City's Continuing Disclosure Agreements entered into in connection with the listed Bonds and Other Obligations of the City (see **INTRODUCTORY STATEMENT** and **Appendix D**).*

INTRODUCTORY STATEMENT

This Annual Informational Statement (the Annual Statement) has been prepared by the City of Akron, Ohio (the City) to provide, as of its date, financial and other information relating to the City. The City intends that this Annual Statement be used in conjunction with specific offering information to be provided by the City in connection with the original offering and issuance by the City of specific issues of bonds, notes or other obligations. Such specific offering information, taken together with this Annual Statement, will serve as the Official Statement for each of those issues. Following the distribution of this Annual Statement and concurrently with the original offering by the City of a particular issue of its bonds, notes or other obligations, the City may distribute or make available the specific offering information relating to that issue along with information updating or revising information contained in this Annual Statement.

The City has prepared and circulated to interested persons an annual informational statement such as this Annual Statement in each year since 1978 and intends to continue that practice. Since 1996, the City has entered into continuing disclosure agreements (the Agreements) pursuant to SEC Rule 15c2-12 in connection with the primary offering by the City of each of its issues of bonds and other obligations subject to that rule. The Agreements require the City to provide annually financial information and operating data for its immediately preceding fiscal year of the type included in the final official statement for each of the respective issues. This Annual Statement is provided in order to satisfy the obligation of the City under the Agreements. It will be filed with the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system. The list of bonds, notes and other obligations of the City to which this Annual Statement applies is set forth in **Appendix D** and *includes the applicable CUSIP numbers* for those issues. When completed, the audit of the City's financial statements for fiscal year 2008 will be filed with the State Auditor, the Single Audit Clearing House, the MSRB through its EMMA system and various grant and other appropriate agencies and will be mailed upon written request.

Questions regarding information contained in this Annual Statement or requests to be placed on the mailing list to receive this Annual Statement should be sent to Diane L. Miller-Dawson, Director of Finance, City of Akron, Municipal Building, 166 South High Street, Akron, Ohio 44308. The Director of Finance is the officer designated by the City to respond to questions concerning the Annual Statement and the financial matters of the City in general. She may be contacted at the above address or by telephone 330-375-2316, telecopy 330-375-2291 or email milledl@ci.akron.oh.us.

All financial and other information in this Annual Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

This Annual Statement should be considered in its entirety and no one subject considered less important than another by reason of location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents.

References to provisions of Ohio law or of the Ohio Constitution or the Charter of the City (the Charter) are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Annual Statement, "debt service" means principal of and interest on the obligations referred to, "County" means the County of Summit, "State" or "Ohio" means the State of Ohio and "JEDD" means a Joint Economic Development District.

THE CITY

GENERAL

The City is located in the County of Summit in northeast Ohio, approximately 35 miles south of Cleveland. The City, the county seat, was incorporated in 1836.

In the 2000 Census classifications, the City was in the Akron Primary Metropolitan Statistical Area (PMSA), comprised of Summit and Portage Counties. It was also in the Cleveland-Akron-Lorain Consolidated Metropolitan Statistical Area (CMSA). Effective in 2003, the PMSA was renamed the Akron Metropolitan Statistical Area (MSA). The CMSA was reclassified as the Cleveland-Akron-Elyria Combined Statistical Area (CSA). Only limited statistics are now available for the new CSA.

CITY GOVERNMENT

The City operates under and is governed by its Charter, which was first adopted by the voters in 1918 and which has been and may be amended by City voters from time to time. The City is also subject to certain general laws applicable to all cities in the State. Under the Ohio Constitution, the City may exercise all powers of local self-government, and may enact police, sanitary and similar regulations to the extent not in conflict with applicable general laws. The Charter provides for a Mayor-Council form of government.

Legislative authority of the City is vested in a 13-member Council. Three members are elected at-large for four-year terms; ten members are elected from wards for two-year terms. The Council fixes compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, who is elected by the Council to serve until a new President is elected. The Charter establishes certain administrative departments and authorizes the Council, by a two-thirds vote, to establish additional departments and divisions within the departments.

The City's chief executive and administrative officer is the Mayor, who is elected by the voters to that office for a four-year term. The Mayor appoints the directors of the City departments. The major appointed officials are the Directors of Finance, Law, Planning, and Public Service and the Deputy Mayors. The Mayor also appoints members to a number of boards and commissions and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, with a few exceptions, including Council officers and employees and health and personnel directors.

The Mayor may veto any legislation passed by the Council. A veto may be overridden by a two-thirds vote of all members of the Council.

All elected officials, except the Mayor, serve part-time. The current elected officials and some of the major appointed officials are set forth in the following tables.

<u>Elected Officials</u>	<u>Name</u>	<u>Date of Beginning of Service</u>	<u>Expiration Date of Present Term</u>
Mayor	Donald L. Plusquellic(a)	January 3, 1987	December 31, 2011
Council:(b)			
President	Marco S. Sommerville(c)	February 13, 1984	December 31, 2009
Members	Terry H. Albanese	January 29, 2001	December 31, 2009
	John R. Conti(d)	January 1, 1992	December 31, 2009
	Raymond W. Cox III(e)	February 2, 2009	December 31, 2009
	Kelli Crawford	January 10, 2008	December 31, 2009
	Michael Freeman	January 1, 2002	December 31, 2009
	Renee L. Greene	June 16, 1997	December 31, 2009
	James P. Hurley III	February 12, 2007	December 31, 2009
	Kenneth Jones(f)	March 3, 2008	December 31, 2009
	Bruce Kilby	January 1, 2006	December 31, 2009
	Tina Merlitti	May 16, 2005	December 31, 2009
	Jim Shealey(d)	January 1, 2000	December 31, 2009
	Michael D. Williams(d)	January 1, 1988	December 31, 2009

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- (a) Mr. Plusquellic became Mayor upon the resignation of former Mayor Thomas C. Sawyer, who was elected to the U.S. House of Representatives representing the 14th Congressional District. Mr. Plusquellic was re-elected to a sixth full term as Mayor at the November 2007 election. Prior to becoming Mayor, Mr. Plusquellic served in City Council for 12 years, the last three of which as President of Council.
- (b) The Clerk of Council is appointed by Council and is a classified employee. Council appointed Robert Keith, who formerly served as Ward 8 Council member for 11 years, as the Clerk of Council effective January 13, 2009. He replaced Cheri Prough who retired with over 30 years of service to the City.
- (c) Mr. Sommerville became President of Council on January 1, 1999.
- (d) At-large members. Mr. Shealey was appointed on February 5, 2008 by Council. Previously, he served as a ward Council member.
- (e) Mr. Cox was appointed by Council to replace Robert Keith as Ward 8 Council member.
- (f) Mr. Jones was appointed by Council to replace Jim Shealey as Ward 5 Council member.

Mr. Plusquellic, the City's longest serving mayor, served from June 2004 to June 2005 as the 62nd president of the U.S. Conference of Mayors (USCM), a national non-partisan organization of mayors for cities with a population of more than 30,000. Prior to becoming president of the USCM, Mr. Plusquellic served as chairman of the organization's advisory board as well as vice president of the USCM, and received the prestigious City Livability Award, the highest honor bestowed on city leaders by the USCM. A petition for a recall election of the Mayor was filed. The recall effort was organized and led by a perennial political opponent of the Mayor. City Council set June 23, 2009 as the date for this vote. The recall was defeated by the voters in this special election, with approximately 74% of the over 28,150 voters supporting the Mayor.

<u>Appointed Officials</u>	<u>Name</u>	<u>Date of Beginning of Service</u>	<u>Years Service with the City</u>
Director of Finance	Diane L. Miller-Dawson(a)	January 10, 2004	22
Director of Law	Max Rothal(b)	December 14, 1987	25
Director of Public Service	Richard A. Merolla(c)	March 26, 2007	26
Director of Planning	John Moore(d)	January 1, 2009	25
Deputy Mayor for Intergovernmental Relations	Laraine Duncan(e)	January 10, 2004	13
Deputy Mayor for Public Safety	(f)		
Deputy Mayor for Economic Development	Robert Y. Bowman(g)	June 2, 2004	5
Deputy Mayor for Administration	David Lieberth(h)	May 1, 2002	7

All appointed officials serve at the pleasure of the Mayor.

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- (a) Prior to her appointment as Director of Finance, Ms. Miller-Dawson served as Deputy Director of Finance for seven years. Prior to that, she served as the Finance Manager for the Publications/News Services Divisions at the University of Buffalo for six months. She also served in various capacities with the City's Department of Public Service, including Operations Research Manager for four years, Operations Analyst for five years and Account Clerk for one year.
- (b) Prior to his appointment as Director of Law, Mr. Rothal served as the City's Chief Litigator for four years. Prior to his service with the City, he was in private practice.
- (c) Prior to his appointment as Director of Public Service, Mr. Merolla was Chief Operating Officer of Buckingham, Doolittle & Burroughs, LLP and a senior manager for Deloitte Consulting in the company's public sector. Prior to that, he served as Director of Finance of the City for four years, Budget Director for seven years and as an economist in the Department of Planning for 13 years.
- (d) Prior to his appointment as Director of Planning, Mr. Moore served in various positions in the Department of Planning and Urban Development during his career with the City, including Interim Director for four months prior to his appointment and Zoning Manager for 12 years.
- (e) Prior to her appointment as Deputy Mayor for Intergovernmental Relations, Ms. Duncan served as Assistant to the Mayor for Education for three years. Prior to that, she served for five years as the Executive Director of the Private Industry Council, a federally funded job placement agency governed by the Mayor's office and the County of Summit Executive.
- (f) This position is vacant. Mr. Larry Givens has retired from this position as of May 1, 2009. Prior to his appointment as Deputy Mayor for Public Safety, Mr. Givens served as Assistant Sheriff of the County from January 2001 to July 2007. Mr. Givens also served in the City's Police Department for over 26 years. He was Chief of Police from 1992 until his retirement in 1996.
- (g) Prior to his appointment as the Deputy Mayor for Economic Development, Mr. Bowman worked at the Greater Akron Chamber for over 16 years, most recently as the vice president of economic development.
- (h) Prior to his appointment as Deputy Mayor for Administration, Mr. Lieberth was a practicing attorney and president of his own consulting and production company.

EMPLOYEES

As of January 1, 2009 the City had 2,214 full-time employees and 375 seasonal, part-time and temporary employees. The number of full-time employees decreased by 29 in 2008. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

The numbers of full-time employees, represented by and covered by agreements with the City negotiated by the bargaining units listed below as of January 1 for years 2005 through 2009, are set forth in the following table. The remaining full-time City employees have not elected to or are not eligible to join a bargaining unit.

The Mayor has proposed, and the City has undertaken, the consolidation of certain services on a regional basis by merging certain City divisions and services with their counterparts at the County. These include the Weights and Measures Division, the Central Service copying services and, in early 2009, the Building Department (primarily Building and Plans and Permits and Inspections) and the Narcotics Division of the Police Department. The City believes that this regional approach will strengthen the provision of services and save costs. It will likely affect City employment numbers in future years.

<u>Bargaining Unit</u>	<u>Expiration Date of Agreement with City</u>	<u>Number of Employees (as of January 1)</u>				
		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Akron Nurses Association (ANA)	December 31, 2011	23	21	21	19	20
International Association of Fire Fighters, Local #330	December 31, 2009	352	370	359	353	375
Fraternal Order of Police Lodge #7 (FOP)	December 31, 2009	477	468	451	474	467
Akron Civil Service Personnel Association (CSPA)	December 31, 2011	452	435	424	418	388
American Federation of State, County and Municipal Employees, Local #1360 (AFSCME)	December 31, 2009	490	472	439	435	395

Three-year agreements with the police and firefighters have been approved with wage increases of 3.0% for each of the years 2007, 2008 and 2009. The agreement with Local #1360 provides for wage increases of 2.0% for 2006, 1.0% for each of 2007 and 2008 and 2.5% for 2009. The agreement with the ANA and CSPA provides for a wage increase of 2.5% for 2009 with wage reopeners in 2010 and 2011.

Generally, the terms of salaries, wages and other economic benefits for City employees have been the products of negotiations with representatives of the stated bargaining units. All of the bargaining units have formal written agreements with the City covering working conditions, employee rights, grievance procedures and other standard features of collective bargaining agreements. In the judgment of the City, labor relations with its employees have been and are considered currently to be satisfactory.

FACILITIES

Certain of the City's buildings and facilities are briefly described in the following table. For discussion of other City facilities, see also **Capital Investment Program** and **Community and Economic Development Programs -- Canal Park Stadium, Sewer System, Water System and Recreation and Entertainment**.

Facility	Date Built or Purchased	Size (sq. ft.)	Use
Municipal Building	Built 1925	99,000	Administrative Offices (Mayor, Council, Finance, Public Service, Planning, Economic Development)
CitiCenter Building and Parking Deck	Purchased 1993	200,000	Administrative Offices (Fire, Personnel, Public Utilities); YMCA facilities
H. K. Stubbs Justice Center	Built 1968	160,220	Police Department, Municipal Courts and Prosecutor's Office
Morley Health Center & Parking Deck	Built 1969	90,000	Public Health Administration; Public Parking
Cascade Parking Deck & Plaza; Main St. Tunnel & Transition Building/Walk	Built 1970	630,000	Public Parking; pedestrian access
Opportunity Park Parking Deck & Skywalk	Built 1973 Rebuilt 2002	318,100	Public Parking
Broadway Parking Deck & Skywalk	Built 1996	166,150	Public Parking
Akron Centre Parking Deck	Built 1971 Expanded 2007	590,740	Public Parking
State Street Parking Deck	Built 1998	151,000	Public Parking
Municipal Service Center Complex (three buildings)	Built 1976	87,910 (total)	Administrative Offices (Public Works, Motor Equipment, Traffic Engineering); Fueling and repair of City vehicles
Motor Equipment Garage	Purchased 1985	43,600	Fueling and repair of City vehicles
Westside Depot Garage 1540 Copley Rd.	Built 1965	12,660	Fueling and repair of City vehicles
Fire Stations (13)	Built 1920 to 1995	126,790 (total)	Fire fighting personnel and equipment
Fire Maintenance Facility	Built 1963	21,190	Equipment maintenance storeroom; hydrant repair and maintenance
High-Market Parking Deck	Built 2004	265,090	Public Parking

The City purchases fire and extended coverage insurance on all buildings and contents to \$175,000,000 (loss) per occurrence, with a deductible of \$250,000. Coverage is purchased on approximately 1,200 vehicles for combined single-limit liability of \$1,000,000. Settled claims have not exceeded the City's insurance coverage in any of the past three years.

CAPITAL INVESTMENT PROGRAM

The City's Department of Planning and Urban Development annually studies the future capital improvement needs of the City and prepares a five-year forecast of capital improvements. This Capital Investment Program establishes a long-range capital budget and provides for an annual review of progress and programs. The major source of funding for the Capital Investment Program is the 27% of municipal income tax revenue allocated to capital expenditures (see **Municipal Income Tax**). Other major sources of funding include Water System and Sewer System service fees, special assessments, federal and State transportation funds and Community Development Block Grant (CDBG) Program funds. Reductions in federal and State funding could delay implementation of some projects in the program.

Since its inception in 1963, the Capital Investment Program has provided over \$3.3 billion in permanent public improvements for the City, including storm and sanitary sewers, street improvements (paving, curbs, sidewalks and shade trees), water mains and services, bridges, parks and diverse other public facility improvements. The Capital Investment Program has stimulated millions of dollars of private investment. This program has also been successful in maintaining and improving the City's many fine residential neighborhoods. While continuing these neighborhood improvements, the Capital Investment Program will also continue to emphasize improvements that encourage further industrial and commercial growth within the City.

The Director of Public Service is responsible for the construction, maintenance and operation of the City's capital facilities. Maintaining and preserving the City's basic public facilities, that is, its "infrastructure," has been, and continues to be, a major priority for the City. As a result, the City considers its capital facilities to be in good condition. An example of the City's commitment to the preservation of its infrastructure is its investment in the City's street and expressway system, including bridges, highways and local and arterial streets.

The City is responsible for 267 bridges on its streets and highways, some of which are State-owned bridges for which the City is only responsible for routine maintenance. Major bridge problems have been avoided through an active bridge rehabilitation and replacement program. The City conducts an annual inspection and assessment of all bridges. Since 1980, the City has spent over \$9.5 million on bridge maintenance and over \$125 million on major bridge reconstruction, replacement and repair. The City has used the maximum federal funds available for these projects. In addition to continuing bridge maintenance, the City has programmed approximately \$20 million for major repairs or replacement in the next five years. It is anticipated that federal funds will again be used to pay for the major share of this work.

The City will receive \$21.0 million from federal stimulus funds for improvements to a major bridge in the City (\$7.5 million) as well as for improvements to another bridge and to several streets. (See **Industrial Development Program – Goodyear Tire & Rubber Company Project.**)

The City is served by a number of interstate and State expressways, as well as by an innerbelt freeway. In cooperation with the State Department of Transportation, the City is continuing the rehabilitation of the 26 miles of expressway within the City by paving, repairing or replacing bridges and making safety improvements at an estimated cost over the next five years of approximately \$70.4 million. Approximately 97% of the total funding for these improvements is provided by various federal and State programs.

In addition to maintaining and improving the bridges and expressways, the City has made a major investment in its residential and arterial street network. Since 1980, the City has made improvements, including new pavement, curbs, drainage, sidewalks and storm sewers, to over 125 miles of formerly unimproved streets, as well as reconstruction and repair of existing streets. Various local and highway funds were used to pay the cost of these projects. The City's five-year capital budget provides approximately \$47.4 million for residential, arterial and collector street improvements. In addition, \$20.4 million is to be used for street resurfacing. An additional \$15.6 million is budgeted for public improvements within the City's Community Development Housing Treatment areas and Housing Petition areas over the next five years.

COMMUNITY AND ECONOMIC DEVELOPMENT PROGRAMS

(See Selected Updates at page 14.)

Industrial Development Program

(See *Map 1.*)

Grant Washington Renewal Project. Initiated in 1962 as the City's first urban renewal project, the Grant Washington Renewal Project includes approximately 105 acres located just southeast of the central business district (CBD). This project converted an area dominated by obsolete factories, derelict structures and overcrowded and substandard housing into an attractive industrial and commercial park including 44 new buildings, with an adjoining new, moderately low and medium income residential development of 208 dwelling units. Private development in this area has exceeded \$25 million by 2008. The University of Akron also acquired facilities in this project area to provide student housing, offices and classrooms. Since the completion of the initial construction, Buckeye State Credit Union purchased land in the project area and completed construction of a 2,000 square foot customer service facility. Akron's Main Post Office constructed a 49,200 square foot expansion with a new parking garage.

Opportunity Park Renewal Project. The Opportunity Park Renewal Project encompasses residential, industrial and commercial redevelopment within its 530 acres. Channelwood Village, a residential community, is located in the project area and includes 961 housing units, a middle school, underground utilities, a modern street system and 17 acres of City park, including a renovated portion of the Ohio & Erie Canal, which runs through the City. Pursuant to an Urban Development Action Grant (UDAG) Agreement, Alpha Phi Alpha Homes, Inc., a nonprofit corporation and a subsidiary of the local chapter of Alpha Phi Alpha Fraternity, built and manages a townhouse development, The Landings Condominiums, in the area of the Opportunity Park Renewal Project. The City received a \$2.4 million UDAG for use as low-interest second mortgage loans to qualified purchasers of the 156 condominium units at the Landings. Alpha Phi Alpha also constructed 50 units east of the canal. The City, in partnership with private developers and the Home Builders Association of Akron, constructed and sold nine new homes in the Opportunity Park area in 1999.

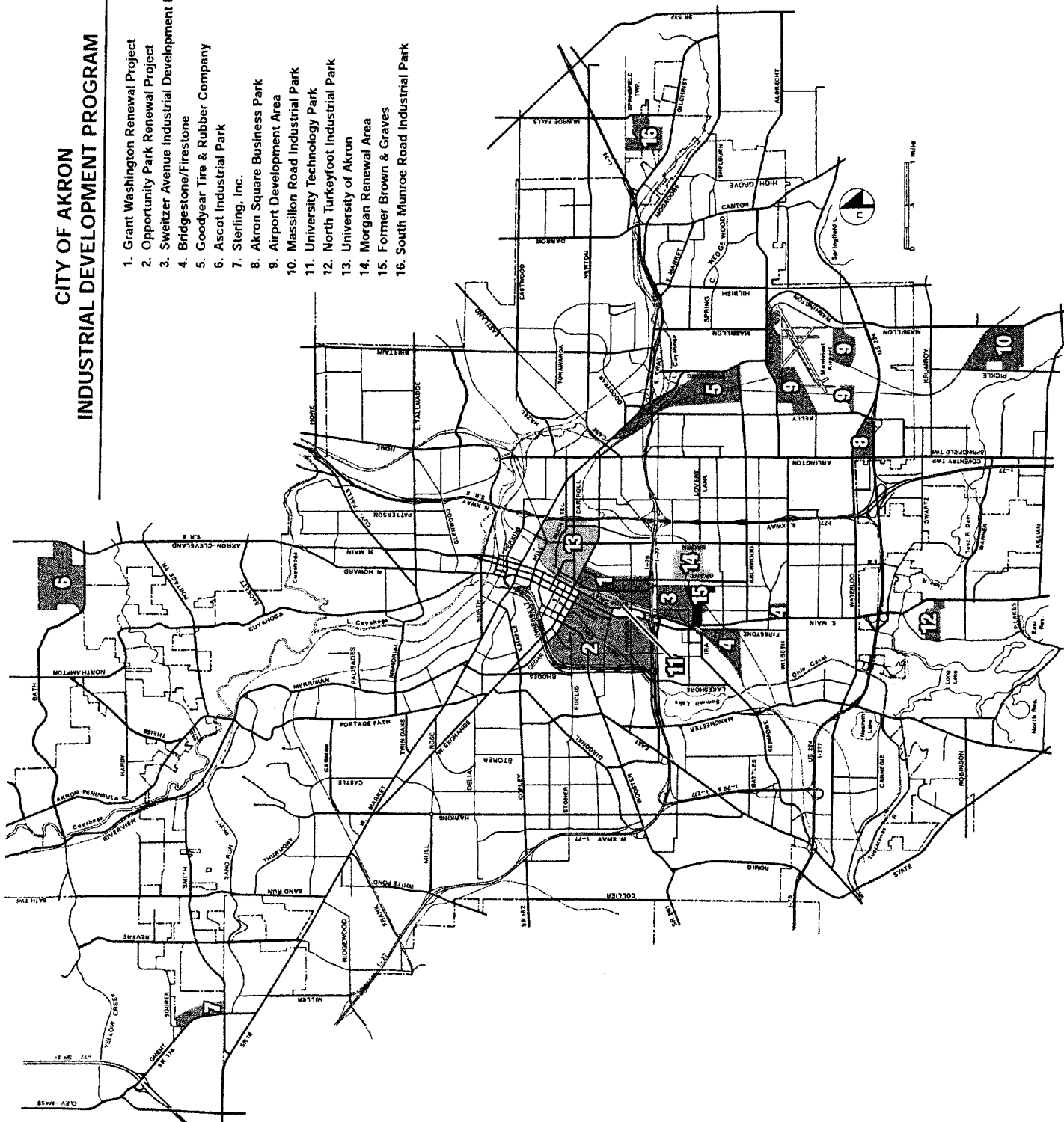
GOJO Industries, which began over 50 years ago in the City, acquired and renovated the former B.F. Goodrich Company headquarters building as its new corporate headquarters. This project has resulted in over 300 employees at this site. The City acquired the building from Goodrich for \$2.5 million, and Goodrich donated the land to the City. In accordance with the City's contract with GOJO, the City completed asbestos removal and additional environmental remediation in 1999. GOJO invested over \$23.5 million in renovations; it moved into its new headquarters in May 2000 and currently has 373 employees (52 more than reported in 2008).

Community and Economic Development Programs - Selected Updates from May 1, 2008
(for additional information, see pages referenced below)

- The City will also receive \$13 million of federal stimulus funds to improve bridges and roadways in the City (page 12).
- Bridgestone/Firestone announced plans to build its new technical center in the City. This \$100 million investment (including \$10 million by the City) will retain 1,000 jobs. The City will receive \$8 million of federal stimulus funds for major street improvements as part of the project (page 18).
- Goodyear Tire & Rubber Company, Industrial Real Estate Group (the developer), the City, the County and the State continue to work on a plan to locate the company's global and North America headquarters in the City in new state-of-the-art facilities adjacent to its Technical Center; 2,900 jobs will be retained. This \$900 million redevelopment project includes additional industrial, retail and commercial development (page 19).
- Akron Global Business Accelerator's 70,000 square foot building is now available to house technology-driven companies; 38 start-up businesses with 261 employees occupy the facility (page 19).
- Ascot Industrial Park projects completed include a 55,000 square foot manufacturing facility for ComDoc Inc. and a 25,000 square foot laboratory and testing facility for Summit Environmental Technologies (page 20).
- FirstEnergy Corp. completed construction of its new office building to house up to 700 employees in its West Akron Campus in August 2008 (page 22).
- Lockheed Martin Corp. completed the environmental cleanup of its Airdock and hired 76 employees in 2008 (page 24).
- Akron METRO Regional Transit Authority completed construction of a \$16.3 million central transfer station in the University Technology Park (page 25).
- The University of Akron acquired the former Quaker Square hotel and retail complex and began using it as a student residence hall (page 27).
- The Knight Foundation pledged \$25 million to create the Knight Center of Digital Excellence to build community broadband networks in the City and 25 other communities. The Center will be located in the City and is expected to be completed in summer 2009, employing 16 people. As part of the Center's plan, the City will be able to offer free public wireless Internet access across 11 square miles, including the downtown area (page 35).
- Summa Health System constructed a \$28 million cancer center on its Akron Hospital campus. The building was dedicated in September 2008 (page 65).
- InfoCision Management Corporation announced plans to retain 600 jobs and add 400 jobs to a new headquarters in the Bath-Akron-Fairlawn JEDD. The City will provide \$6.75 million to Infocision, in the form of a forgivable loan, for the purchase of two properties in order for Infocision to accomplish this pledge.
- Foundation Industries relocated a custom injection molding company into the City on West Waterloo Road in the former Myers Industries property with a \$150,000 forgivable loan from the City. The company moved in with 37 employees and with a pledge to grow to 52 within two years.
- The City has initiated a sustainability plan for the City of Akron, "Greenprint Akron." An introductory section to that 100+ page Plan is included in this Annual Statement at **Appendix C.**

CITY OF AKRON INDUSTRIAL DEVELOPMENT PROGRAM

1. Grant Washington Renewal Project
2. Opportunity Park Renewal Project
3. Swetzer Avenue Industrial Development Project
4. Bridgestone/Firestone
5. Goodyear Tire & Rubber Company
6. Ascot Industrial Park
7. Sterling, Inc.
8. Akron Square Business Park
9. Airport Development Area
10. Massillon Road Industrial Park
11. University Technology Park
12. North Turkeyfoot Industrial Park
13. University of Akron
14. Morgan Renewal Area
15. Former Brown & Graves
16. South Munroe Road Industrial Park



MAP 1

Canal Place. In 1988, Covington Capital Corporation purchased 27 buildings in the 3.2 million square foot B.F. Goodrich Company manufacturing complex. Several of the buildings in the complex, now renamed Canal Place, have been adapted for offices and light manufacturing; others have been removed to provide parking and open space. Canal Place, with over 1.5 million square feet of space, is now at approximately 73% occupancy. The 12 buildings in the complex house over 2,300 employees. Chase Bank leases approximately 65,000 square feet for its loan and processing departments. The bank invested \$5.0 million in improvements along with the \$1.1 million invested by Canal Place.

In 1993, Spaghetti Warehouse opened a restaurant in 14,000 square feet of renovated space in Canal Place with 90 employees. GPD Associates, an architectural and engineering firm, now occupies 50,000 square feet on more than three floors in Building #25 with approximately 200 employees. Time Warner Cable Regional Headquarters invested over \$1.0 million to locate in Building #17 occupying approximately 78,000 square feet with 450 employees (150 more than reported in 2008). Other Canal Place tenants have included: The Ohio & Erie Canal Corridor Coalition, West Point Market's gift-basket business, American Medical Response with approximately 460 employees, Vera Wang Bridal House, Hardesty, Karren & Zimmerman (a law firm), Millennial Group, Plastic Lumber, Arcadis, Appetizers Deli, Canal Place Barber Shop, Curtis Software, Cathcor Title Agency, Comunale Sculptural, Northcoast Theatrical, Energen, Hattie Larlham, Weaver Industries, United Disability Services, BGI, Bureau Veritas, Fraternal Order of Police #139, Sacs Consulting & Investigative Services, United Security Management Services, Klassic Kuts, Kozmic Korner's Daycare Center, LEK Computer Systems, Summit County Republican Headquarters, Level 3 Communications, Invent Now Kids, Quickey Computer, Fleet Electric, Summit Education Initiative, Moore Counseling and Mediation Services, Inc., SE Blueprint, Team 4, Tri-County Employee Assistance Program, Berresford Industries and Ayalogic Inc. Other recent additions include: Homesite Insurance, National Inventors Hall of Fame, Bish Court Reporters, Interstate First Financial, Matt Gaeckle (attorney), Brunsdon & Shade (attorneys), Wilkerson & Assoc. (attorneys), Radiant Research and Old Republic National Title Insurance.

In 1995, Advanced Elastomer Systems (AES) relocated its corporate headquarters from St. Louis to the City. The company occupies a portion of the former Goodrich manufacturing facilities that were renovated by Tell Companies for AES. AES (ExxonMobil Chemical is its parent company) is a world leader in thermoplastic elastomers, the core technology for which was started in the City in the early 1980s. The AES facilities include office, laboratory and prototype manufacturing space. AES now employs 140 people (85 less than reported in 2008), including employees who were transferred from St. Louis. Currently, AES leases 152,500 square feet and plans to expand into an additional 74,000 square feet over the next several years. The City assisted with this project by preparing the site for renovations including demolition of one building and extensive environmental clean-up of another. Other City improvements included new sidewalks, landscaping and restoration of the adjacent Ohio & Erie Canal. Renovation and development costs were approximately \$30 million. In 2002, Tell Companies increased parking capacity for the 465,000 square foot facility by constructing a new 440-car parking lot and a new skywalk providing access into the building.

In 1997, MBNA America Bank, N.A., a national credit card company, leased 37,000 square feet in the AES building, creating over 175 new jobs. In order to fully serve the needs of building tenants, the first level of the building houses a Kid's Play, Inc. childcare center and a food court. Malone Advertising became a tenant in 1999 and now has a total of 176 employees (39 less than reported in 2008). NuVox Communications, a telephone service provider originally based in St. Louis, moved into the building in February 2000 and has six employees. A new sports medicine and rehabilitation center opened in the AES Building in 2001, providing a 13,000 square foot state-of-the-art therapy pool and physical training facility. Brouse McDowell, a regional law firm that employs 126 people (six more than reported in 2008), moved into the AES business campus in 2004 and occupies 75,000 square feet in the facility. Other tenants include: Stricklands, UDS Low

Vision, Brown Mackie College, Bruner-Cox, Summa Orthopedics, Parker, Leiby, Hanna & Rasnick, Allied Health, Tell Companies and EG&G Inc., a landscape architectural and design group. The AES Building is nearly fully occupied, with total employment exceeding 850 people (70 less than reported in 2008).

In 1996, GTE Mobilnet constructed a \$7 million regional wireless switching office and tower in Opportunity Park. This communications center is the base for an 18-county service region. The Akron Metropolitan Housing Authority has its offices in the area employing 360 people (60 more than reported in 2008).

The key to successful development in this area just south of downtown, and projects such as AES, GOJO and future development, is parking. The City purchased three groupings of property from Canal Place for \$2.2 million and, in 2001, developed approximately 850 public parking spaces to serve this area. A 925-car public parking deck was completed in 2002.

Since its inception, there have been a variety of other developments constructed in Opportunity Park, resulting in approximately \$47.5 million of investment in the project area, including:

- \$15 million SBC regional computer data-processing center, employing 96 people (14 less than reported in 2008), plus a \$1.5 million addition to its facility to house a computerized billing operation
- \$14.5 million FirstMerit Bank computer and operations center, employing approximately 500 people
- \$750,000 Akron Board of Realtors headquarters building, which now houses reXorce Thermionics
- \$1.9 million United Disability Services building
- \$350,000 Automotive Design building
- \$400,000 Monitor Mold building (plastic mold manufacturer)
- \$450,000 Northeast Tire Mold Company building and expansion
- \$2.1 million Akron Business Centre complex
- \$750,000 Commercial Color Lab building
- \$2.5 million B.F. Goodrich Credit Union building and parking expansion
- \$700,000 Aldi Grocery Store, 16,000 square foot building
- \$600,000 American Analytical Laboratories, Inc. building
- \$6 million renovation of former House of LaRose distribution center to be used by Akron/Canton Regional Food Bank

Sweitzer Avenue Industrial Development Project. The redevelopment of the Sweitzer Avenue Industrial Area involved the improvement of an old, mixed residential and industrial neighborhood. The project area of approximately 114 acres is located adjacent to the Bridgestone/Firestone facilities. Using \$6.9 million of federal grants, the City, in 1980, acquired over 150 dilapidated houses, relocated the occupants to better housing and sold the cleared land to existing industry in the area for industrial expansion. In addition, the City made improvements to the streets, sidewalks and water and sewer lines within the project area. Total private investment to date in new plants, equipment and employee parking in the area was \$10 million. The City believes the project created new jobs as well as helped preserve the 1,200 existing jobs located in the project area.

The County has constructed a \$40 million jail facility in this area of the City. Begun in 1990, this multiphase project has resulted in approximately 715 total beds. Of these beds, approximately 100 are reserved for use by the City (for a discussion of the City's payment to the County, see **Long-Term Obligations Other Than Bonds and Notes**). A State-sponsored, 100-bed

community-based correctional facility, located across from the County's facility, was dedicated in March 1992. There are approximately 251 people (36 more than reported in 2008) employed at these facilities.

Bridgestone/Firestone Project. In 1984, Firestone Tire & Rubber Company completed the renovation of its Plant 1 building, converting that facility into office space at a cost of over \$30 million. The City constructed and repaired sidewalks, curbs and streets throughout the Firestone Parkway area sharing in costs of those public improvements. This building is currently being used for offices by Bridgestone Firestone North American Tire, LLC ("Bridgestone/Firestone") following the relocation of its headquarters to Nashville, Tennessee in 1992. In 1996 and 1997, Bridgestone/Firestone located a new advanced tire pilot plant in the City at an estimated investment of approximately \$10 million. This facility builds prototype tires for concept and new vehicle development and conducts research in a variety of areas, including tire recycling technology.

Bridgestone/Firestone Technical Center. On July 29, 2008, Bridgestone/Firestone announced that the company will build its new 246,500 square foot technical center at the corner of South Main Street and Firestone Boulevard. In addition, a new 400-space parking deck will be constructed on land currently owned by the City near the Firestone Stadium, with a skywalk over South Main Street connecting the two structures. The total project will result in retention of 1,000 jobs and an approximate \$100 million investment, including \$10 million budgeted by the City for the implementation of the Firestone Park Redevelopment Plan and South Main-Wilbeth Urban Renewal Area Plan. Many specific project actions are necessary to carry out these Plans, including significant property acquisition for new mixed-use redevelopment of the blocks south of the Bridgestone/Firestone complex. As part of the project, the City will improve South Main Street and other roadways to enhance transportation in this area. It has received \$8 million of federal stimulus funds for these improvements. The City will also remove construction waste and debris from a site south of Wilbeth Road and will create a new Confluence Park, which will include playing fields and other recreational facilities. Approval of the development agreement by all parties is anticipated in mid 2009, with construction of the facilities to be completed by 2012.

Goodyear Tire & Rubber Company Project. The Goodyear Tire & Rubber Company invested over \$150 million to convert its former tire plant into the company's worldwide Technical Center for new product and tire research and development. The Technical Center, completed in 1983, incorporates testing and development equipment and provides space for manufacturing, offices, a computer center and a one-mile test track. The company also converted its industrial products plant adjacent to the Technical Center into a mechanical engineering building at a cost of another \$125 million. The City participated in the Technical Center project by constructing streets, sidewalks and storm and sanitary sewers, installing street lights, providing landscaping and improving the Little Cuyahoga River area for recreational activities. The City received an \$11.4 million UDAG, a \$1 million USED grant and a \$1.25 million grant from the Ohio Department of Economic and Community Development to finance the major portion of the \$20 million of public improvements.

The Goodyear Tire & Rubber Company has made additional investments in its Akron facilities and programs:

- 1995, \$5.0 million expansion of its Polymer Production Plant;
- 1996, \$8.0 million expansion of its racing tire manufacturing program;
- \$32.1 million expansion of its Research and Development Center, providing state-of-the-art facilities for scientific tire testing research and development;
- 1997, expansion of new tire development activities;
- 1998, \$750,000 reopening of its Chemical Plant, which was subsequently acquired by Eliokem.

Goodyear Tire & Rubber Company undertook a \$12 million Utility Optimization (HVAC) Project in 2005, financed in part by bonds issued by the Summit County Port Authority (the Port Authority). In connection with this financing, the City agreed that if the Company did not meet its debt service obligations on the bonds, the City would pay the principal of and interest on those bonds when due from its nontax revenues. These payments cannot be accelerated. It is not expected that such payments will be required, but if needed, they would be approximately \$165,000 per year through December 2010 and then approximately \$810,000 per year through December 2014 (see **Nontax Revenue Bonds**).

In December 2007, Goodyear Tire & Rubber Company affirmed its long-term commitment to the City and announced plans to establish new facilities for its global and North American headquarters adjacent to its Akron Technical Center. Plans call for the developer, Industrial Real Estate Group (IRG), to construct new state-of-the-art facilities and enter into a long-term lease with the company. A total of 2,900 jobs would be retained. The existing Goodyear buildings, totaling approximately 800,000 usable square feet, would be converted to a mixed-use complex of office, commercial and retail space by IRG. Additional industrial, retail, commercial and possible residential development is planned. The City, the County, the State and other governmental entities will provide approximately \$200 million towards the \$900 million redevelopment cost. The largest part of the City's contribution will come from tax increment financing of public infrastructure needed for the project. In May 2009, in support of the project, the Port Authority issued \$17.2 million of bonds for land acquisition by IRG, which is to be leased to the company, initially for five years (10 years for the Tech Building). The City and the County have each guaranteed the payment of one-half of the debt service on the initial bonds and on bonds to be issued in 2012 if required. Those payments by the City are approximately \$1.063 million for 2010 and 2011, and then, based on certain assumptions (including the issuance by the Port Authority or the City of 20-year, refunding bonds at a projected average interest rate of 6.5% per year), are estimated to be approximately \$581,225 from 2012 to 2032 (see **Nontax Revenue Bonds**).

Akron Global Business Accelerator. In 1983, the City, the County and The University of Akron jointly developed an "industrial incubator" to encourage the development and growth of new small businesses in the City. The Akron Global Business Accelerator (formerly, Akron-Summit Industrial Incubator) is the largest industrial incubator in the State and one of the largest worldwide. Management assistance is available to participating firms from The University of Akron Small Business Institute, the local SBA Senior Corps of Retired Executives (SCORE) and the SBA-funded Summit/Medina Business Alliance, Small Business Development Center. In 1995, with the assistance of a \$1.2 million USED grant, the industrial incubator was moved into Building #5 in Canal Place with a total of 200,000 square feet. Approximately 130,000 square feet of space is available for manufacturing start-up businesses. The upper three floors of the facility, totaling about 70,000 square feet, were renovated in 2006 to house technology-driven companies that require upscale offices, laboratories and state-of-the-art conferencing facilities.

Five new high-tech early-stage firms entered the Akron Global Business Accelerator in 2008; 38 businesses employ a total of 261 people (83 more than reported in 2008) within the Accelerator. As of the beginning of 2009, the Accelerator maintained 85% occupancy. The City and the Akron Global Business Accelerator have pursued global strategic alliances with high-tech companies that are looking to expand or enter into the US market, a direct result of the collaboration with the Targetech Innovation Center in Israel. The City believes that the Akron Global Business Accelerator is becoming the catalyst around which other local technology development and deployment activities revolve.

In 2007, the State's Edison Incubator funding for the Akron Global Business Accelerator was doubled to \$350,000, and the State's Third Frontier Program funding allowed

Akron Global Business Accelerator to add an entrepreneurial expert to its staff. In 2008, the Akron Global Business Accelerator received an additional \$25,000 in funding from the State. The Akron Global Business Accelerator has entered into a Memorandum of Understanding with Akron General Medical Center to jointly commercialize its biomedical technologies to foster programs that develop entrepreneurship and innovation. As a result of this partnership, Akron Global Business Accelerator has begun developing the following biomedical-related client companies:

- R3K - software for healthcare industry
- Spine Matrix - spinal imaging
- Surgical Tables Services
- Therics
- Niche Vision – forensic biology technology
- Interventional Imaging
- Center for Robotic Surgery

The businesses in the Accelerator have enjoyed a success rate of over 90%, compared with a 20% success rate among non-incubator start-ups. The 66 businesses that have completed the program have brought more than 650 jobs to the Akron area. Based in part on this success, the Accelerator won the 2008 Incubator Innovation Award from the National Business Incubation Association in May 2008. In addition, one of the tenants, Summit Data Communications, took second place for outstanding Incubator Client in the technology category.

Alumni of the Accelerator include the following companies.

- American Analytical Laboratories, Inc., which constructed a 10,000 square foot building in the Opportunity Park Renewal Project area, has 40 employees specializing in laboratory analysis and environmental counseling.
- DATAQ, a high-tech design printed circuit board manufacturer, has moved to a 3,000 square foot space in the area.
- Western Reserve Controls, a company that designs and builds industrial controls products, graduated from the Incubator in 1999 and now occupies a 15,000 square foot space in the City and employs 32 people.
- Automated Window Machinery, Inc., a company that manufactures customized window machinery, graduated in 2002 and purchased a building in the Akron-Springfield JEDD.

Ascot Industrial Park. A 200-acre site in the northern portion of the City continues its development as the Ascot Industrial Park. The City initially invested approximately \$3.8 million for land acquisition and public improvements in this area. Additional infrastructure improvements were made in 1997 to meet the demands of new industrial development by businesses in the north area of this site, providing access to and utilities for a 13-acre section. The City had also acquired an additional 45 acres for new development. The following companies have located in the Ascot Industrial Park.

- Pneumatic Scale, formerly Akron Packaging Machinery, Inc., a division of Figgie International, manufactures equipment used in material handling for industries such as dairies, soft drinks and household products. The company employs 234 people at its 100,000 square foot facility.
- Graphic Arts Rubber Inc. is a specialist in calendaring and mixing of rubber compounds, particularly unvulcanized print rubber for the flexographic

industry. The company employs 20 people in its 45,000 square foot facility located on five acres.

- NSK Company supplies metal fasteners to the transportation industry. The company invested approximately \$500,000 in the construction of a 12,000 square foot building. NSK expanded its facility size in 1995 to 24,000 square feet. It employs 44 people. NSK is constructing an additional 10,000 square feet on 1.93 acres of adjacent land.
- Main Street Gourmet is a manufacturer and distributor of frozen food products. Since 1995, the company has invested over \$4 million in a 51,700 square foot food production facility on a 4.4-acre parcel. The company employs 92 people. In 2007, the company celebrated 20 years in the City.
- Spun-Fab Adhesive Fabrics is a manufacturer of adhesive fabrics. In 1996, the company completed construction of a 32,000 square foot facility at an approximate cost of \$850,000. The company employs 57 people at the site.
- Win Plastics Extrusions invested \$1.6 million to build a 15,000 square foot plastics extrusion plant in the Ascot Industrial Park. In 1999, it added a 12,240 square foot expansion of that plant and now employs 26 people.
- Inter-Ion produces custom polymer coatings. In 1996, the company invested over \$350,000 to build a 12,000 square foot manufacturing facility, followed by a 12,000 square foot expansion in 2002. The company transferred 10 employees from the Akron Global Business Accelerator to the site and added one employee.
- HB Chemical, a distributor of specialty polymer additives and ingredients to the rubber/plastics industry, constructed a 22,000 square foot facility at a cost of \$750,000. Seventeen people are employed at the site.
- Linden Industries, a manufacturer of plastics process machinery, has constructed a \$1.0 million, 25,960 square foot production facility. The company employs 35 people and has plans for expansion.
- Spectrum Plastics, a custom injection molding company, completed construction of a \$450,000, 15,000 square foot facility in 1998. Seven people are employed at the site.
- ProtoCircuit, a manufacturer of electronic printed circuit boards, has completed construction of a 40,000 square foot building with a cost over \$2.5 million at the north entrance of Ascot Industrial Park. The company currently employs 60 people (28 more than reported in 2008).
- Becker Pumps, Inc. is a company that specializes in assembly and distribution of custom vacuum pump systems. The company has constructed a 24,500 square foot facility in the Ascot Industrial Park, at a cost of \$1.1 million. Becker Pumps transferred 18 employees from another facility within the City and employs 46 people at the site.
- Atlas Fluid Components, which designs and assembles hydraulic systems, constructed a 16,000 square foot facility and installed machinery and

equipment, representing an investment of approximately \$600,000. The company employs 12 people.

- Arch Aluminum & Glass Company manufactures tempered glass and aluminum panels for the construction industry. Arch Aluminum invested \$4 million in the construction of a 72,000 square foot production facility. The company employs 103 people at the site.
- Tech Pro, Incorporated manufactures polymer laboratory instrumentation. The company constructed a 12,000 square foot production facility on two acres for \$625,000. Twenty-seven people are currently employed at the site.
- Coltene/Whaledent Inc., a leading manufacturer of dental appliances, constructed a 180,000 square foot production facility at a cost of \$10 million. The company employs 255 people.
- Applied Vision develops and manufactures automated visual inspection systems for the container, packaging and printing industries. In 2004, Applied Vision completed its \$2 million, 32,900 square foot corporate office and production facility. The company has 44 employees.
- Aris Holdings Inc. (formerly Ultratech Polymers), a polymer extrusion and custom die cutting business, constructed a 10,000 square foot, \$850,000 manufacturing facility. Eight employees are currently working there with an additional 10 new positions anticipated within the next five years.
- ComDoc, Inc., a remanufacturer of copy machine equipment, completed construction of a 55,000 square foot facility on a 5.84-acre site in 2006. At least 36 positions were transferred or created upon opening of the new facility; an additional 12 new positions have been added since then.
- Summit Environmental Technologies, a laboratory and testing facility specializing in the chemical analysis of potentially hazardous environmental substances, constructed a 25,000 square foot office, lab and warehouse building in 2008. The company has 32 employees and anticipates adding eight more jobs and a 30,000 square foot expansion within five years.

Ghent Road Office Park. The Sterling Jewelers Incorporated U.S. headquarters is the anchor tenant of the \$40 million Cedarwood Corporation development on 34 acres in the Ghent Road Office Park located in northwest Akron. Sterling Jewelers Incorporated (Sterling), the second largest retail jeweler in the country, occupies 350,000 square feet and employs approximately 1,920 people. In 2007, Sterling announced plans to invest over \$1 billion in its Akron facilities over the next 25 years. The announcement marks Sterling's commitment to keeping its U.S. headquarters in the City until at least the year 2032. Sterling operates 1,307 stores in all 50 states and employs more than 15,000 associates. Sterling is the U.S. division of the London-based Signet Group Incorporated, making it part of the largest specialty retail jeweler in the world. Sterling purchased the FirstEnergy Corp. building in the Ghent Road Office Park. This 90,000 square foot facility is now part of the Sterling campus. The City, together with Sterling, revised plans for the reconfiguration of, and improvements to, the office park retention pond. The City is waiting for the Army Corps of Engineers to approve the permit to put the plan for the new pond in place.

West Akron. FirstEnergy Corp. completed construction of a 208,000 square foot, \$33 million, LEED certified office building in summer 2008. Approximately 200 information

technology employees moved into the building in August 2008, and another 500 FirstEnergy and FirstEnergy Solutions employees moved in during the first quarter of 2009. The company agreed to this undertaking to accommodate Sterling Jewelers' expansion. The City provided \$2.0 million to offset the costs of relocation, land acquisition, demolition and site clearance. FirstEnergy Corp., which has its headquarters in downtown Akron, is the nation's fifth largest investor-owned electric system and serves 4.5 million customers in Ohio, Pennsylvania and New Jersey.

South Akron Redevelopment; Akron Square. In 1995, the City purchased the old Akron Square shopping complex and surrounding area for \$3.05 million. The City razed the buildings and graded and planted the entire 33-acre parcel to prepare the area for industrial and commercial development. Ameritech purchased approximately 10 acres of this land for development of a \$3 million, 17,000 square foot customer service center, which it completed in 1996. Also in that year, the City spent \$558,000 to construct public roadways and related infrastructure improvements to service businesses in the area. These improvements supported the development of two new businesses. The first project on the site was D & L Machine, a specialty machining company, which built an 18,000 square foot industrial facility at the cost of \$850,000. D & L Machine currently has 25 employees. The second is Airborne Express, which built a 34,000 square foot commercial facility. Airborne employs 65 people at this facility. JPMorgan Chase Bank, N.A. (formerly Bank One), constructed a \$1.0 million 4,000 square foot banking facility to replace an older branch banking facility. Ferriot Inc., a plastic injection mold company, purchased 16 acres in the Akron Square development area. The company invested \$8 million in its new 175,400 square foot manufacturing facility. Ferriot, Inc. employs 133 people (25 less than reported in 2008). Five acres remain available for development.

Airport Development Area. JRB, a metal fabricating company in the City, relocated to a 78,500 square foot building on a 7.3-acre site in the airport area in 1998. JRB's investment in the area totaled \$2.5 million. JRB currently employs 123 people (14 less than reported in 2008).

Aircraft Braking Systems completed a \$22 million expansion project that included construction of a new facility and installation of new machinery and equipment to produce materials in-house that it had previously purchased as finished goods from a supplier in California. In December 2007, however, the company was acquired by Meggitt and it announced that it would be moving portions of production to Mexico over the next 18 to 24 months. While committing to keep U.S. defense-related jobs at its Akron facility, in April 2009, the Company announced that it expects to move 150 hourly jobs out of more than 300 unionized manufacturing jobs to Mexico. It also expects to lay off 27 people in the City because of these relocations.

Custom Craft Controls, formerly JJ Merlin, a manufacturer of abrasive grinding wheel and industrial lubricants, constructed a 7,400 square foot facility at a cost of \$400,000. The company employs 15 people (eight more than reported in 2008). M.B. Kit Systems constructed a 20,250 square foot facility in the Airport Development Area and plans to expand this facility to 40,000 square feet. The company's total investment in the project is \$900,000, and there are 36 employees (seven more than reported in 2008) at the facility. In 1998, Network Polymers, Inc. added 30,000 square feet of warehouse space and 3,000 square feet of office space to its facilities. This \$1.5 million investment resulted in an employment level of 72 people.

The Theken Group completed the renovation of the former airport terminal building. It relocated the headquarters and engineering operations of its spinal implant companies to the facility. There are currently 50 total employees (28 more than reported in 2008). The company has been granted an option on five acres adjacent to the building for a planned 40,000 square foot spinal implant distribution center.

Summit Air is a new airport fixed-base operator located in Building E of the former Lockheed Martin complex, as a tenant of LMA Commerce (see below). The City assisted with FAA approval of airport access for the former occupant, Williams Aviation.

As a result of these and other developments such as Landmark Plastics and Advanced Poly-Packaging, discussed under **Polymer Industrial Projects**, there are only six acres that remain to be developed at the airport.

Lockheed Martin Corp. Lockheed Martin Corp. received a \$149 million contract to build a prototype of an unmanned High-Altitude Airship, which would be able to hover about 60,000 feet above the earth, remain in place for one month over a designated place and carry up to 500 pounds of sensors, cameras and other equipment. The Airship will be powered by solar and electrical energy and would operate in near space. The Airship will be designed to track and detect ballistic missile launches. The Airship has been in development for over three years. The company has over 80 years' experience building lighter-than-air vehicles. Under the contract, which runs through November 2010, and subject to federal appropriation, Lockheed would build and fly the Airship prototype at its huge Airdock in the Airport Development Area. A CleanOhio CORE grant of \$3.0 million was awarded to assist with environmental remediation of the Airdock, which has been completed. Lockheed hired 76 employees in 2008, and currently employs 657 in the City (18 less than reported in 2008).

A private investor has purchased the real estate holdings of Lockheed Martin Corp. and leased space back to the company. The properties are held by LMA Commerce, LLC and are being marketed to companies seeking manufacturing or office space. The City continues to coordinate with LMA Commerce to market the remaining space. To date, 20 companies employing an estimated 875 employees have leased space in the complex, including Sharon Companies Limited, which engineers and constructs steel stair towers for high-rise buildings.

Massillon Road Industrial Park. This 98-acre, City-owned industrial park is located in the Springfield-Akron Joint Economic Development District and is being redeveloped for industrial and commercial use. In 2000, the City was awarded a \$1.27 million grant from the U.S. Economic Development Administration to fund utility and roadway construction for public improvements to this industrial park. Quality Mold, Inc., the world's largest independent tire mold manufacturer, constructed an 84,000 square foot industrial facility at a cost of \$4 million. Quality Mold has consolidated several facilities in the area and employs approximately 194 people (14 more than reported in 2008) at the site. AESCO Electronics, Inc., a manufacturer of computer wiring and cabling systems, has completed a 50,000 square foot facility, investing approximately \$3.4 million. The company employs 135 people (17 more than reported in 2008) at its facility. Universal Tire Mold bought nine acres in 2007 to construct a 40,000 square foot facility and invested \$1.0 million in new equipment. The company expects an additional 60,000 square feet to be added within five years. It hopes to grow its workforce from 30 to 100 during this time. Currently, Universal Tire Mold has 39 employees.

This was the first City-owned industrial park located in a joint economic development district. Under the JEDD Contract, discussed more fully at **Joint Economic Development Districts**, the City will receive a portion of the District's income tax revenues generated by these projects and other such projects undertaken at the Massillon Road Industrial Park.

North Turkeyfoot Industrial Park. The City acquired a 33-acre parcel in the Coventry-Akron Joint Economic Development District to be developed as an industrial park. The Gardner Pie Company, which produces pies for in-store bakery sales, constructed a 46,000 square foot production facility on a six-acre site. Gardner invested approximately \$5 million, and 75 employees work at the site. The International Brotherhood of Electrical Workers (IBEW) Local #306 invested \$2.7 million to construct a 25,000 square foot electrician training facility and union

office on 6.7 acres in the park. SJI Industries completed construction of a 17,000 square foot field repair facility in 2005, at an estimated cost of \$2 million. The company has 120 employees at this location. The City sold a 6.2-acre site for the construction of a 35,000 square foot facility to Hickory Harvest, a company that specializes in the roasting of nuts and production of packaged trail mixes, dried fruits and snack mixes. The company will consolidate the current Hickory Harvest facility located in the Coventry JEDD with its Canton-based IM Good operation. The company has completed construction of the building, and it is fully occupied. Hickory Harvest will retain or create 30 jobs upon completion of its move. The City acquired a 19-acre parcel of land adjacent to North Turkeyfoot Industrial Park for industrial and commercial development. The land will create expansion areas for Gardner Pie Company and Sterling Jewelers, with approximately 10 acres remaining for other development. The transaction closed August 8, 2008.

University Technology Park. In 1995, the City acquired 26.5 acres of former Conrail railroad right-of-way, located west of Broadway Street and just south of the Akron Beacon Journal newspaper publishing facilities in the south portion of downtown Akron. Approximately 15 acres of this site will be used for private industrial development. The Akron Beacon Journal expanded into a new 24,400 square foot central distribution warehouse facility on the northernmost parcel of this park. The Akron METRO Regional Transit Authority completed construction of a \$16.3 million central transfer station on an 8.3-acre site in the University Technology Park in December 2008 and began operating the facility in January 2009.

South Munroe Road Industrial Park. In 2001, the City acquired this 54-acre parcel located along the east edge of the City and is marketing the area for quality industrial/office redevelopment for long-term job growth in the City.

Former Brown/Graves Lumber Mill Property. The City and the County have formed a joint venture for the redevelopment of a 26-acre site in the City. Approximately 22.5 acres are planned for industrial reuse and three acres are planned for residential redevelopment. The County has invested \$2.4 million in acquisition and the City will invest approximately \$1.0 million in site cleanup and preparation for redevelopment.

Morgan Urban Renewal Area. The Morgan Urban Renewal Area is a 101-acre Renewal Area located just south of the central business district. Designated in 2000, the City will assist existing businesses with expansion in the area by acquiring land and unifying land use in this primarily industrial corridor. H&H Machine Shop of Akron expanded its operations in 2006 by constructing a \$1.5 million, 41,000 square foot production facility. The company has two employees and plans to add 10 jobs over the next few years.

Polymer Research and Development. The City has increasingly become the focus of polymer (plastics and related compounds) research and development because of the numerous polymer-related industries in the region, including the rubber companies, and because of The University of Akron's extensive research program in this field. The University's College of Polymer Science and Polymer Engineering, the nation's largest academic polymer program, is at the heart of the area's polymer research activity. Demonstrating its prominence in the world polymer community, the University has hosted conferences that have brought top polymer researchers from around the world to the City.

In 1984, The University of Akron and Case Western Reserve University in Cleveland received a \$4.1 million grant from the State to create the Edison Polymer Innovation Center (EPIC) for the study of polymers. For 16 years, EPIC brought over \$12.1 million to the University for polymer research and development. In 2000, EPIC was dissolved and replaced by the Ohio Polymer Enterprise Development Corporation (OPED). OPED has received a \$2.5 million grant from the Ohio Department of Development to facilitate the speed at which new polymer technology can be absorbed into the private sector to improve the local economy. The University's

Polymer Science Building, a \$17 million twin-towered structure containing 146,000 square feet for research and teaching, was completed in January 1991. The State contributed \$15 million toward this project, with corporate contributions funding the remaining cost.

In 1994, the University took another step in supporting the Akron regional polymer industry when it opened its new 18,500 square foot Akron Polymer Training Center (APTC). This facility is being used as a “hands-on” training facility for University students and for businesses in the area; it was also used in the City’s Enterprise Community (EC) Program. The University also hosted an international polymer symposium for over 1,700 world-renowned scientists and lecturers.

The University of Akron is implementing a \$200 million upgrade of its facilities with an emphasis on expanding research and development activities in the polymer program. (See **Education – The University of Akron.**) The University believes that this expansion will bolster the University’s profile, attract top polymer scientists and increase federal research funding. Completed projects include:

- \$6 million, 35,000 square foot Polymer Engineering Academic Center Annex,
- \$6.9 million addition to the Auburn Science Library,
- \$19.5 million, 127,200 square foot Arts and Sciences Building.

Polymer Industrial Projects. In addition to the AES, Goodyear and Bridgestone/Firestone expansions and the new projects in Ascot Industrial Park, another polymer-based company in the City is Network Polymers, which constructed a \$2.2 million facility of 28,000 square feet in 1989 to house its office and manufacturing operations. Network Polymers has 72 employees.

The Landmark Plastics Corporation project is a good example of partnership between City industrial park development and the expanding polymer industry. In 1994, Landmark Plastics completed construction of its 200,000 square foot facility on 55.6 acres purchased from the City in the Airport Development Area industrial park. The manufacturing, warehousing and office facility cost approximately \$8 million and employs 153 people (19 more than reported in 2008). The company has also invested over \$8 million to expand its facility and to acquire new machinery and equipment to continue producing horticultural packaging products, which are sold throughout the United States and in eight other countries. In November 2007, the City provided a \$250,000 loan at 5% to be repaid over seven years as the local share of a State-sponsored 166 Loan of \$750,000. Landmark has purchased new equipment to remain competitive and retain the 153 jobs (19 more than reported in 2008).

In 1996, Advanced Poly-Packaging constructed a 43,000 square foot, \$1.6 million, manufacturing facility at the Airport Development Area. Advanced Poly-Packaging employs 142 people at the site.

Central Business District (CBD) Development Program

(See Map 2.)

Cascade Renewal Project. In 1963, the City initiated this project with the demolition and clearance of a deteriorated 45-acre area in the CBD. The City constructed a \$16 million municipal parking garage and plaza in partnership with the federal government to relieve a critical parking shortage, to provide a downtown gathering place and to act as a cornerstone for the project. Developers were leased air rights above the parking garage and constructed 7-story and 24-story office buildings and a 300-unit hotel. The hotel has undergone several renovations (totaling over \$10 million) and changes in management. It is now operated as the City Center Hotel with 274 guest rooms, 16,000 square feet of banquet space, two restaurants, a fitness center and an indoor pool.

Other construction projects within this renewal area include:

- an additional 1,000-space Akron Centre Parking Deck, with an expansion to be completed in 2009
- a \$17 million federal office building
- a \$27 million office tower (FirstEnergy Corp. is its major tenant)
- an \$11 million, 12-story office building with some retail and service facilities
- a shopping mall containing specialty shops and restaurants
- a \$57 million, 270,000 square foot public library with a 430-seat auditorium, which was completed in 2004.

The City's innerbelt freeway runs adjacent to the Cascade Renewal Project, providing direct access from all portions of the County via major State and interstate highways to the Project and the City.

Convention Center. In 1994, the City completed construction of and opened a \$38.5 million downtown multi-use convention-convocation center. The John S. Knight Convention Center provides approximately 122,000 square feet of space for convention, conference and meeting uses. In addition to its own funding, the City received a \$2.5 million State loan for land acquisition, a \$13.5 million State grant and \$14.5 million from public and private sources for construction. In order to provide parking for the Convention Center, the City acquired nearby land and constructed a 700-car parking deck that is connected by a skywalk to the Convention Center. Approximately 427,000 people attended 220 various conventions, conferences and special events at the Convention Center in 2008.

Quaker Square Development Project. In 1975, the private restoration of the old Quaker Oats mill complex into a retail and entertainment center, which grew to include offices, restaurants, specialty shops and a banquet facility, initiated a revitalization of the CBD. In 1980, a 144-room hotel was constructed within the 36-silo grain facility located adjacent to the Quaker Square retail and office complex. The Quaker Oats Company stored grain within the silos until 1970. In June 2007, The University of Akron acquired the Quaker Square complex for \$22.7 million to serve as a student residence facility. Students began moving in for the spring 2008 semester. Since the acquisition, the Quaker Square Inn at The University of Akron provides the City with 91 hotel rooms and maintains a general store, news stand and candy store. There are also office suites still operating within the complex.

The City has requested proposals from hotel developers to develop one or more hotels on possible locations in the City. A preferred proposal is being studied, but the current economic conditions have slowed the progress of this project.

University Area Expansion and Development. The University Renewal project provided the necessary land to accommodate the rapid expansion and development program of the University in the early 1960s. (See **Education -- The University of Akron.**) The City and The University of Akron have undertaken various developments to provide a closer linkage across the railroad track gorge that separates the University's campus and the central business district. University Avenue, which crosses the tracks, has been expanded and rebuilt to provide a better physical link between the CBD and the University. The University has spent \$32.8 million to transform the former Polsky department store (closed in 1979) into classroom and office space. This facility, opened in 1993, brings over 2,900 students and 400 faculty into the downtown area each week. In 1991, the University completed construction of a \$9.6 million College of Business Administration building on the site of the former Greyhound Bus terminal. In 1995, the City's skyway system was expanded to provide an elevated walkway connecting the Business

Administration building to the Polsky parking deck, which has been restored and upgraded. (See **State, County and City Projects.**)

Equity Development Corporation began building a 450-bed student apartment complex on a two-acre site downtown. The City sold 1.08 acres and assisted in the relocation of a historical structure, the Richard Howe House, to a site near Lock I. The Ohio & Erie Canal Corridor Coalition is also constructing a Conference Center, offices and a Visitors Center at that site. The City will also assist in the construction of a 250-car parking lot to support the project. Construction is on schedule for students to move into part of the \$25 million private student housing and retail project by August 2009. Approximately 50% of the units have been rented as of April 2009. The project is not affiliated with The University of Akron, but all renters will be students attending the University.

University Park Area Redevelopment. Located between East Market and East Exchange Streets and overlapping The University of Akron's campus, the University Park Area is undergoing significant commercial and residential redevelopment. This project is a cooperative effort between Summa Health Systems, the University and the City. A \$2.5 million grant from the Knight Foundation was initially awarded to the project in 2001. In 2007, the Knight Foundation awarded a second \$10 million grant, its largest-ever single grant, in support of the University Park Area Redevelopment. Don Drumm Expansion, a proposed 9,000 square foot expansion, is to begin in spring 2009.

National Inventors Hall of Fame. In 1995, the National Inventors Hall of Fame (the "Hall") opened its newly constructed, \$38 million, museum and educational facility in the City. This museum served approximately 100,000 visitors each year until it closed in 2008. Over those years, the National Inventors Hall of Fame educational programs, such as Camp Invention, provides unique educational opportunities to young people (over 66,830 participated at 1,056 camp sites in 48 states in 2008). In addition, the Hall's after-school program, "Club Invention," served more than 5,880 children in grades one to six at 315 program sites in 36 states last year. The National Inventors Hall of Fame has moved 20 staff persons to offices in Canal Place and 20 more employees to West Akron to support the educational programs, Camp Invention and Club Invention. The Hall's museum facility is being converted to a Community Learning Center (see **Education - Akron City School District**) including a new middle school with a focus on math, science and engineering. The City, The University of Akron, the School District and the National Inventors Hall of Fame will partner to transform certain facilities of the museum (including its workshop) into teaching facilities to benefit students in the region. Organizers of this project are currently seeking funding.

Canal Park Stadium. The City completed construction of its municipal baseball stadium by opening day on April 10, 1997. The stadium is home to the Akron Aeros, a Class AA minor league baseball team. Excluding site acquisition, the construction cost for the stadium, which includes 25 loges, was approximately \$20 million. Additional improvements to the area, including street and sidewalk improvements and a new recreational area at the adjacent Ohio & Erie Canal, cost approximately \$10 million. The stadium is located in the CBD between South Main Street and the Canal. The City believes that this central location is assisting in the redevelopment of downtown, with particular emphasis on the Ohio & Erie Canal. The stadium has seating for 9,097 people with expansion capabilities of up to 12,500. It hosts 71 regular season baseball games, as well as University, high school and amateur baseball games and other sporting and entertainment events. A public boardwalk runs from South Main Street past the stadium to the Ohio & Erie Canal, with a public picnic area located along the Canal above the left field wall. The stadium and site improvements were financed in part with an issue of Certificates of Participation (see **Long-Term Obligations Other Than Bonds and Notes**) and a grant from the Ohio Arts and Sports Facilities Commission.

The inaugural season was an outstanding success, with attendance in excess of 470,000, a record for Eastern League Class AA baseball. In 2008, the Akron Aeros drew over 342,815 fans to Canal Park. The Aeros have broken the Eastern League total annual attendance mark six times since moving to the City in 1997 and won the Eastern League Championship in 2003 and 2005.

Lock III Redevelopment Area. In the heart of its central business district, the City is redeveloping a seven-acre site called the Lock III Redevelopment Area along the Ohio & Erie Canal for recreational, cultural and entertainment uses. The project includes the ongoing restoration of the Akron Civic Theatre, the completed adaptive reuse of the former O'Neil's Department Store Building and the construction of a new Public Plaza. The Public Plaza includes the restoration of the Canal along Lock III, a new amphitheater and walkways. The City acquired and demolished the buildings between the O'Neil's Building and the Akron Civic Theatre along South Main Street. The Landmark Building was also acquired and its redevelopment will be part of the Lock III project. The City has a letter of understanding with Main Street Partners, LLC to renovate six historic properties on South Main Street next to the Akron Civic Theatre and including the Landmark Building, known as the Lock III North Project. This urban mixed-use project includes new retail, office and 80 market-rate residential units on the upper floors of the properties and is scheduled to begin in 2009. The Lock III Redevelopment Area is a major component in unifying the City's downtown area.

Akron Civic Theatre. A major element of the Lock III Redevelopment Area is the restoration of the Akron Civic Theatre. The Akron Civic Theatre is a National Register Landmark, atmospheric movie theater constructed in 1929 and designed by famed theater architect, John Eberson. The theater has been transformed into a performance hall with a total restoration for which financing has been secured (see discussion under **Income Tax Revenue Bonds**). Improvements totaling over \$12.8 million, including stage expansion, new lighting, seating, restrooms and concessions, plaster restoration, roof and loading docks, were completed in 2006. The improvements that remain include establishing space for offices, ticket sales and storage as well as completing the Grand Hall's restoration and reconstruction of an entrance. With visitor attraction estimated at over 300,000 annually, the Akron Civic Theatre anchors the Lock III area.

O'Neil's Building. In January 1989, the May Company closed its O'Neil's department store that had served downtown for 60 years. The six-story building had undergone remodeling including converting approximately one-half of its space to offices. The company repaid the City a \$2.5 million UDAG that was loaned to assist in that project. In early 1989, the City accepted the downtown building as a gift from the May Company. The May Company also paid \$250,000 annually to the City for three years to help pay expenses while the building was adapted to a new use.

The City issued \$35 million Nontax Revenue Economic Development Bonds in 1997 to finance the renovation of this structure into an office/retail/restaurant/entertainment/ parking complex (see **Nontax Revenue Bonds**). The rear portion of the building was demolished and a new 525-car parking deck was constructed in that space. The 100,000 square feet on the top five floors in the front portion of the building along South Main Street is office space. The remaining 85,000 square feet on its first floor and lower levels is retail and commercial space. The City completed its renovation work in 1998. The Bonds are special obligations of the City, payable from nontax revenues (including fees for licenses, fines, interest earnings and other nontax sources); they are not general obligation debt of the City.

19. Lock III Redevelopment Area
20. Akron-Summit County Main Library
21. Akron Historical District
22. Akron Art Museum
23. Fire Station One

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In accordance with a development agreement with the City, Roetzel & Andress, LPA purchased five floors of the building and occupies 60,000 square feet of space. Roetzel & Andress, LPA leases space to Ernst & Young LLP on the third floor, and Key Bank/McDonald Investments Inc. and Apple Growth Partners occupy the second floor. The City and the George Development Group have negotiated a development agreement for the first floor and basement of the building for entertainment and retail use. On the first floor, The Barley House Restaurant occupies 12,500 square feet and The Ohio Brewing Company opened in a similar footprint as a brew pub in May 2008.

Main Place Project. The construction of a major downtown complex, Main Place, was completed in 1992. The first phase is a five-story \$12.5 million office building, with retail facilities on the first floor. The trust operations of FirstMerit Corporation and the local offices of the F.B.I. are located in the building. Other tenants include METRO, Fifth Third Bank, Cohen & Co. and Hair Technologies. The site fronts South Main Street directly across from the Cascade Plaza. A pedestrian concourse under South Main Street linking the complex with the Cascade Plaza Parking Deck was opened to the public in 1993. The skywalk connecting the Municipal Building to the CitiCenter Building has been extended to provide additional pedestrian access to Main Place (see *State, County and City Projects*).

Akron's Historic District at Main and Market. Developer Tony Troppe initiated restoration of this area in the central business district, naming it "Akron's Own Historic District." The initial redevelopment was the Nantucket Building, located on South Main Street, with an investment of \$1.8 million. The 28,000 square foot office building is now fully occupied, principally with small corporate headquarters. The Everett Building at the South Main and Market Street intersection was most recently used as a bank building. Originally a turn-of-the-century opera house, it was a historical landmark needing restoration. The City believes that the \$2.5 million renovation of this 85,000 square foot facility is one of the best historic restorations in Northeast Ohio. The former Hermes Building was also renovated into office space at a cost of \$750,000. The landmark United Building is also being restored. This art deco landmark is on the National Register of Historic Places. A \$2.5 million rehabilitation is used by Western Reserve Public Television (PBS 45/49) as well as the Knight Center of Digital Excellence. The City completed construction of a new \$14.5 million High-Market parking deck to provide much needed public parking to Akron's Own Historic District and the surrounding area.

Akron-Summit County Library System. Voters approved an \$80 million bond-issue for the Akron-Summit County Public Library system in 1997 to support an upgrade of the current library facilities. Of that total, \$57 million was used to renovate the existing 142,000 square feet of, and add 128,000 square feet to, the Main Library in the central business district. The City constructed the High-Market Parking Deck adjacent to the new library. The expansion includes all new public service facilities, integrating new technology that makes the Library's resources more accessible to the public. The Akron-Summit County Public Library system is using \$13.2 million to upgrade and expand its eight branch libraries within the City. The remaining amount will be used for six other Library facilities in the County. The new Highland Square Branch Library opened in August 2007 and the new Kenmore Library opened in September 2008 (see *City-Wide Programs and Projects*).

Akron Art Museum. The Akron Art Museum, one of the top modern art museums in the Midwest, broke ground on May 22, 2004 to increase the size of its gallery space from 8,000 to 20,000 square feet and to increase outdoor space for events and sculpture. The Museum is currently located in a former turn-of-the-century 25,000 square foot post office. The 65,000 square foot new building is adjacent to the existing museum and was designed by the world-renowned architecture firm Coop Himmelb(l)au. Coop Himmelb(l)au, with offices in Vienna, Austria and Guadalajara, Mexico, won the German Architecture Award in 1999 and the European Steel Design Award in 2001. In addition to the Museum project, the firm has won competitions to design the Musée des Confluences (a science center in France) and the BMW Event and Delivery Center in Germany. The Museum is the firm's first public building in the United States. The \$38 million

dollar investment received financial support from the Knight Foundation, Akron Community Foundation and the GAR Foundations contributing in excess of \$10 million. The State also contributed approximately \$7 million to this project. The remaining funds were secured from private donations. The City provides parking for visitors at the \$14.5 million High-Market parking deck and through a donation of land for additional parking. The Museum opened on July 7, 2007.

Former Fire Station One. This landmark 1920s fire station once served as the City's fire administration and central station. The building was vacant for eight years, but the Akron Bar Association purchased and renovated the former fire station for its new headquarters, which opened in December 2007.

Summa Health Systems Inc. In 2001, Summa Health Systems relocated to its new 93,000 square foot headquarters facility on 6.9 acres at the corner of Market and South Main Streets in the central business district. This \$13 million, five-story building accommodates 303 employees (147 less than reported in 2008).

Canal Square (YMCA Project). McCormick-Barren renovated the historic 15-story downtown YMCA building in 1986 and renamed the building "Canal Square." The building includes a full service YMCA exercise facility plus apartments, townhouses and commercial space. The total cost of the project was \$9.5 million, and the City was awarded a \$1.7 million UDAG to assist in completion of the project. The apartments and townhouses in the building were purchased by a local developer and a contractor and are now fully occupied.

State, County and City Projects. In the early 1980s, the County completed an approximate \$6.3 million renovation and remodeling of the Ohio Building. Many of the County's administrative departments, which had been located in different buildings in the CBD, were consolidated in this one location. The Ohio Building is connected to the County's 800-car parking deck by an elevated pedestrian walkway. This skyway also provides access to the KeyBank Building, CBD retail establishments and the Municipal Building (and thus to the Ocasek Building, the CitiCenter Building and Main Place). In 2003, two additional levels were added to the County's parking deck to meet additional parking demand in the CBD. In 1986, the Ohio Building Authority opened the Senator Oliver R. Ocasek Government Office Building in the CBD. Total construction costs were approximately \$26 million. The building provides 200,000 square feet for State and City governmental offices. In 1994, the City acquired the former YWCA building (now "CitiCenter") to provide much-needed office space for the City's Public Utilities Bureau and other divisions of the City. The State constructed enclosed elevated pedestrian walkways to connect the Municipal Building (which houses many of the City's offices) to the Ocasek Building and to the CitiCenter Building. Another elevated pedestrian walkway now also connects the Ocasek Building to a City parking deck and the City's Health Department building located across the street. In 2001, the City completed construction of a new skyway connecting the County's parking deck to the University's Polsky Building and thus to the University's Business Administration Building (see **University Area Expansion and Development**). A skywalk constructed in 2006 connects the County's parking deck to the Harold K. Stubbs Justice Center and the Summit County Courthouse. The County constructed a \$16.2 million annex to its Courthouse to house the Domestic Relations Court and the Clerk of Courts. This 70,000 square foot addition was completed in 2005.

Main Street Transitway. A major, \$7.5 million reconstruction of the main thoroughfare in the CBD, South Main Street, was completed in 1990. Funded from federal, State and local sources, the project improves bus service and automobile traffic flows, provides safer conditions for pedestrian traffic and creates a more attractive downtown setting.

Downtown Strategic Plan; Downtown Akron Partnership. In partnership with Akron Tomorrow, the City hired Mary Means & Associates to complete a Downtown Akron Strategic Plan. The completed plan calls for the City to reinvent itself as a hub for arts and entertainment, shopping and tourism. Many of the elements leading to the success of the plan's implementation are already in place, according to the consultants. These include the University's

renovation of the Polsky Building, redevelopment of the Ohio & Erie Canal, the John S. Knight Center, Inventure Place and Canal Park Stadium.

In 1996, as part of the revitalization of the downtown area, the Downtown Akron Partnership (DAP) was formed. DAP is a nonprofit organization dedicated to bringing people, activity, business and a thriving civic life back to the heart of downtown Akron. DAP members include property owners, business leaders and City officials who want to improve the image of downtown. DAP is governed by a board of trustees from all parts of the community. Sponsorship for DAP since its founding has come from the City and Akron Tomorrow, a group of 26 Akron CEO's and community leaders. Beginning in 1999, DAP was organized and funded as an Ohio Special Improvement District (SID). Property owners within a SID may be assessed annually to fund activities and services within such a district. These proceeds have been used to improve the physical appearance and maintenance of downtown and have also increased marketing and promotion. Additional emphasis is being placed on parking. Most recently, DAP announced the Downtown Ambassador Program and safety initiative.

DAP's "First Night" was again a resounding success for its thirteenth straight year, bringing over 13,000 people into downtown for New Year's Eve celebrations. First Night is a community-based New Year's Eve celebration that focuses on the performing arts. Artists of all kinds perform in untraditional locations throughout downtown Akron, and the celebration ends with a parade to Canal Park Stadium and a spectacular fireworks display.

Akron Biomedical Corridor. The Akron Biomedical Corridor, a 506-acre area, was created in 2006 and encompasses much of the City's central business district. It geographically connects the City's three major hospital systems, Akron General Health Systems, Summa Health Systems and Akron Children's Hospital, with The University of Akron. Its location provides opportunities for businesses to take advantage of an existing density of research, technical and healthcare-related industries, an existing employment base of more than 11,000 people working in healthcare, access to exceptional transportation networks and complementary cluster industries already established in the greater Akron area. The City's planned land acquisition and infrastructure improvements will be targeted to support biomedical-related businesses that will locate here. Several major development opportunities exist within the Corridor including the Innerbelt area and the East Market & Forge Street areas. (See *Map 3*.)

Other CBD Developments. In cooperation with participating banks, the City has established a program to provide below-market interest rates for business development loans for all businesses and property owners in the CBD. Since the program's inception in 1977, 81 projects have received subsidized loans totaling approximately \$11 million. The City also has a Facade Improvement Grant Program that provides matching grants for exterior improvements to buildings in the CBD. Eighty-one projects have received grants since the program began in 1985. Lockview Restaurant recently converted the Lime Spider nightclub to a new restaurant format. The City will assist with a matching Facade Improvement Grant.

The Main Street Business Incentive Program provides matching grants to retail businesses that locate in unoccupied property on South Main Street. The grants may be used to assist in leasing, purchasing or improving the property. Since the program commenced in 1986, grants have been awarded to 86 businesses.

Chrissie Hynde opened her VegeTerranean Restaurant in September 2007 in the Northside Lofts retail space. The City assisted the developer, Northside Retail Lofts, LLC, with a subsidized loan of \$1.0 million through National City Bank, which enabled it to reduce the retail lease rate to attract tenants. The City's subsidy cost was \$109,167.

City-Wide Programs and Projects

All-America City. In June 2008, the City was once again designated an All-America City by the National Civic League. This was the third time this honor had been bestowed upon the City; the award was first received in 1981 and then again in 1995. The award recognizes those cities whose citizens have found creative ways to better their communities.

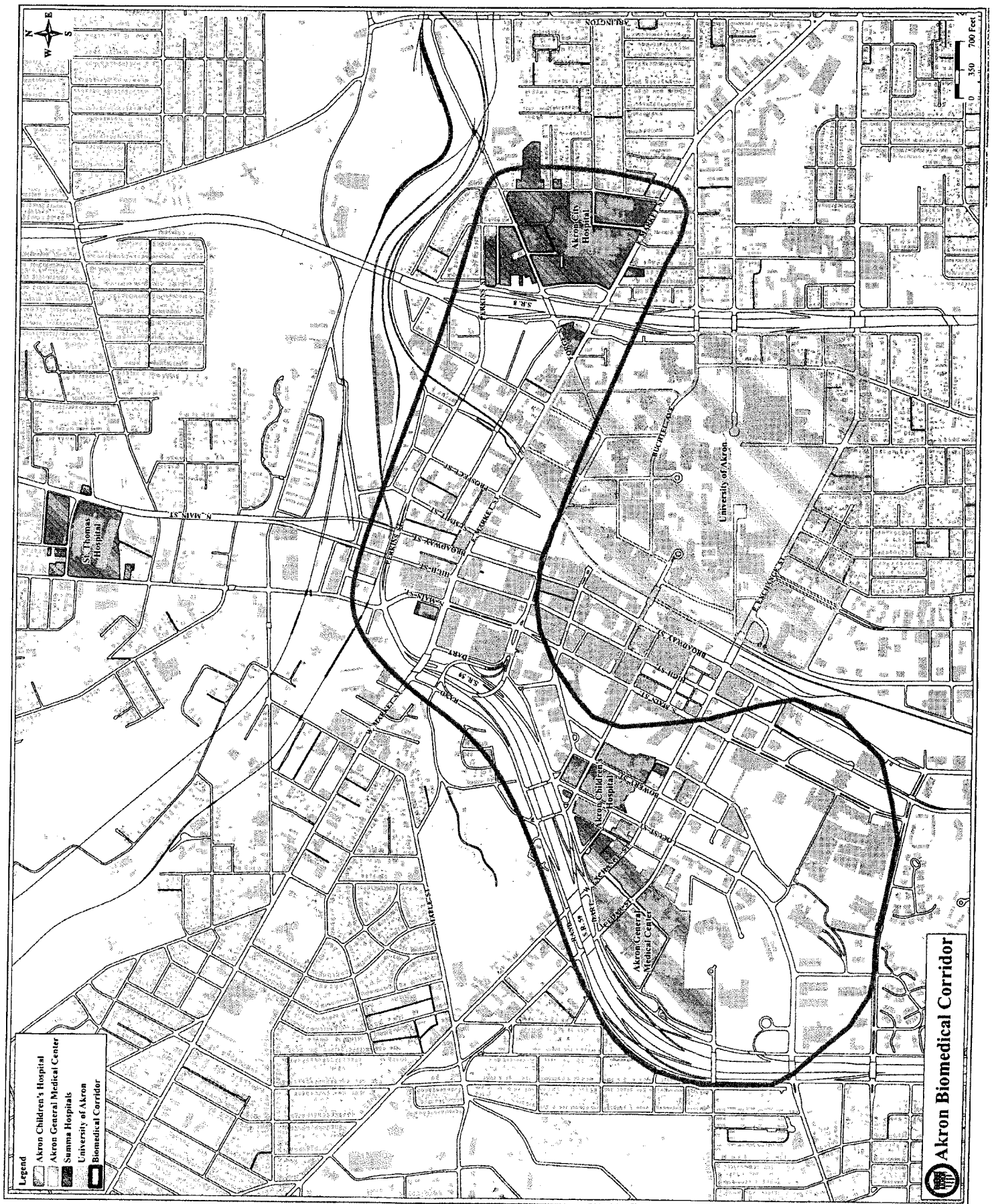
Knight Center of Digital Excellence. The John S. and James L. Knight Foundation has pledged \$25 million to create the Knight Center of Digital Excellence to build community broadband networks in the City and 25 other Knight communities. On track for completion in summer 2009, the initial wireless network deployment will cover at least 11 square miles in the City, and cost about \$2.2 million to design, deploy and maintain. It expects to employ 16 people at its Akron location. City Council passed an ordinance in July 2008 authorizing the Mayor to enter into an agreement with a technology nonprofit organization called OneCommunity. In 2009, the City will provide OneCommunity with a first-year commitment of approximately \$500,000 that will trigger a \$250,000 grant installment from the John S. and James L. Knight Foundation for the project.

Imagine.Akron 2025. Mayor Plusquellic initiated a citizen-led strategic planning effort called Imagine.Akron 2025 first in 1999. More than 1,000 people participated in an 18-month dialogue focused principally on Akron's future. Thirty-nine work group reports, 17 community assemblies and a community-wide survey were compiled to produce the final Imagine.Akron 2025 report. The document focused on issues such as education, neighborhoods and economic development. In 2004, the Mayor relaunched Imagine.Akron 2025 to focus on issues specific to downtown Akron. About 60 stakeholders participated in Imagine.DowntownAkron 2025 with workgroups focusing on recommendations for infrastructure, events and marketing of the downtown area.

Auto Dealership Retention. The City has undertaken an aggressive effort to retain auto dealerships in the central business district. Dave Walter BMW / VW / Land Rover and Ganley Mercedes-Toyota have each embarked on major expansions to meet their demand in sales and service. Through these efforts, the City is maintaining a balance in land use, retail and services for people who work in the City.

Highland Square Redevelopment. The City, Albrecht Inc., Akron-Summit County Public Library and FirstMerit Bank continued construction of a \$6 million redevelopment of the Highland Square commercial district. A new branch library, new retail space and public parking have been completed. Tenants have been secured for the majority of the space including: Chipotle, MetroBurger, MarketPath, Verizon and Georgio's Pizza. The City is working with the developer to attract a grocery/specialty foods store and is considering providing additional public parking on the south side of West Market Street to support new commercial activity.

Akron Community Learning Centers. With joint funding through the City and the State more than \$800 million is being invested to transform the Akron public school facilities into "community learning centers." Under the City's leadership, City voters approved a .25% income tax increase to rebuild and remodel Akron's schools. The new Community Learning Centers (CLCs) will provide modern school facilities for Akron City School District students and be available to the community during evenings, weekends and summers for recreation, civic meetings, adult education and training, and a wide variety of City programs and other community activities. In many cases, the CLC projects have forged new partnerships with nonprofit community organizations by constructing joint facilities that are positioned to best serve the needs of students and the community. The Akron CLC project represents the largest construction opportunity in the history of the City. (See also **Education – Akron City School District.**)



MAP 3

Neighborhood Development Program

Neighborhood Business District (NBD) Projects. As initiated in 1976, the City's program for neighborhood business districts assists in the revitalization of some of these older business districts so that they can maintain a high level of economic viability and be an asset to the neighborhoods in which they are located. The districts are selected because of their proximity to Community Development housing areas. A key element of this program is the establishment of a cooperative effort involving City government and the business people in the districts. In all of the business district projects, the City requires that private investment cover at least 50% of the project improvement costs.

The program has focused on these four major areas of improvements:

- provision of adequate on-street and off-street parking facilities;
- street improvements including curbs, landscaping, sidewalks and street lighting;
- subsidized low interest loans to businesses to assist in building rehabilitation; and
- acquisition and demolition of deteriorated and blighted buildings.

From 1987 through 2008, over \$18 million of City improvements have been made in the Kenmore Boulevard, South Arlington Street, Copley Road, Temple Square, Canton Road, East Market Street/Union Street, Market Maple, Wallhaven, Middlebury, South Main Street, Tallmadge Avenue and West Market Street NBDs.

Neighborhood Housing Development Projects. For the past 30 years, the City has undertaken a program of targeted neighborhood improvement that focused on housing rehabilitation. Mandatory housing code enforcement was coupled with technical and financial assistance to property owners to encourage housing rehabilitation. Assistance was provided in the form of grants to homeowners and to investor owners, and home ownership was encouraged with low interest loans for rehabilitation and an incentive program to assist home purchases. Public infrastructure in each neighborhood was upgraded with installation or repair of streets, sidewalks, sewers and water lines. The rehabilitation of 29 neighborhood development areas was completed under the old Neighborhood Development Area program. This program was combined with the Neighborhood Housing Petition Program for smaller, low-income neighborhoods in the inner city. Residents could secure program benefits by circulating a petition for their neighborhood. The same grant and loan funds were available for housing repairs as in the Neighborhood Development Program. Since 1992, 30 petitioned areas were completed. The City committed nearly \$230 million in Community Development Block Grant (CDBG) and HOME funds to its neighborhood rehabilitation and petition programs, rehabilitating over 20,000 homes.

In 2005, the old Neighborhood Development Area and Petition programs were replaced with new programs for targeted redevelopment. Neighborhood Redevelopment Areas were established that combine housing rehabilitation with acquisition and clearance. The emphasis is on creating space for new housing construction (see **New Residential Construction**). The Neighborhood Housing Petition Program was replaced by the Neighborhood Initiatives Area program where property owners apply to receive voluntary rehabilitation assistance in the form of grants and low interest or deferred loans. Since 2005, over 300 homes have received rehabilitation assistance under the Neighborhood Initiative Area and Redevelopment Area programs.

Since 1979, over 400 new, single-family homes have been built under the Urban Neighborhood Housing Development Program. This program is part of the City's continuing effort to revitalize the inner city and encourage home ownership in the City's Community Development Areas. Under the program, reduced-interest mortgage loans are available to potential homebuyers through local financial institutions. Initial funding for the project was provided through a

\$1.1 million UDAG and by local financial institutions and the City. It is being continued with CDBG funds. The program is administered by the Urban Neighborhood Development Corporation, a nonprofit organization representing private and public interests in the housing industry, in cooperation with the City.

The City also conducts other housing programs:

- lead paint abatement and rehabilitation;
- grants of up to \$4,000 for minor home repair to correct emergency problems or code violations, available to low income, elderly or disabled homeowners;
- purchase and removal of deteriorated structures; and
- assistance to homeowners for exterior improvements.

New Residential Construction. The City's Department of Planning and Urban Development annually inventories construction of new housing based on building permits issued (see **Economic and Demographic Information – Housing and Building Permits**). Over 5,400 new residential units have been built in the City since 1990. Over 200 single and two-family homes have been built every year since 1994, with 298 homes built in the peak year 1995. Condominium and apartment construction has diminished somewhat since the peak year 1995. Nevertheless, almost \$420 million has been invested in these new units over the past 17 years.

The City is actively pursuing opportunities to initiate, support and promote new housing construction throughout the City. In designated Neighborhood Redevelopment Areas, the City is placing an emphasis on removing blighted properties to facilitate new housing construction. In the Bisson and Honodle areas, the City removed deteriorated housing resulting in the construction of 49 new homes. New housing construction is under way in the Hickory Corridor/Cascade Locks Neighborhood Redevelopment Area where existing deteriorated housing was removed and lots were replatted and sold to owner-occupants.

The City is also actively involved in land assemblage and infrastructure support for two new private residential developments, including the \$35 million Northside Lofts project and the \$32 million Spicer Village project. The Northside Lofts is located in the Northside Entertainment District on the north end of downtown overlooking the Little Cuyahoga River valley. This development will consist of three multi-story buildings of 63 condominiums and 28 townhomes plus 21,000 square feet of retail and office space. The Spicer Village project will consist of 96 townhome units immediately south of The University of Akron campus. Both projects are under construction.

Additionally, the Akron Metropolitan Housing Authority received nearly \$40 million in federal HOPE VI funding to remove two outdated public housing developments and replace them with a mix of townhome apartments and single-family homes. The Cascade Village HOPE VI project, immediately north of downtown in the Little Cuyahoga River valley, consists of 14 single-family homes and 242 apartment units, including one multi-story, 40-unit apartment building. The project is nearing completion, with only the 40-unit apartment left to be completed. The Edgewood HOPE VI development will consist of 176 townhome units (including one four-story, 48-unit apartment) and up to 39 single-family homes; 80 units have been completed. The City is supporting both projects with a total of more than \$10 million in commitments for property acquisition, demolition, relocation and infrastructure improvements in the project areas and surrounding neighborhoods.

JOINT ECONOMIC DEVELOPMENT DISTRICTS

(See Map 4.)

In 1991, the State General Assembly enacted legislation that authorizes municipal corporations and townships to create Joint Economic Development Districts. The legislation was

amended in 1994. This authority was initially limited to those subdivisions within a county that had adopted a charter, such as the County, but legislation was enacted in 1995 extending similar authority Statewide. A Joint Economic Development District (JEDD or District) is created pursuant to a contract entered into by a city and a township in order to facilitate economic development in the region. The City has joined with four of the surrounding Townships to create the Copley-Akron Joint Economic Development District, the Coventry-Akron Joint Economic Development District, the Springfield-Akron Joint Economic Development District and the Bath-Akron-Fairlawn Joint Economic Development District. Each District is made up of several areas within the respective Township. These are almost exclusively commercial and industrial areas of the Townships.

Each Joint Economic Development District is a distinct, separate political subdivision. It is created pursuant to a contract between one or more cities and one or more townships. It has powers granted to it by State law and the JEDD Contract. The purpose of the JEDD is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, the county, the city, the township and the District. Each of the JEDD Contracts became effective after approval by the voters in the respective Townships in 1994 (1998 for the Bath-Akron-Fairlawn JEDD), and each has a term that extends to December 31, 2093 (2097 for the Bath-Akron-Fairlawn JEDD) and may be extended by any party to the JEDD Contract for two additional 50-year terms. The JEDD Contract may be terminated by mutual consent of the parties thereto. The City has agreed that, so long as the Special Revenue Bonds (see **Special Revenue Bonds**) are outstanding, it will not suffer the repeal, amendment or any other change in the legislation authorizing those bonds or the JEDD Contracts that in any way materially and adversely affects or impairs (i) the sufficiency of the JEDD Revenues available for the payment of those bonds or (ii) the application of the JEDD Revenues to the payment of those bonds.

Each District is governed by a Board of Directors in accordance with the JEDD Contract. Each JEDD Board is made up of the Mayor and two City Council members and the three Township Trustees. The Bath-Akron-Fairlawn JEDD Board also includes the mayor and two council members from the City of Fairlawn.

Certain taxpayers in the original three Districts filed suit in 1995 against the JEDD Boards of Directors, the Townships and the City challenging the constitutionality of the statute authorizing the JEDDs. In March 1999, the Supreme Court of Ohio resolved the issue in favor of the City and the JEDDs by ruling that the JEDD statute is constitutional. The Court's unanimous decision upheld the rulings of both the trial court and the court of appeals. In May 2007, the Ohio Supreme Court declined to hear an appeal from a developer involving the Bath-Akron-Fairlawn JEDD. The trial court and appellate court had dismissed the developer's lawsuit for lack of standing to sue.

The JEDD Contracts generally provide that the City will extend water and sewer services to the Districts and in some cases to other areas within the Townships. Each JEDD Contract describes the water and sewer facilities that are to be constructed and installed, as well as the extent of the City's obligations to fund those projects. The City has been and is continuing to extend water and sewer facilities to the JEDDs pursuant to the JEDD Contracts as part of its contribution to the economic development of the region. Approximately 80 construction projects (both water and sewer) have been completed since this program began. The City has expended over \$61 million so far for these projects. To fund these facilities, the City has issued the Special Revenue Bonds as described in **Special Revenue Bonds**, which are payable solely first from revenues received by the City from the Joint Economic Development Districts and then, if necessary, from net available revenues from the respective municipal utility system, after payment of any debt service on revenue bonds for that system. The Special Revenue Bonds are subordinate obligations to the City's revenue bonds issued for the Water System and the Sewer System, respectively. See **City Debt and Other Long-Term Obligations – Revenue Bonds**. The City

does not expect to have to use the utility revenues to pay debt service on any of these Special Revenue Bonds.

In order to provide water to Springfield, Coventry and Copley Townships in accordance with the JEDD contracts, the City must use water from its system in the Lake Erie basin. The Townships are across the continental divide in the Ohio River watershed. The City has entered into an agreement with the Ohio Department of Natural Resources (ODNR) for a “no-net-loss” plan whereby water in the Portage Lakes is released by ODNR into the Ohio Canal and eventually Lake Erie to make up for any water from the City that is not returned through the City’s sanitary sewer system. The City’s plan was submitted to the other Great Lakes states for review and comment and each has approved the plan. Several nearby communities challenged the plan in a lawsuit. A trial was held in early 2001, and a decision was rendered by the trial court in favor of the City on these issues. The Ohio Supreme Court has affirmed that decision.

The statutes authorizing the creation of joint economic development districts provide that such districts may levy an income tax at a rate up to but not exceeding the rate levied by the city participating in the creation of the JEDD. Each JEDD Contract provides for, and each District has levied, an income tax at the rate of 2% on all earned income (wages and salaries of workers and net profit on businesses or professions) in the District. Beginning April 1, 2005, the income tax rate increased to 2.25% in the Copley, Coventry and Springfield JEDDs because of the Contract provision allowing the rate to change so that it equals the City’s municipal income tax rate. The revenues generated from this increase are allocated one-third to the respective township and two-thirds to the City. Beginning January 1, 2006, the income tax rate increased to 2.25% in the Bath-Akron-Fairlawn JEDD. As the contract stipulates, the revenues generated from the tax increase are allocated one-third to Bath Township, one-third to the City of Fairlawn and one-third to the City.

In accordance with the JEDD Contracts, each District has entered into a separate agreement with the City to administer and collect the JEDD income taxes. The income tax receipts for each District are collected, and are accounted for separately from each other District and the City, by the City’s Tax Administrator pursuant to those agreements.

All taxes on property within the Districts continue to be levied and collected by the overlapping subdivisions: the County, school districts and the Townships.

The JEDD Contracts for the Districts within Coventry, Copley and Springfield Townships provide that 1% of the JEDD income tax is to be used by the District for its operation and administration. The remaining portion is allocated to the City. The Bath-Akron-Fairlawn JEDD Contract also provides for 1% of the income tax revenues to be used for operation of that District. It also provides, however, for certain other payments to Bath Township. The Township is to be paid \$250,000 per year for 10 years and on March 13, 2006 was paid a one-time payment of \$3,282,387, which is an amount equal to 10% of the net District revenue for the years 2000 to 2005 (income tax revenues less administrative costs and costs of capital improvements in the District). Pursuant to separate agreements between the City and the City of Fairlawn, the City shares one-half of the net JEDD Revenues from the Bath-Akron-Fairlawn JEDD with the City of Fairlawn.

JEDD income tax receipts have grown approximately 28.9% from 2004 to 2008, inclusive (see **Historical JEDD Revenues**). Overall, JEDD income tax receipts decreased by 1.24% in 2008 as compared to 2007. This decrease is reflective of company reductions locally due to the current economic downturn (see **Employment**).

The following table sets forth the private and public employers within the Districts with 100 or more employees. There are also other businesses with fewer than 100 employees.

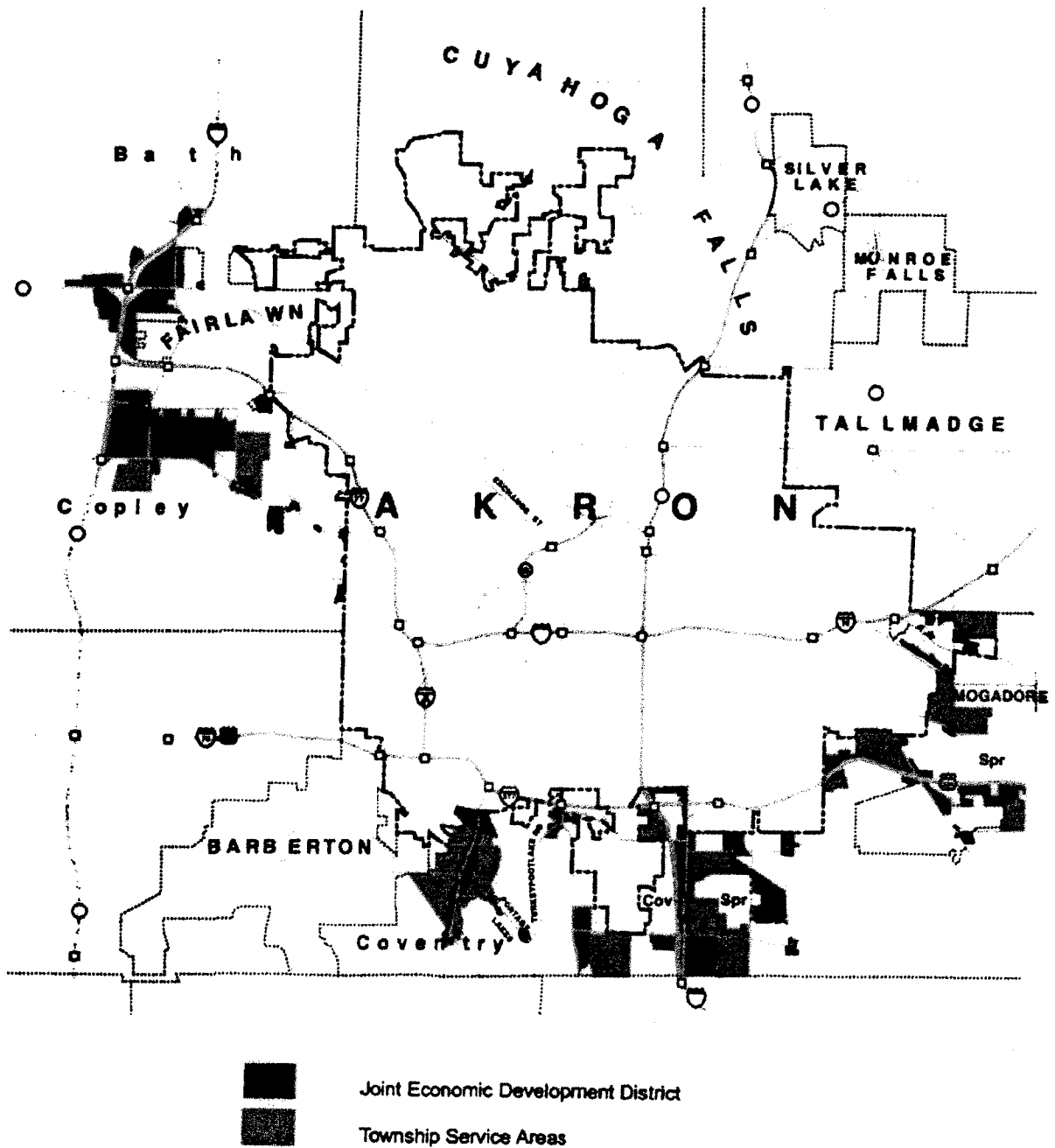
<u>Employer</u>	<u>Nature of Activity or Business</u>	<u>Approximate Number of Employees</u>
Roadway Express Inc.(a)	Trucking	980
InfoCision Management, Inc.(b)	Telemarketing	940
Ohio Department of Transportation(c)	Government	610
Copley-Fairlawn School District(a)(e)	School system	320
Akron General Health and Wellness Center(b)	Healthcare and fitness	300
Home Depot (a)(d)	Retail home improvement	300
Saint Gobain Performance Plastics(d)	Flexible plastic products	270
Quality Mold, Inc.(d)	Tire molds, related engineering	260
Aetna Insurance(b)	Insurance	225
Fedex Corporate Services Inc.(b)	Technology services	200
Wal-Mart(d)	Department store	200
Kohl's Department Stores Inc.(d)	Department store	120
Montrose Ford(a)	Automobile dealership	100

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- (a) Copley-Akron Joint Economic Development District
(b) Bath-Akron-Fairlawn Joint Economic Development District
(c) Coventry-Akron Joint Economic Development District
(d) Springfield-Akron Joint Economic Development District
(e) Employment for the entire school district but not all schools within the District.

Source: Greater Akron Chamber of Commerce.

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JOINT ECONOMIC DEVELOPMENT DISTRICTS



MAP 4

The following table sets forth the receipts and expenditures of the income tax collections in the JEDDs and the resulting JEDD revenues of the City for the past five years.

Historical JEDD Revenues

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Income Tax Revenues:</u>					
Bath JEDD	\$ 4,841,973	\$ 4,779,633	\$ 5,759,375	\$ 5,743,972	\$ 5,857,462
Copley JEDD	4,476,317	4,602,440	5,181,434	5,644,155	5,459,764
Coventry JEDD	1,771,041	2,073,334	2,221,282	2,339,911	2,287,282
Springfield JEDD	<u>2,169,769</u>	<u>2,384,302</u>	<u>2,730,249</u>	<u>2,699,549</u>	<u>2,618,720</u>
Total Revenues	\$13,259,100	\$13,839,709	\$15,892,340	\$16,427,587	\$16,223,228
<u>Expenditures:</u>					
Administrative Expenses	\$ 97,772	\$ 156,591	\$ 140,397	\$ 152,923	\$ 164,276
Refunds	423,849	277,287	289,238	419,810	666,385
Distribution to Bath	250,000	250,000	3,532,387(g)	250,000	250,000
Distribution to Fairlawn	1,882,346	2,077,639	1,637,188	2,325,036	2,366,121
Distribution to Townships(a)	-0-	-0-	218,854	554,189	593,748
Distribution to Akron City School District(b)	<u>95,492</u>	<u>1,746,437</u>	<u>763,832</u>	<u>820,255</u>	<u>938,868</u>
Total Expenditures	\$ 2,749,459	\$ 4,507,954	\$ 6,581,896	\$ 4,522,213	\$ 4,979,398
JEDD Revenues(c)	\$10,509,641	\$ 9,331,755	\$ 9,310,444	\$11,905,374	\$11,243,830
Debt Service on Sanitary Sewer System Special Revenue Bonds(d)	\$ 1,940,205	\$ 1,945,295	\$ 1,943,000	\$ 1,804,192	\$ 1,949,837
Debt Service on Waterworks System Special Revenue Bonds(d)	<u>2,359,840</u>	<u>2,364,965</u>	<u>2,363,345</u>	<u>2,195,196</u>	<u>2,359,435</u>
Total Debt Service	\$ 4,300,045	\$ 4,310,260	\$ 4,306,345	\$ 3,999,388	\$ 4,309,272
Debt Service Coverage(e)	2.44	2.17	2.16	2.98	2.61
Balance of JEDD Revenues(f)	\$ 6,209,596	\$ 5,021,495	\$ 5,004,099	\$ 7,905,986	\$ 6,934,558

(a) Sharing of income tax revenues generated by the 0.25% increase in the tax rate as described above.

(b) Payment pursuant to an agreement between the School District and the City.

(c) JEDD Revenues for: 1995 (\$3,452,322); 1996 (\$6,771,752); 1997 (\$6,569,792); 1998 (\$6,828,956); 1999 (\$9,764,530); 2000 (\$12,202,582); 2001 (\$10,624,460); 2002 (\$10,198,426); 2003 (\$9,463,937).

(d) These bonds were issued in 2000 and 2002. (See **Special Revenue Bonds**.)

(e) In accordance with the trust indentures relating to these bonds, "coverage" is calculated by (1) multiplying the JEDD Revenues by a percentage equal to the debt service on the respective bond issue divided by the total debt service on the Waterworks System Special Revenue Bonds and on the Sanitary Sewer System Special Revenue Bonds, and (2) dividing those "adjusted" JEDD Revenues by the debt service on the respective bond issue. Those trust indentures establish a covenant requiring a debt service coverage of at least 1.25. (See **Special Revenue Bonds**.)

(f) Available to pay costs of capital improvements, to meet other obligations under the JEDD Contracts and for other municipal purposes as determined by the City.

(g) Includes one-time payment to Bath Township pursuant to the JEDD Contract.

LAND USE/ANNEXATION

The City's area is approximately 62 square miles. Land use in the City is as follows:

	<u>Acres</u>	<u>Percent of Area</u>
Residential	14,092	35.4%
Commercial	2,349	5.9
Industrial	2,747	6.9
Agricultural	400	1.0
Public and Unusable Open Land	7,285	18.3
Usable Open Land	6,248	15.7
Transportation Facilities	6,688	16.8

By the mid-1970s, the supply of land available for new development within the City's corporate limits had become very limited. As a result, the City began an aggressive program of annexation in order to increase available land for new development, particularly for industrial and commercial purposes.

From 1978 to 1995, the City's program of annexing adjacent township land resulted in the addition of 5,372 acres (approximately eight square miles) to the City, but also met with increasing opposition from the townships. Consequently, starting in 1995, the City and its township neighbors entered into the cooperative agreements to form joint economic development districts, which effectively ended the City's annexation program. No annexations to the City have occurred since 1995. (See **Joint Economic Development Districts**.)

In accordance with the JEDD Contracts, a total of 422 acres of previously annexed land were detached from the City and returned to the townships between 1995 and 1997. These included 147 acres of primarily business property in Coventry Township, 49 acres of residential property in Copley Township and 226 acres of mixed use land in Springfield Township. Approximately 160 acres of the land detached to Springfield Township are now under development as the City's Massillon Road Industrial Park (see **Industrial Development Program**).

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

Census population since 1940 has been:

<u>Year</u>	<u>City</u>	<u>County</u>	<u>PMSA</u>
1940	244,791	339,405	386,065
1950	274,605	410,032	473,986
1960	290,351	513,569	605,367
1970	275,425	553,371	679,239
1980	237,177	524,472	660,328
1990	223,019	514,990	657,575
2000	217,074	542,899	694,960

The U.S. Census Bureau estimates that as of 2007 the population was: City 207,934, County 543,487 and PMSA 699,356.

The 2000 census figures show the following breakdown by age groups of the population of the City:

<u>Under 5</u>	<u>5-19</u>	<u>20-24</u>	<u>25-44</u>	<u>45-54</u>	<u>55-64</u>	<u>65+</u>	<u>Total</u>
15,661	45,709	16,464	65,780	27,565	16,570	29,325	217,074

The City's 2000 population made it the fifth largest city in the State. An estimated population of approximately 2,500,000 resides within a 50-mile radius of the City.

Employment

The following table shows comparative average annual employment and unemployment statistics for the indicated years.

Year(a)		Number (000)						Unemployment Rate (%)				
		Employed			Unemployed							
		City	County	MSA	City	County	MSA	City	County	MSA	Ohio	U.S.
1999	....	106.8	268.5	348.2	6.8	12.0	15.3	5.9	4.3	4.2	4.3	4.2
2000	....	100.8	268.7	350.2	6.5	11.6	14.9	6.0	4.2	4.1	4.0	4.0
2001	....	100.3	267.5	348.7	7.1	12.8	16.4	6.6	4.6	4.5	4.4	4.7
2002	....	99.1	264.2	344.6	9.3	16.8	21.4	8.6	6.0	5.8	5.7	5.8
2003	....	97.6	266.1	347.6	7.2	17.4	22.5	6.9	6.2	6.1	6.2	6.0
2004	....	98.2	268.8	351.3	7.1	17.3	22.3	6.8	6.0	6.0	6.1	5.5
2005	....	99.5	273.7	358.0	6.8	16.7	21.6	6.4	5.7	5.7	5.9	5.1
2006	....	101.0	279.1	364.8	6.3	15.4	20.0	5.9	5.2	5.2	5.4	4.6
2007	....	101.2	280.7	367.8	6.4	15.9	20.8	5.9	5.4	5.4	5.6	4.6
2008	....	101.0	280.1	367.0	7.3	18.3	24.1	6.7	6.1	6.2	6.5	5.8

(a) Not seasonally adjusted.

Source: Ohio Department of Job and Family Services.

The following table sets forth the private and public employers that have the largest manufacturing and nonmanufacturing workforces within the City.

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<u>Employer</u>	<u>Nature of Activity or Business</u>	<u>Approximate Number of Full-Time Employees</u>
Summa Health System	Hospital/Medical	5,585
Akron General Health System	HMO Medical Centers	3,545
The County	Government	3,470
Akron City School District	Education	3,095
Goodyear Tire & Rubber Company	Rubber Products	3,000
The University of Akron	Higher Education	2,845
FirstEnergy Corp.	Utility/Headquarters	2,710
Akron Children's Hospital	Hospital/Medical	2,680
The City	Government	2,215
Time Warner Cable Northeast Ohio Div.	Cable Television	2,440
Sterling, Inc.	Jewelry Retail/Headquarters	2,045
Acme (F.W. Albrecht Co.)	Grocery Stores	1,500
Bridgestone/Firestone	Rubber Products	1,000

Sources: *Crain's, Top Business Lists*, Greater Akron Chamber of Commerce, Moody's Economy.com, Inc. or respective employers. A number of employees of certain employers are located in areas adjacent to the City.

The City enjoys a diverse economy both in its manufacturing and its increasingly important service sectors. An analysis of 2008 Harris Ohio Industrial Directory data shows that 2,407 firms in the County employ approximately 152,850 people in such diverse fields as the rubber and plastic industry, metal fabrication, food processing, and the manufacture and distribution of electrical and electronic machinery, equipment and supplies. The abundance of smaller operations adds to this diversity and productivity. The Directory has also reported that there are approximately 80 manufacturing companies in the City with 50 or more employees each. Such firms within the City manufacture a wide variety of products, including toys, books, soft drinks, bakery goods, auto rims, clay products, salt, industrial machinery, dies, molds, chemicals, wood products and plastics. The number of small plants with just a few employees is increasing while the larger plants are downsizing or closing completely.

The City's economy, historically associated with the rubber industry, is continuing a transition away from reliance on the manufacturing of rubber products, especially tires. The rubber industry's contributions to the local economy remain substantial, but the nature of the contribution has changed from manufacturing to research and development and administration. See **Community and Economic Development Programs – Industrial Development Program**. The elimination of bias-ply tire production, the closing of inefficient, obsolete facilities and the consolidation within the industry have been the prime causes for reduction in hourly positions in the rubber industry not only in the City but throughout the country. The rubber and related plastics industries remain an important segment of the City's manufacturing economy. The majority of rubber production workers, who constitute less than 7% of the City's total work force, are employed in the production of specialty items such as aircraft tires and brakes, off-road tires, chemicals and adhesive products. Examples of continuing investment include the AES relocation to its headquarters facility and the \$19 million expansions by Goodyear Tire & Rubber Company of its polymer production plant and its race tire manufacturing process.

The City believes its efforts in establishing and completing the University Area Renewal Project and in creating the sites for the expansion of The University of Akron, its implementation of the Opportunity Park Renewal Project and its support of the Goodyear Technical Center Project and new corporate headquarters project, all as described above, have been economically advantageous to the City during this period of change in the rubber industry's makeup.

The City also believes that its continuing capital investment program, its ongoing development program in its central business district and its continuing efforts to maintain the City's infrastructure create the environment necessary to encourage the expansion of this segment of the City's economy.

Following the national trend, there has been an increase in the service industry and a reduction in the production of goods. Contributing to this trend is the employment at two regional shopping malls in the City, the continuing redevelopment of the CBD, and the increase in governmental (City and County), educational (The University of Akron) and health care services and facilities employment. The Akron area has worked diligently to maintain its manufacturing base. Currently, close to 24% of the City's work force is in manufacturing trades, as compared to the national average of 13%. In early 2009, *Site Selection* magazine awarded the Governor's Cup to the State of Ohio for leading the nation in the number of new and expanded corporate facilities in 2008. The City ranked second among midsize cities with qualifying projects. Job retention was a central issue for the State and the City in 2008, the magazine reported, citing the City's and the State's efforts to keep both Goodyear and Bridgestone/Firestone in the City.

Income

The 2005 median family and household incomes, as reported by the Census Bureau, are set forth in the following table.

	<u>2005 Median Income</u>	
	<u>Family</u>	<u>Household</u>
City	\$38,362	\$32,937
County	55,952	43,941
State	54,086	43,493
United States	55,832	46,242

According to the Ohio Department of Taxation, the average federal adjusted gross income for residents within the Akron City School District filing Ohio personal income tax returns for calendar year 2007 was \$37,023 compared to the average of \$68,327 for all Ohio school districts and \$57,554 for all school districts in the County.

Housing and Building Permits

The following is Census information concerning housing in the City, with comparative County and State statistics.

	<u>2000 Median Value of Owner- Occupied Homes</u>	<u>% Constructed Prior to 1940</u>	<u>Number of Housing Units</u>		<u>% Change</u>
			<u>1990</u>	<u>2000</u>	
City	\$ 76,500	34.7%	96,372	97,265	+0.9%
County	109,100	22.0	211,477	230,880	+9.2
State	103,700	22.5	4,371,945	4,783,051	+9.4

The number and value of all building permits (including commercial, industrial, residential and public, and both remodeling and new construction) issued by the City are shown in the following table.

<u>Year</u>	<u>Building Permits</u>	
	<u>Number</u>	<u>Value</u>
1999	3,662	\$155,200,543
2000	3,201	113,657,295
2001	2,852	140,481,950
2002	2,533	207,275,180
2003	2,570	150,927,282
2004	2,257	171,475,696(a)
2005	2,202	199,018,354(a)
2006	1,745	157,965,112(a)
2007(b)	6,031	350,480,777(a)
2008	2,406	235,333,080(a)

(a) Includes approximately (in millions):

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	
\$33.6	\$38.6	\$26.1	\$25.9	20.8	for new residential properties,
12.2	8.1	10.6	35.9	18.3	for residential properties: alteration and additions,
35.2	60.6	53.8	50.9	67.6	for institutional buildings and alteration and additions,
47.1	42.1	28.2	160.9	32.5	for office buildings and alteration and additions,
22.3	24.8	32.9	44.3	88.1	for commercial buildings and alteration and additions, and
21.1	24.8	6.4	32.6	8.0	for miscellaneous construction.

(b) Severe hail storms caused widespread damage to property resulting in a very significant increase in the number and value of building permits; other development projects and Community Learning Centers contributed to this increase.

SEWER SYSTEM

General

The City owns and operates a wastewater collection and treatment system (the Sewer System) that serves the City and 12 other subdivisions in a 75 square mile service area. The estimated replacement value of the Sewer System exceeds \$2.2 billion. The existing collection system consists of 649 miles of sanitary sewers, which includes local, combined and trunk sewers. Over 70% by length of these sewers carry only sanitary sewage, while the remaining 30% carry both sanitary sewage and storm water in periods of wet weather. Approximately 60% of the sewers are over 40 years in age. The City, however, conducts a regular maintenance and replacement program to maintain operational efficiency of the collection system. The collection system also includes 33 pump stations and one retention tank. In addition, the City has 382 miles of storm sewers and 309 miles of storm and combined sewer inlet lead connections. The sewer collection system carries sewage to the Water Pollution Control Station, the City's wastewater treatment plant, which was constructed in 1928. Over the years, the treatment plant has been continuously expanded and upgraded to meet increasing demands on the Sewer System based on increased volume and regulatory requirements. The existing wastewater treatment plant provides primary and advanced secondary treatment of wastewater, followed by disinfection prior to discharge into the Cuyahoga River. Sludge produced at the plant is composted in a facility constructed by the City in 1987. In 2008, the plant treated a total flow of 28.5 billion gallons of wastewater, at an average rate of 78.6 million gallons per day.

The Sewer System is operated as a self-supporting enterprise. Rates are set so as to provide sufficient funds for operation, for an adequate level of maintenance and for debt service requirements, if any, on revenue bonds, on certain general obligation bonds or notes issued for Sewer System purposes and on obligations to the Ohio Water Development Authority and the Ohio Public Works Commission (see **Revenue Bonds** and **City Debt and Other Long-Term Obligations**). The U.S. EPA has approved the City's user charge system for Sewer System customers, both inside and outside the City. A proposed long-term lease of the Sewer System to generate funds for college scholarships and other purposes was not approved by the voters in the November 2008 general election.

Capital Improvements

Over the past ten years, the City has constructed approximately \$87.1 million worth of capital improvements to the Sewer System (not including those in the JEDDs). This extensive capital improvements program has had a major positive impact on the operating efficiency of the Sewer System and its compliance with environmental regulations. The table below sets forth the Sewer System's capital improvement expenditures for the years 2004 through 2008, and includes expenditures from Sewer System revenues and the proceeds of bonds and other obligations.

Capital Improvement Expenditures

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Total</u>
Water Pollution Control Station	\$ 976,516	\$ 421,463	\$ 2,945,639	\$1,416,289	\$ 328,143	\$ 6,088,050
Sewer Reconstruction.....	7,072,356	8,142,392	1,206,515	3,003,164	6,687,155	26,111,582
Combined Sewer Overflow.....	1,572,503	8,512,387	8,406,223	1,258,579	93,972	19,843,664
New Sewers:						
City	170,376	-0-	-0-	-0-	-0-	170,376
JEDDs.....	<u>1,089,620</u>	<u>552,513</u>	<u>1,688,571</u>	<u>1,031,318</u>	<u>30,678</u>	<u>4,392,700</u>
Total Sewer System	\$10,881,371	\$17,628,755	\$14,246,948	\$6,709,350	\$7,139,948	\$56,606,372

The following table sets forth the projected capital improvement expenditures planned for the years 2009 through 2013, including expenditures from bond proceeds and Sewer System revenues, subject to availability of those revenues. As discussed under **The City – Joint Economic Development Districts**, the City is extending the Sewer System's collection system into the neighboring townships in which Joint Economic Development Districts have been established. A portion of the revenues received by the City pursuant to the JEDD contracts will be used to pay costs of extending these facilities (see **Special Revenue Bonds**).

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Projected Capital Improvement Expenditures (000's)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Total</u>
Water Pollution Control Station.....	\$1,300	\$2,100	\$2,175	\$1,250	\$1,250	\$8,075
Other Facilities and Equipment	500	250	250	250	250	1,500
Sewer Reconstruction	6,230	4,192	4,915	3,104	3,104	21,545
Combined Sewer Overflow.....	15,800	300	300	300	300	17,000
New Sewers:						
City	-0-	-0-	-0-	-0-	-0-	-0-
JEDDs	<u>3,325</u>	<u>1,335</u>	<u>1,335</u>	<u>1,335</u>	<u>1,335</u>	<u>8,665</u>
Total Sewer System.....	\$27,155	\$8,177	\$8,975	\$6,239	\$6,239	\$56,785

Since 1987, the City has operated a sludge composting plant. The plant converts an average of about 40 dry tons per day of sewage sludge into a compost mixture suitable for horticultural use or safe land disposal. The plant is rated at 73 dry tons per day. The \$32.6 million facility was financed by an 85% U.S. EPA construction grant and the 15% City portion by a loan agreement with the Ohio Water Development Authority (see **Long-Term Obligations Other Than Bonds and Notes**). The City contracted with a private operator to operate and maintain the plant and to market the finished product. In 1990, the City added \$18.6 million of facilities to provide additional odor control for the plant. Federal funding covered 75% of that cost. The compost product meets Ohio EPA Class A quality criteria for food chain application.

In 2005, the City and the facility operator, KB Compost Services, Inc., entered into an agreement to design, build and operate a 5,000 dry ton per year anaerobic digestion system with a combined heat and power unit capable of generating up to 335 kW of electricity. The initial phase is sized to process about one-third of the wastewater treatment plant sludge production; it went into operation in late 2007. In 2008, the successful operations of the Composting Plant were enhanced by this process; the electricity produced reduced the plant's cost for electricity by about 15%. In a unique arrangement, KB Compost Services is carrying most of the short term financial risk, having to meet performance indicators before the system is accepted and negotiations for an expansion of the system to process all of the sludge are initiated.

Employees

As of December 31, 2008, the City had 111 permanent employees involved in the operation and maintenance of the Sewer System. The Public Utilities Bureau, which includes all functions of the Sewer System as well as the Water Supply Division, Water Utilities Field Operations Division and the Business Services Division, is under the supervision of the Director of Public Service and the Manager of the Public Utilities Bureau (See **Water System - Employees**).

The Sewer System's permanent employees are represented by two different bargaining units: Local 1360 of the American Federation of State, County and Municipal Employees represents 65 employees and the Civil Service Personnel Association represents 17 employees. The remaining 29 employees are ineligible for representation by either bargaining unit. (See **The City – Employees**).

Service Area and Users

The Sewer System supplies the only sanitary sewage collection and treatment service in the City and also serves users located outside the City in the Cities of Stow, Cuyahoga Falls, Tallmadge and Fairlawn, the Villages of Silver Lake, Munroe Falls, Lakemore and Mogadore, and the Townships of Bath, Copley, Coventry and Springfield. The numbers of users served by the Sewer System for the last three years are set forth in the following table.

Number of Users

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Inside City:			
Residential	69,114	68,109	67,801
Commercial	3,120	2,998	3,262
Industrial	<u>478</u>	<u>1,428</u>	<u>1,417</u>
Total	72,712	72,535	72,480
Outside City:			
Residential/Commercial	8,166	7,118	7,288
Industrial	<u>31</u>	<u>68</u>	<u>67</u>
Total	<u>8,197</u>	<u>7,186</u>	<u>7,355</u>
Total Users	80,909	79,721	79,835

The Sewer System serves five master metered areas (each counted as one customer) under separate sewer service agreements. The flow from each of these areas is metered and sampled for biochemical oxygen demand (B.O.D.) and suspended solids (S.S.). Each community is then billed based on the flow and strength of sewage delivered to the Sewer System. Each master meter customer is billed for flow at a designated rate per million gallons, then receives a debit or credit for over or under assigned strength sewage. Finally, a monthly billing charge is added to recover costs associated with Accounting Department services rendered. Master meter customers account for approximately 40% of the total flow treated at the City's wastewater treatment plant. Master meter customers handle billing to individual users.

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The total billed wastewater discharge by each category of users for the years 2004 through 2008 is set forth in the following table.

User Volume in Million Gallons per Year

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Billed Discharge</u>					
<u>Akron(a)</u>					
Residential	4,331.9	4,536.6	4,295.7	4,178.9	4,142.0
Commercial	1,379.3	1,295.0	1,213.3	1,223.0	1,312.1
Industrial	<u>667.4</u>	<u>662.4</u>	<u>614.2</u>	<u>637.8</u>	<u>645.9</u>
Subtotal	6,378.6	6,494.0	6,123.2	6,039.7	6,100.0
<u>Billed Discharge</u>					
<u>Suburban(a)</u>					
Residential	544.1	556.5	552.1	420.6	439.8
Commercial	184.1	190.0	180.7	202.9	211.0
Industrial	<u>78.9</u>	<u>59.7</u>	<u>55.6</u>	<u>57.7</u>	<u>70.3</u>
Subtotal	807.1	806.2	788.4	681.2	720.8
<u>Master Metered</u>					
<u>Suburban(b)</u>					
Cuyahoga Falls	1,473.1	1,336.3	1,307.1	1,340.26	1,284.0
Montrose	339.1	337.4	324.5	364.66	318.8
Mudbrook	2,215.0	2,216.4	2,078.5	1,841.31	2,029.9
Lakemore	331.8	310.5	295.6	303.79	293.7
Tallmadge	<u>613.1</u>	<u>629.9</u>	<u>613.3</u>	<u>743.25</u>	<u>579.8</u>
Subtotal	4,972.1	4,830.5	4,619.0	4,593.28	4,506.2
Total	12,157.8	12,130.7	11,530.6	11,314.18	11,678.6

(a) Based on water usage -- does not include infiltration/inflow.

(b) Actual measured discharge -- includes infiltration/inflow.

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The total user volume billed by the Sewer System for 2008 was 11.4 billion gallons. The ten largest retail users by volume (based on billings) and the master meter (wholesale contract) customers for the last three years are set forth in the following table.

<u>User</u>	<u>Nature of Enterprise</u>	<u>Million Gallons Per Year</u>			<u>Amount Billed</u>		
		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Goodyear Tire & Rubber Company	Industrial	161.6	179.9	168.2	\$ 814,490	\$ 917,015	\$ 802,588
Akron Thermal, Inc. (a)	Energy	108.5	123.3	125.4	549,673	628,484	603,197
The University of Akron	Education	120.3	130.2	104.0	458,773	496,573	392,653
Summa Health System	Medical	72.6	65.3	80.9	277,050	249,034	298,397
Akron General Medical Center	Medical	83.2	85.9	77.8	317,211	327,744	280,072
Lockheed Martin Corp.	Industrial	64.2	51.9	44.5	322,863	264,473	214,027
Hayes Lemmore	Industrial	12.5	6.6	43.7	44,255	67,286	210,150
Bridgestone/Firestone	Industrial	76.9	78.8	78.1	208,314	206,593	202,881
Children's Hospital	Medical	36.2	41.7	49.0	138,109	158,867	169,022
Gencorp	Industrial	<u>25.5</u>	<u>24.1</u>	<u>25.4</u>	<u>124,951</u>	<u>120,205</u>	<u>132,190</u>
Total		761.5	787.7	797.0	\$3,255,689	\$3,436,274	\$3,305,177
<u>Master Meter - Wholesale</u>		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
County of Summit:	(b)						
Mudbrook		2,091.8	1,841.3	1917.8	\$2,211,603	\$2,104,025	\$2,604,880
Montrose		337.6	364.7	379.3	672,946	660,344	694,523
City of Cuyahoga Falls	(b)	1,278.3	1,340.2	1,203.0	1,772,478	1,755,743	1,552,473
City of Tallmadge	(b)	703.7	743.3	803.4	790,707	884,249	942,487
Village of Lakemore	(b)	<u>309.5</u>	<u>303.8</u>	<u>327.0</u>	<u>351,347</u>	<u>351,666</u>	<u>372,943</u>
Total		4,720.9	4,593.3	4,630.5	\$5,799,081	\$5,756,027	\$6,167,307

(a) See **Other Utilities – Heating and Cooling**.

(b) Governmental, wholesale contract.

Sewer Rates

Ordinance No. 341-2007 passed by Council on June 25, 2007, amends and/or supplements former Title 5, Chapter 50, Section 50.22 “Sewer Service Charges” and Section 50.33 “Surcharges for Extra Strength Waste; Credits for Below Strength Waste” of the City’s Code of Ordinances to establish a revised schedule of sewerage service charges. The rates under that Section 50.22, effective starting July 1, 2007, are set forth in the following tables.

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Computed Rate Per 1,000 Gallons of Billed Discharge

	<u>Akron Customers</u>			<u>Suburban Contract Customers</u>		
	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>
<u>USER CHARGES</u>						
Waste Treatment:						
Volume	\$ 0.177	\$ 0.177	\$ 0.177	\$ 0.195	\$ 0.195	\$ 0.195
B.O.D.	0.344	0.595	0.767	0.360	0.571	0.789
S.S.	<u>0.442</u>	<u>0.903</u>	<u>1.218</u>	<u>0.486</u>	<u>0.959</u>	<u>1.292</u>
Subtotal	\$ 0.963	\$ 1.675	\$ 2.162	\$ 1.041	\$ 1.725	\$ 2.276
Waste Collection:						
Trunk Sewers	\$ 0.163	\$ 0.163	\$ 0.163	\$ 0.144	\$ 0.144	\$ 0.144
Local Sewers	<u>0.157</u>	<u>0.158</u>	<u>0.152</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Subtotal	\$ 0.320	\$ 0.321	\$ 0.315	\$ 0.144	\$ 0.144	\$ 0.144
Collection and Treatment of Unmetered I/I:						
Trunk Sewers	\$ 0.937	\$ 0.483	\$ 0.420	\$ 0.978	\$ 0.500	\$ 0.439
Local Sewers	<u>0.168</u>	<u>0.087</u>	<u>0.073</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Subtotal	\$ 1.105	\$ 0.570	\$ 0.493	\$ 0.978	\$ 0.500	\$ 0.439
Field Monitoring	<u>0.000</u>	<u>0.000</u>	<u>0.797</u>	<u>0.000</u>	<u>0.000</u>	<u>0.792</u>
Total User Charges (\$/1,000 gals.)	\$ 2.388	\$ 2.566	\$ 3.767	\$ 2.163	\$ 2.369	\$ 3.651
<u>OTHER COSTS</u>						
Debt service	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000
OWDA debt (all)	1.165	0.947	0.989	1.123	0.905	0.964
OWDA debt (Akron)	0.081	0.057	0.052	0.000	0.000	0.000
Akron facilities	0.192	0.027	0.000	0.000	0.000	0.000
CSO facilities	0.231	0.216	0.288	0.000	0.000	0.000
Suburban capital	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.119</u>	<u>0.119</u>	<u>0.119</u>
Total Akron sewer charge (\$/1,000 gals.)	\$ 4.057	\$ 3.813	\$ 5.096			
Total JEDD (\$/1,000 gals.)	\$ 3.826	\$ 3.597	\$ 4.808			
(Suburban \$/1,000 gals.)				\$ 3.405	\$ 3.393	\$ 4.734
Total Akron sewer charge (\$/HCF)	\$ 3.035	\$ 2.852	\$ 3.812			
Total JEDD sewer	\$ 2.862	\$ 2.691	\$ 3.596			
Suburban (\$/HCF) Contract customers				\$ 2.547	\$ 2.538	\$ 3.541
Suburban excessive I/I charge (\$/HCF)				\$ 0.159	\$ 0.159	\$ 0.159
Total suburban contract customers' sewer charge (\$/HCF)				\$ 2.706	\$ 2.697	\$ 3.700
Fairlawn (\$/HCF) Contract customers				\$ 2.547	\$ 2.538	\$ 3.541

Computed Rate Per 1,000 Gallons of Billed Discharge for Master Meter Users

	<u>Cuyahoga Falls</u>	<u>Montrose (Yellow Creek)</u>	<u>Mudbrook</u>	<u>Lakemore</u>	<u>Tallmadge</u>
<u>USER CHARGES</u>					
Waste Treatment:					
Volume	\$ 0.195	\$ 0.195	\$ 0.195	\$ 0.195	\$ 0.195
B.O.D.	0.360	0.360	0.360	0.360	0.360
S.S.	<u>0.486</u>	<u>0.486</u>	<u>0.486</u>	<u>0.486</u>	<u>0.486</u>
Subtotal	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041
Trunk sewers	0.144	0.144	0.144	0.144	0.144
Field monitoring	<u>0.008</u>	<u>0.008</u>	<u>0.008</u>	<u>0.008</u>	<u>0.008</u>
Total user charges (\$/1,000 gals.)	\$ 1.193	\$ 1.193	\$ 1.193	\$ 1.193	\$ 1.193
<u>OTHER COSTS</u>					
Existing debt service	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000
New OWDA debt	0.389	0.503	0.343	0.348	0.336
Capital charge	<u>0.031</u>	<u>0.031</u>	<u>0.031</u>	<u>0.031</u>	<u>0.031</u>
Total master meter charges (\$/1,000 gals.)	\$ 1.613	\$ 1.727	\$ 1.567	\$ 1.572	\$ 1.560

In addition, the City applies a surcharge to master meter customers that discharge wastewater to the Sewer System that is of greater strength than certain defined levels as follows:

	<u>B.O.D. (mg/L)</u>	<u>Suspended Solids (mg/L)</u>
Residential User	182	290
Commercial User	289	572
Industrial User	399	771
Suburban Master Meter User	182	290

Those master meter customers that discharge wastewater with strengths in excess of these levels are charged \$0.237 per pound of excess B.O.D. per day and \$0.201 per pound of excess suspended solids per day.

Billing; Delinquent Sewer System Bills

Bills to most users of the Sewer System are mailed monthly. The City adds a 10% surcharge to all Sewer System bills not paid within 15 days after the date on which they are mailed. If those bills remain unpaid for 45 days from the original bill, the Sewer System delivers a termination notice to the user and service may be terminated 10 days thereafter by discontinuing water service. If service is terminated, it will not be restored until the bill is paid or a payment arrangement is signed. When such bills (and penalties) are not paid when due, the City may do either or both of the following: (a) collect them by actions at law and/or (b) with respect to those that arise pursuant to service contracts made directly with users, certify them to the County Fiscal Officer to be placed on the tax duplicate together with the interest and penalties allowed by law, to be collected as property taxes are collected. The City's practice with respect to bills (and penalties) not paid has been to place them on the tax duplicate. In 2008, total Sewer System accounts receivable (over 30 days) increased slightly due to current global economic conditions. It is the

general policy of the Public Utilities Bureau to continue to try to collect charges rather than write them off.

Historical Operating Results

The following table sets forth historical comparative income and expenditures for the Sewer System for the past five years as well as debt service coverages for those years (reported and computed on a cash basis) (see **Revenue Bonds**).

Historical Income and Expenditures and Debt Service Coverage

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total Revenues	\$33,214,833	\$34,301,415	\$33,781,917	\$34,952,336	\$34,823,091
Total Expenses	<u>21,530,656</u>	<u>21,472,772</u>	<u>21,904,602</u>	<u>22,289,800</u>	<u>23,192,222</u>
Net Revenues	\$11,684,177	\$12,828,643	\$11,877,315	\$12,662,536	\$11,630,869
Debt Service on Revenue Bonds	\$ 4,643,579	\$ 4,544,325	\$ 4,541,227	\$ 3,557,707	\$ 4,568,537
Debt Service Coverage(a)	2.52	2.82	2.62	3.56	2.55
Net Revenues Available for Other Debt Service	\$ 7,040,598	\$ 8,284,318	\$ 7,336,088	\$ 9,104,829	\$ 7,062,332
Other Debt Service:(b)					
OWDA/OPWC Loans	5,012,671	4,509,204	5,668,298	6,064,278	6,086,926
General Obligation Bonds	<u>105,928</u>	<u>142,539</u>	<u>118,583</u>	<u>30,481</u>	<u>35,630</u>
Balance Available	\$ 1,921,999	\$ 3,632,575	\$ 1,549,207	\$ 3,010,069	\$ 939,776

(a) Net Revenues divided by Debt Service. The Trust Indenture for the Sewer System Improvement Revenue Bonds establishes a rate covenant requiring a debt service coverage of at least 1.25.

(b) See **City Debt and Other Long-Term Obligations**.

WATER SYSTEM

General

The City has owned and operated its water supply, treatment and distribution system (the Water System) since 1912. The watershed for the Water System covers 207 square miles and offers a potential supply of 120 million gallons per day. In 2008, the average daily pumpage was approximately 36.64 million gallons. According to the Ohio EPA, approved treatment plant capacity is 67 million gallons per day (M.G.D.) and approved instantaneous flow rate is 76 M.G.D. The Water System includes over 1,213 miles of pipe, 15 distribution-storage reservoirs, elevated tanks and standpipes and 11 booster pump stations. It serves over 90,000 customers in the City, six other municipalities and parts of five adjacent townships.

The Water System is operated as a self-supporting enterprise. Rates are set so as to provide sufficient funds for operation, for an adequate level of maintenance, for capital improvements and for debt service requirements on revenue bonds, on certain general obligation bonds or notes issued for Water System purposes and on obligations to the Ohio Water Development Authority (OWDA) and the Ohio Public Works Commission (OPWC) (see **Revenue Bonds and City Debt and Other Long-Term Obligations**).

The City's extensive water system is not confined to the sale of water. Other sources of revenues (totaling approximately \$4.09 million for 2008) include: (a) billing services for sewer and curb service (\$2.46 million); and (b) general sales such as new water service connections and repairs/alterations (\$.47 million); (c) miscellaneous other operating revenue (\$.81 million).

Water Supply, Treatment and Distribution

The Cuyahoga River is the source of the City's water supply. The river's headwater is 15 miles from Lake Erie; it flows south to the City and then north into Lake Erie at the City of Cleveland.

The Water System's four reservoirs and their locations and capacities are set forth in the following table.

<u>Reservoir</u>	<u>Location (County)</u>	<u>Surface Area (acres)</u>	<u>Capacity (Billion Gallons)</u>
Lake Rockwell	Portage	769	2.1/2.4(a)
East Branch	Geauga	420	1.5
LaDue	Geauga	1,500	5.7/6.8(a)
Mogadore	Portage	900	2.3/3.3(a)

(a) Increased capacity is available through use of flashboards, which are temporary wood additions to the dam to increase its height.

The City has underground resources to add to its surface reservoirs. Preliminary studies indicate that development of wellfields in the upper portions of the watershed could provide a potential supplemental capacity of 22 M.G.D.

Untreated water flows from Lake Rockwell to the water plant about one-half mile away. All water supplied to the City passes through the treatment plant and pumping station at Lake Rockwell. Originally built in 1915, this plant has been enlarged, remodeled and modernized over the years.

Upon entering the plant at Lake Rockwell, the raw water is chemically treated to kill bacteria and to coagulate, flocculate and settle suspended particles. From there, the partially clarified water flows through filters that remove the particles and solid impurities remaining in the water after the settling process. A one-million gallon clear well collects the filtered water, which is further treated with additional chemicals: chlorine as a disinfectant, fluoride to prevent tooth decay and pH stabilization and corrosion inhibitor agents to prevent corrosion and encrusting of the water mains. After the final chemical treatment, the water is pumped to the City by six pumps located in the High-lift Pumping Station. Under normal conditions, this is the first time that pumps are used; until this point, water has flowed to and through the system by force of gravity.

The treated water is pumped through about 28 miles of force mains to two equalizing reservoirs in the City. About 53 miles of feeder mains distribute water from the force mains and the reservoirs located in the City to a network of approximately 963 miles of distribution

mains in the City and over 140 miles of mains in areas outside of the City. Water is stored within the distribution system at 12 different locations.

In addition to the domestic water supply, the City has an industrial water supply that is rarely used but stands ready to service the needs of industry in the event of a serious breakdown at the Lake Rockwell facility. Because this industrial watershed comes into the Cuyahoga River in the City, it does not flow through the Lake Rockwell facilities and the water is consequently untreated and not potable. The primary source of this industrial water is the Mogadore Reservoir in the valley of the Little Cuyahoga River. Because of the capacity and smooth operation of Lake Rockwell and the East Branch and LaDue Reservoirs, Mogadore Reservoir has been used exclusively in recent years for recreation and to control the flow of the Little Cuyahoga River. Deep wells owned by private industry are also a source of industrial water.

Capital Improvements

Over the past ten years, the City has constructed approximately \$83.3 million worth of capital improvements to the Water System. This extensive capital improvements program has had a major positive impact on the operating efficiency of the Water System.

An example of this increased efficiency is the Water System's water service connections replacement program that began in 1964. The Water System assumed the responsibility of maintaining and replacing water service connections at no direct cost to the consumer. The replacement of houselines by the customer and water service connections by the Water System with copper materials has reduced the operating expenses incurred in finding and repairing recurrent leaks as well as the unaccounted-for loss of water because of leaks. The Water System uses this program to reduce operating and capital costs further by systematically replacing all noncopper water service connections during the excavation phase of a street paving project rather than implementing a random replacement program that would increase surface restoration costs. The City expects that the copper replacement program will assist it in reducing the number of leaking water service connections and in complying with the requirements of the national lead/copper regulations of the U.S. EPA. The Water System has also instituted and maintains an active repair and replacement program for its distribution system, much of which was constructed prior to the 1930s. The Water System expects to reduce the rate of breaks through the continuation of the Water System's water main replacement program. Replacement of the older, iron pipes with new, cement-lined ductile iron pipes has reduced pumping costs and the occurrences of pavement damage, while meeting U.S. EPA drinking water regulations.

Construction of a \$535,000 potassium permanganate water treatment system is complete. Under a \$2.85 million contract, replacement of 2.31 miles of the old (1920-1922) parallel 48" force mains was substantially completed in 2002. Under the JEDD contracts, water mains have been extended by 4.3 miles. The sedimentation basin rehabilitation project was completed in 2001 at a cost of approximately \$8.6 million. Construction of a \$4.4 million chemical building for the Water Plant was completed in 2004. The Automated Meter Reading (AMR) project including the replacement of all residential meters with new automated meters was completed in 2005 at an approximate cost of \$17.47 million. During June 2008, the City awarded a \$3.6 million contract to replace all commercial and industrial meters with new automated meters. The projected completion date for this project is February 2010.

The following table sets forth the Water System's capital improvement expenditures for the years 2004 through 2008, and includes expenditures from bond proceeds and Water System revenues.

Capital Improvement Expenditures

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Totals</u>
Water Treatment						
Plant(a).....	\$ 2,150,912	\$ 382,376	\$ 36,466	\$ 380,399	\$ 718,000	\$ 3,668,153
Transmission and						
Distribution: City.....	10,278,067	6,041,803	4,048,301	2,864,153	3,486,596	26,718,920
JEDDs.....	1,138,927	981,602	662,728	860,177	50,698	3,694,132
General.....	<u>2,022,585</u>	<u>1,096,943</u>	<u>2,618,761</u>	<u>588,385</u>	<u>1,138,137</u>	<u>7,464,811</u>
Total Water System ...	\$15,590,491	\$8,502,724	\$7,366,256	\$4,693,114	\$5,393,431	\$41,546,016

(a) Includes pumping equipment and source of supply (reservoirs and supply mains).

The following table sets forth the projected capital improvement expenditures planned for the years 2009 through 2013, including expenditures from proceeds of bonds and other obligations, State grants and Water System revenues, subject to availability of those revenues. As discussed in **The City-Joint Economic Development Districts**, the City is extending the Water System's transmission and distribution system into the neighboring townships in which Joint Economic Development Districts have been established. A portion of the revenues received by the City pursuant to the JEDD contracts will be used to pay costs of extending these facilities (see **Special Revenue Bonds**).

Projected Capital Improvement Expenditures (000's)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Total</u>
Water Treatment						
Plant(a).....	\$2,295	\$1,785	\$ 1,575	\$ 285	\$ 285	\$ 6,625
Transmission and						
Distribution: City	1,800	5,675	7,825	5,250	5,250	25,800
JEDDs.....	3,000	880	880	880	880	6,520
General	<u>625</u>	<u>288</u>	<u>610</u>	<u>118</u>	<u>118</u>	<u>1,759</u>
Total Water System...	\$7,720	\$8,628	\$10,890	\$6,533	\$6,533	\$40,304

(a) Includes pumping equipment and source of supply (reservoirs and supply mains).

Employees

As of December 31, 2008, the City had 174 permanent employees involved in the operation and maintenance of the Water System. The Public Utilities Bureau, which includes all functions of the Water System as well as the Water Pollution Control Division and the Sewer Utilities Field Operations, is under the supervision of the Director of Public Service and the Manager of the Public Utilities Bureau (see **Sewer System – Employees**).

The Water System's permanent employees are represented by two different bargaining units: Local 1360 of the American Federation of State, County and Municipal Employees represents 83 employees and the Civil Service Personnel Association represents 46 employees. The remaining 45 employees are ineligible for representation by either bargaining unit. (See **The City -- Employees**.)

Service Area and Users

As of December 31, 2008, the Water System provided water to 72,780 accounts inside the City and 10,985 accounts outside the City's corporate limits. Those outside accounts represent 13% of the total accounts serviced by the Water System and 33% of the Water System's metered water. These figures include the sale of water to the City of Tallmadge and the City of Stow on a wholesale basis. In 2008, approximately 29% of total water sales revenue came from sales to customers outside the City.

The Water System's total billings and metered water volume use are detailed, in terms of account type, in the table that follows.

<u>Type of Account</u>	<u>Amount Billed</u>			<u>Metered Water Use (1,000 cubic feet)</u>		
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Residential	\$15,507,971	\$13,879,979	\$12,286,383	593,976	466,983	345,803
Commercial	3,814,452	5,305,944	6,093,542	199,344	301,082	384,980
Industrial	1,818,452	2,032,958	2,007,722	123,585	117,766	118,784
Other	<u>201,915</u>	<u>240,330</u>	<u>150,718</u>	<u>11,061</u>	<u>25,722</u>	<u>25,510</u>
Total Inside						
City	\$21,342,790	\$21,459,211	\$20,538,365	927,966	911,553	875,077
Total Outside						
City	<u>7,669,379</u>	<u>6,856,343</u>	<u>8,212,197</u>	<u>357,831</u>	<u>338,844</u>	<u>439,831</u>
TOTAL	\$29,012,169	\$28,315,554	\$28,750,562	1,285,797	1,250,397	1,314,908

The area served with the Water System's water includes the Cities of Akron, Hudson, Tallmadge, Stow, Fairlawn and a portion of Cuyahoga Falls, the Village of Mogadore, parts of the Townships of Bath, Boston, Springfield, Copley and Coventry, the Great Lakes Canning Company plant and the Chrysler Stamping plant in the City of Twinsburg.

Most customers outside the City pay a retail rate equal to the amount charged to customers within the City plus a 10% to 60% retail surcharge. The City of Tallmadge is paying a rate equivalent to the City rate plus a 22.5% surcharge. The City of Fairlawn customers currently pay a retail rate equal to the City rate plus a 15% surcharge. Customers in the Village of Mogadore, the west portion of the City of Cuyahoga Falls and Townships of Bath and Boston, as well as the Great Lakes Canning Company plant, pay a retail surcharge of 45% to 60%. Those customers in Joint Economic Development Districts within the Townships of Copley, Coventry, Springfield and Bath generally pay a surcharge of 10%. The Chrysler plant pays the City rate plus a 50% surcharge.

The County sold the majority of its water system to the City of Stow. The City of Stow began operating the system on November 7, 2001. On December 31, 2006, the County transferred the remaining portion of its system to the City. Both the remaining portion of the County water system and the City of Stow are served by the City.

A contract was signed with the City of Stow on December 26, 2006. The rate to be charged is the City rate plus a 15% surcharge. As part of the contract settlement that rate was also applied to the water supplied to the City of Stow since 2001, for which the City of Stow had made partial payment. An additional amount of \$215,927 was paid by the City of Stow at contract signing. The contract also provides for tax-sharing from new business development in selected areas of the City of Stow and adjacent areas made possible by the availability of water from the City's system.

The following table sets forth the ten largest users of water in 2006, 2007 and 2008.

<u>User</u>	<u>Nature of Enterprise</u>	<u>Million Cubic Feet of Water Used</u>			<u>% Total Water Billed 2008</u>
		<u>2006</u>	<u>2007</u>	<u>2008</u>	
City of Stow(a)	Government	131.9	109.4	222.9	9.27%
City of Tallmadge(a)	Government	63.6	65.1	60.4	2.85
Goodyear Tire & Rubber Company	Industrial	54.5	36.4	36.8	1.66
Akron Thermal, Inc.	Energy	18.9	21.3	21.9	.97
Bridgestone/Firestone	Industrial	16.0	10.5	16.3	.62
The University of Akron	Education	38.1	25.2	15.6	.61
Akron General Medical Center	Medical	12.2	13.7	13.2	.57
Summa Health System	Medical	16.1	8.9	11.5	.57
Lockheed Martin Corp.	Defense	13.8	11.2	9.6	.56
Children's Hospital Medical Center	Medical	<u>8.4</u>	<u>7.8</u>	<u>8.6</u>	<u>.46</u>
Total		373.5	309.5	416.8	18.14%

(a) Wholesale contract.

(b) See **Other Utilities – Heating and Cooling**.

The following table sets forth the water sales and number of meters in service for the Water System for the years 1999 through 2008.

<u>Year</u>	<u>Average Daily Sales (in million gallons)</u>	<u>Total Sales for the Year (in billion gallons)</u>	<u>Approximate Number of Meters in Service</u>
1999	30.36	11.082	83,211
2000	26.04	9.530	83,789
2001	28.84	10.527	82,827
2002	29.90	10.915	82,939
2003	26.67	9.733	83,134
2004	25.89	9.480	82,955
2005	27.67	10.101	85,398
2006	26.35	9.617	86,992
2007	25.62	9.352	84,037
2008	26.95	9.836	83,761

Water Rates

Rates and charges for the products and services of the Water System are set by the Director of Public Service. The Director of Public Service, in setting such rates and charges, is bound by the rate covenant in the bond legislation and trust indentures relating to the various revenue bond issues (see **City Debt and Other Long-Term Obligations – Revenue Bonds and Special Revenue Bonds**). The Service Director approved a 6% increase in water rates, effective September 1, 2004. This was the first increase in rates since February 1, 1997. The current water rates within City limits are as follows:

		<u>Rate per 100 Cubic Feet</u>	
		<u>Gross*</u>	<u>Net*</u>
Block 1	0-9,000 cubic feet	\$2.35	\$2.14
Block 2	9,001-1,500,000 cubic feet	2.11	1.92
Block 3	1,500,001 and over cubic feet	1.11	1.01
Billing charge(a)	One Time/Quarter	9.69	8.82

* "Net" is the amount if paid within the first 20 days after billing; "gross" is the amount if paid after that time.
(a) An administrative charge made once each quarter.

Rates for private fire protection services are based on the size of the service connection or meter as follows:

<u>Size of Line or Meter</u>	<u>Service Metered (a)</u>		<u>Service Unmetered (b)</u>	
	<u>Gross*</u>	<u>Net*</u>	<u>Gross*</u>	<u>Net*</u>
1"	\$ 18.58	\$ 16.89	\$ 55.57	\$ 50.52
2"	37.18	33.80	111.20	101.09
3"	46.39	42.17	148.26	134.78
4"	64.88	58.98	210.00	190.91
6"	92.81	84.37	308.99	280.90
8"	148.26	134.78	494.42	449.47
10"	240.99	219.08	784.64	713.31
12"	389.25	353.86	1,291.28	1,173.89

* "Net" is the amount if paid within the first 20 days after billing; "gross" is the amount if paid after that time.
(a) Includes installations with full flow meters and detector check assemblies.
(b) Installations without either full flow meters or detector check valves are billed as an unmetered service.

Net rates only apply to federal, State, County and City accounts, except when water billed is used exclusively for residential or private business purposes. As previously noted, City Council establishes various other retail rates for accounts outside the City. The quarterly charges per fire hydrant applicable to retail users outside the City are a gross of \$13.75 and a net of \$12.50.

Billing; Delinquent Water System Bills

Bills are rendered on a monthly basis. Bills indicate a net amount; a user may pay the net amount during the first 20 days after the bill is mailed. After 70 days the Water System initiates a shut-off procedure, and the user may have to pay up to \$40.00 to have service reinstated.

Water accounts are only in the name of the owner of the property. The Water System has the right to discontinue water service to any other property in the service area owned by a delinquent customer. It is the general policy of the Public Utilities Bureau to collect charges rather than to write them off.

Ohio law provides additional water charge collection procedures for cities, counties and villages. When water charges are not paid when due, they may be sought either by court action or by certification to the county auditor for collection as taxes, with partial payments (\$10 minimum) permitted prior to that certification. Certification may be made only if the charges have been due and unpaid for at least 60 days and the owner of the property has received written notice of the impending certification at least 30 days prior to the certification. After certification, the lien created by certification may be released upon full payment to the county treasurer of the unpaid water

charge plus associated penalties, if any. The City has begun to utilize these procedures for the collection of delinquent water charges.

Historical Operating Results

The following table sets forth historical comparative income and expenditures for the Water System for the past five years, as well as debt service coverages for those years (reported and computed on a cash basis) (see **Revenue Bonds**).

Historical Income and Expenditures and Debt Service Coverage

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues(a)	\$34,926,853	\$34,026,844	\$33,801,686	\$34,229,704	\$33,135,011
Operating Expenses(a)	<u>21,715,945</u>	<u>21,615,171</u>	<u>22,296,594</u>	<u>21,739,833</u>	<u>22,377,207</u>
Net Revenues	\$13,210,908	\$12,411,673	\$11,505,092	\$12,489,871	\$10,757,804
Maximum Annual Debt Service	\$ 7,172,644	\$ 7,168,417	\$ 8,165,612	\$ 8,165,612	\$ 8,165,612
Debt Service Coverage(b)	1.84	1.73	1.41	1.53	1.32
Actual Debt Service(c)	\$ 7,172,644	\$ 7,066,010	\$ 7,615,746	\$ 8,143,470	\$ 8,156,755
Balance Available for Other Debt Service	\$ 6,038,264	\$ 5,345,663	\$ 3,889,346	\$ 4,346,401	\$ 2,601,049
Other Debt Service:(d)					
OWDA/OPWC Loans	1,664,934	1,877,751	1,949,900	1,292,795	1,551,290
General Obligation Bonds	<u>367,831</u>	<u>349,034</u>	<u>268,750</u>	<u>319,968</u>	<u>61,284</u>
Balance Available	\$ 4,005,499	\$ 3,118,878	\$ 1,670,696	\$ 2,733,338	\$ 988,475

(a) As defined in the Indenture of Mortgage, as supplemented, for the Waterworks System Improvement Revenue Bonds.

(b) Net Revenues divided by Maximum Annual Debt Service. The Indenture of Mortgage establishes a rate covenant requiring a debt service coverage of at least 1.25.

(c) Amount paid to the Trustee for debt service by the Water System in the calendar year indicated on the Series 1996 Bonds, Series 1998 Bonds, Series 2003 Bonds and Series 2006 Bonds, as applicable. Proceeds of bonds are not included in this table.

(d) See **City Debt and Other Long-Term Obligations**.

OTHER UTILITIES

Solid Waste Collection and Disposal System

The City provides residential garbage collection services through use of its own employees and a contract with a private firm. In 1989, the City initiated a curbside recycling program to recover aluminum, glass, tin and plastic, which was expanded in 1992 to all 64,000 households in the City. Newspapers and magazines were added to the recycling program in 1995. Solid waste collected by the City's curbside service is delivered to a Waste Management transfer station located in the City and then transferred to the American Landfill (a Waste Management facility located in nearby Stark County).

The City's Hardy Road Landfill was closed in June 2002. In 2004, Waste Management, the City and the City of Cuyahoga Falls entered into an agreement to help manage waste from each city and throughout the County in an environmentally efficient manner.

Pursuant to requirements of Ohio law, the County, the City, and other political subdivisions within the County have established the Summit-Akron Solid Waste Management District that is governed by the Summit-Akron Solid Waste Management Authority.

Heating and Cooling

Akron Thermal, LP continues to manage and operate the City's downtown heating and cooling system. Akron Thermal is using a coal fired boiler powerhouse donated to the City by The B.F. Goodrich Company in 1987, with the gas fired boilers at the City's former solid waste burning facility as back-up, to provide energy for heating (steam and hot water) and cooling to customers in the Opportunity Park Renewal Project area, the University area and downtown, including hospitals and municipal buildings. The City created a task force of customers to study the operation of the system. Upon its recommendation, the City sought to retain another operator. Akron Thermal then filed for Chapter 11 bankruptcy protection. The federal bankruptcy court has allowed Akron Thermal to extend its lease until 2017. The City has appealed that decision to the U.S. District Court. While the case is pending, Akron Thermal will remain as operator unless the federal bankruptcy court determines otherwise.

Natural Gas; Electricity

Natural gas is supplied in the City by Dominion East Ohio. FirstEnergy Corp. provides electricity in the County and major portions of the State. FirstEnergy Corp., which has headquarters in downtown Akron, is the fifth largest investor-owned utility in the nation, servicing approximately 4.5 million customers in Ohio, Pennsylvania and New Jersey. FirstEnergy Corp. is a member of the Central Area Power Coordination Group (CAPCO), which is made up of seven electric utility companies in north Ohio and west Pennsylvania.

TRANSPORTATION

The City, situated on Interstate Routes 76 and 77, is a major trucking center with 15 motor freight carriers having offices or terminals in the City. Yellow Roadway Corporation (YRC) Worldwide's division headquarters of Roadway Express, Inc. and YRC Regional Transportation are located in the City. An additional 16 motor freight carriers have offices and terminals outside the City in the surrounding areas of Summit, Medina and Portage Counties. Interstate Routes 71, 80, 271 and 277, as well as nine State highways, serve the area.

Railroads serving the City and the area include CSX, Wheeling & Lake Erie Railway Co. and Akron-Barberton Cluster Railway (owned by Wheeling & Lake Erie Railway Co.). The City is also served by Greyhound and Trailways bus lines.

Three airports, Akron-Canton Regional Airport in the County, Akron-Fulton International Airport in the City and Cleveland Hopkins International Airport in the City of Cleveland, serve the air travel needs of the region. The Akron-Canton Regional Airport underwent a \$60 million, five-year capital improvement program launched in 2001. Improvements include runway extensions, an expanded baggage claim wing, improved entrances, new and improved gate concourses, additional parking, a new food court and free wireless internet access. Over 1.5 million passengers used the Akron-Canton Regional Airport in 2008, a 2% increase from the prior record set in 2006.

The Akron-Fulton International Airport has experienced a resurgence of aviation activity and private investment in the past three years. Airspace Place, Ltd. constructed 61 condominium style hangars with a flight-planning center. The company constructed an \$8 million corporate jet hangar in 2002. There are currently 120 planes based at the airport. According to the Ohio Department of Transportation, the airport generates over \$8.4 million of economic impact annually to the local economy.

The METRO Regional Transit Authority, a separate political subdivision, provides public transportation in the City and throughout the County. Its operations are supported from the proceeds of a County-wide increase of 0.25% in the general sales tax approved by voters in 1990. The City transferred ownership of an 8.3-acre site on the south part of the downtown to METRO. Construction of a new central transit transfer station was completed in December 2008. (See **Industrial Development Program – University Technology Park**).

EDUCATION

All educational systems and institutions discussed below operate independently of the City government. The City is not involved in the operation or financial matters of any educational system or institution, except as noted.

Akron City School District

The Akron City School District (the School District) is the principal school system in the City and the largest school system in the County. It serves approximately 24,000 pupils in 58 elementary, middle, junior high and senior high schools. The Board of Education of the School District administers an annual operating budget of approximately \$310 million. The School District's funding is derived from local sources, including primarily property taxes, but also tuition and interest income (40%), from the State (59%) and from federal programs (1%). In November 2006, voters in the School District approved an additional 7.9-mill operating levy. The voters also approved in 1999 a 3.56 mill permanent improvement levy for a continuing period, which produces approximately \$5.0 million each year.

In 1999, the State established its \$10.2 billion Rebuild Ohio Plan to rebuild school buildings statewide using, in part, money from Ohio's share of a national tobacco lawsuit settlement. The Akron Board of Education approved a \$774 million construction plan in May 2002, which has been approved by State officials. The original plan called for 35 rebuilds, 21 renovations, two decommissions and one new construction. The current plan includes 37 rebuilds, five renovations, 15 decommissions and the construction of two new buildings that were not part of the original plan. Eleven of the buildings are now complete and being occupied by students and staff. Ten additional buildings are under construction. The remaining buildings are either currently in design or are in future segments of the project. The program is divided into five segments and is currently in the third segment. Construction is expected to end in 2018. The Ohio School Facilities Commission will pay 59% of the construction cost (\$409 million) and the School District will pay the other 41% (\$284 million). The School District also requires \$81 million to fund "local funding initiatives," such as site acquisitions, special funding for additional classroom facilities to reduce class size, auditoriums and athletic facilities, for which the State will not share the cost.

Under a State statute, a municipal corporation and a school district may jointly construct, equip, operate, maintain and use community centers and may appropriate money therefor. Community centers are facilities that may be used for governmental, civic or educational operations or recreational activities. The City and the School District have joined together to create and finance these community centers, "Community Learning Centers" as named by the City and the

School District, which will serve both the educational needs of the School District as well as the civic, governmental, educational and recreational needs of the City. These shared facilities also constitute the School District's share of the construction plan to be funded in part by the State through the Ohio School Facilities Commission.

Rather than funding these facilities through a School District voted property tax, the City has increased its municipal income tax by 0.25% and will use the revenues generated therefrom for the Community Learning Centers. The City Council enacted an ordinance to increase the income tax for the period 2004 through 2033. The ordinance provided that the revenues collected would be "paid into a separate fund, the Community Learning Center Income Tax Fund, and applied solely for the purpose of acquiring, constructing, renovating, repairing, enlarging, adding to, reconstructing, maintaining, equipping, furnishing, acquiring interests in real property in connection therewith, improving the sites thereof, and otherwise improving" Community Learning Centers. Under that ordinance, the City is authorized to enter into cooperative agreements with the School District to provide for the Community Learning Centers in the City. In accordance with State law, the ordinance was submitted for approval by the City's voters at the May 6, 2003 election. Passage of the ordinance levying the increased income tax was approved by 64% of the voters at that election. The City and the School District entered into a Cooperative Agreement for Community Learning Centers on December 15, 2003 (the "Cooperative Agreement"), to provide for the joint use and operation of these facilities. The Cooperative Agreement also provides for the construction of the Community Learning Centers by the School District with the cooperation of the City.

The City issued \$215,000,000 City of Akron Community Learning Centers Income Tax Revenue Bonds (CLC Bonds) to fund the initial phases of this project in January 2004. (See **Income Tax Revenue Bonds.**) From the annual amount of the permanent improvement levy described above, the School District in the Cooperative Agreement has pledged \$3.0 million each year to the payment of the CLC Bonds.

As of January 1, 2009, the School District had no outstanding debt.

The University of Akron

The University, the third largest of Ohio's 13 State universities, is one of the City's most valuable assets, attracting both industry and research and development activities that provide jobs and enhance the economic livelihood of the community. It currently has approximately 26,000 students attending for credit and approximately 4,900 people participating in noncredit programs in the City. The University is one of the largest employers in the City with approximately 3,700 full- and part-time employees, plus over 3,500 student employees and graduate assistants who work part-time while completing their degrees. Since July 1, 1967, when the City transferred ownership of the University to the State, the University has invested over \$680 million in building construction within the City. In less than ten years, 12 new buildings have been added to the Akron Campus: Polymer Engineering Academic Center, East Campus Parking Deck, Administrative Services Building, College of Arts & Sciences Classroom/Office Building, North Campus Parking Deck, Student Union, Student Recreation Center, Athletic Field House and Indoor Varsity Golf Practice Facility, Simmons Hall, Honor's Complex, Gas Turbine Testing Facility and Exchange Street Housing. Completed renovation projects include: three residence halls, six parking decks, energy conservation projects, E.J. Thomas Hall, Auburn Science Technology Library addition, Whitby Hall, Schrank Hall, Leigh Hall, Polsky Building, Guzzetta Hall addition, Fir Hill Plaza, Robertson Café, and four streetscapes for College Street, South Union Street, Carroll Street and Wolf Ledges. Ongoing additions and renovation projects include: signage, lighting, tree planting, Lee Jackson Field improvements, Auburn West Tower rehabilitation and an Outdoor Living Room with an open-lawn amphitheater, fountains, green spaces and walks that will provide an area for students to gather, socialize and study and also serve as a green "welcome mat" for employees and visitors to the campus. The University is constructing a \$61.6 million football stadium on its campus as part of the

University's New Landscape for Learning initiative. The new 30,000 seat stadium, expected to open in September 2009, includes: loges, club seating, state-of-the-art scoreboard, press towers and concession/merchandise areas. It will also provide academic classroom and lab space that will be used during the balance of the week in addition to "off game time" activities on the field, such as band events and high school and other athletic events. The University has received a \$10 million donation from InfoCision and a \$5 million donation from Summa Health System towards the University's \$30 million fund-raising campaign to help finance the project. Plans are under way for a Polymer Processing Center, a South Campus parking deck, a multiplex student housing facility and the renovation of the recently purchased Quaker Square building.

Other Schools

Portions of the City are located in five other public school districts. (See **Ad Valorem Property Taxes and Special Assessment – Overlapping Governmental Entities.**) Only a very small number of the students within the City are within these other school districts. There are also 13 private and parochial schools in the City, as well as nine charter schools. Vocational education is offered by the Cuyahoga Valley Joint Vocational School District and the Portage Lakes Joint Vocational School District. Within 50 miles of the City, there are 18 private and public colleges and universities with an aggregate enrollment of approximately 75,000 students.

HEALTH CARE

The City is served by six acute care hospitals: Akron City Hospital and Saint Thomas Hospital Medical Center, operating as Summa Health System (963 beds), Akron General Medical Center, operating as Akron General Health System (537 beds), and Children's Hospital Medical Center of Akron (253 beds), all of which are in the City; Cuyahoga Falls General Hospital (272 beds) in the City of Cuyahoga Falls; and The Barberton Citizens' Hospital (311 beds) in the City of Barberton. None of these hospitals is operated by the City.

In 1996, Akron General Medical Center opened its \$32 million Health & Wellness Center, bringing together outpatient surgery, diagnostic services, sports medicine, cardio and pulmonary services, physical therapy and rehabilitation and a medically supervised exercise program in one location. In recent years, Akron General Medical Center has made significant investments in its cancer, heart and vascular facilities. Akron General's \$17 million Heart and Vascular Center opened in late 2006 with state-of-the-art facilities, including cath labs, cardiac testing and cardiac rehabilitation.

In 1998, Summa Health System completed a \$22 million, 74,000 square-foot Surgical Pavilion at Akron City Hospital. The Pavilion has 16 surgical suites, one of which is dedicated specifically to trauma patients. The Pavilion also includes an outpatient facility. In 1999, Summa Health System opened a health care complex composed of a 22,600-square foot primary care/medical office building, a 34,000-square foot outpatient health center that includes physical therapy, radiology, laboratory and other diagnostic services, and a 35,000-square foot fitness center, which was built and is owned and operated by the Akron YMCA. In 2003, Summa Health System completed construction of a \$75 million project that includes a Men's Health Clinic, a Women's Health Clinic and a Trauma Center at Akron City Hospital. Summa Health System constructed a \$28 million, free-standing outpatient cancer center on the Akron Hospital campus. This 60,000 square-foot facility houses physician and staff offices, a conference center and outpatient cancer services. Construction was completed in fall 2008.

Children's Hospital Medical Center of Akron is known for its advanced medical care, including neonatal care and treatment of burn victims of all ages. Children's Hospital serves 17 counties in Northeast Ohio. In 1993, Children's Hospital completed construction of a

\$75 million expansion that added a 250,000 square foot building, renovated an additional 57,000-square foot building, mostly for patient care, and added a 350-car parking deck. This major expansion added approximately 75 employees. In 2003, Children's Hospital Medical Center of Akron completed a \$45 million investment including a new 200,000 square foot building and parking deck, which expands its tertiary care capacity. Currently, Children's Hospital provides tertiary care in neonatal, orthopedic and renal dialysis; this investment will add cardiopulmonary treatment to its services. With this expansion, Children's Hospital has become one of the nation's leading pediatric cardiopulmonary hospitals.

In response to the general economic downturn, Akron General Medical Center laid off 145 employees in March 2009. In addition, Summa Health System postponed construction on its campus until more favorable financing can be obtained, and Akron Children's Hospital postponed building a new parking deck.

RECREATION AND ENTERTAINMENT

Over 4,700 hotel and motel rooms are available in the City and the surrounding area of the County; approximately 512 of these rooms are located within the City (see **Central Business District Development Program**). One daily newspaper, four radio stations located in the City and nine television stations located in the City and the Greater Cleveland area provide service to the area.

Canal Park Stadium is home to the Akron Aeros, a Class AA minor league baseball team affiliated with the Cleveland Indians. In addition to the professional baseball games, the stadium is used by University, amateur and high school teams. (See **Central Business District Development Program**.)

The City is host to the Akron Racers, one of seven women's professional fastpitch softball teams around the country that compete in the premier National Professional Fastpitch League (NPF). The City pioneered support for professional women's fastpitch softball recognizing the importance of access to professional sports careers for women and young girls. In 2005, the Akron Racers captured the National NPF Championship.

The City is host to the annual LeBron James Shooting Stars Classic, a basketball tournament highlighting the best boys' teams from all over the country ages 10 to 17. More than 465 teams compete in the tournament in gymnasiums throughout the Akron area and on The University of Akron's campus. Nearly 200 NCAA Division I, II & III colleges and universities are represented by coaches and scouts. This event, a partnership between the City, the Northeast Ohio Basketball Association and LeBron James of the Cleveland Cavaliers, elevates the City's status in the national sports arena.

The E.J. Thomas Center for Performing Arts is located on the campus of The University of Akron. This modern building seats up to 3,000 people. Because of its movable acoustical ceiling, it can adapt to the needs of various performances and audiences. The Center serves as the home for the Akron Symphony Orchestra and the resident ballet company of The University of Akron, and is used for a variety of musical and theatrical productions.

Blossom Music Center, located in the northern part of the County, is the summer home of the internationally renowned Cleveland Orchestra and hosts a variety of musical programs throughout the summer. The outdoor pavilion seats approximately 5,000 and the lawn accommodates an additional 15,000. Located near the intersection of major expressways, it attracts audiences from a 60-mile radius.

Community theaters within the City include Weathervane Community Playhouse, Goodyear Community Theatre, Coach House Theatre, Akron Children's Theatre and The Bang and

The Clatter Theater in downtown Akron. The University regularly stages plays and musicals. The Akron Civic Theatre is one of the few surviving “Theme Theaters” in the country. It is used for unique movies, stage and musical productions (see **Central Business District Development Program – Other CBD Developments**).

The Akron Art Museum is one of a few in the country specializing in American art of the 19th and 20th centuries. The Museum presents works by nationally prominent artists, in addition to its permanent collection, and offers concerts and lectures. The Museum has undergone a major renovation and expansion (see **Central Business District Development Program – Akron Art Museum**).

A number of facilities of historic significance are located in the City, including Hower House, a restored High Victorian mansion built in 1871 on the campus of The University of Akron, and Stan Hywet Hall, a 65-room manor house furnished with antiques and works of art dating from the 14th century and considered the finest example of Tudor Revival architecture in the United States. Hale Farm and Village in nearby Bath Township is a working farm and community recreated from the early 19th century and features a homestead, restored buildings and live demonstrations of early American crafts. The history of the rubber industry, from Charles Goodyear’s home laboratory through the growth of a major corporation, is displayed in the Goodyear World of Rubber Museum. The Summit County Historical Society has restored the Simon Perkins Mansion constructed in 1830 by the City’s founder and the John Brown Home, residence of the famous abolitionist. A \$1 million renovation of the historic Mustill House and Store located along the Ohio & Erie Canal near downtown Akron, sponsored by the National Park Service, along with the City and Metro Parks’ Cascade Locks Park Association, has been completed.

The City is the home of the national finals for the Soapbox Derby races, which have been held annually in the City since 1935, except during the war years 1942 through 1945. Improvements totaling \$1.2 million, including reconstructing the grandstands and resurfacing the track, were completed in 1999.

The City operates over 135 parks covering over 2,100 acres. The Akron Zoo sits on 52 acres, 30 of which are owned by the City. The Zoo is a nonprofit organization that is supported by a countywide property tax. The seven-year, 0.8-mill levy generates \$8.1 million annually for the Zoo. In the past seven years, numerous improvements have been made to the Zoo including a new entrance; additional parking; Barnhardt Family Welcome Center with visitor amenities and gift shop; Komodo Kingdom Education Center with indoor/outdoor dining and cafe, classrooms and animal exhibits. Thirty-six new animal exhibits have been built in themed spaces such as Legends of the Wild, Lehner Family Zoo Garden, Penguin Point and Wild Prairie. The latest project, Jellies: Rhythm in the Blue opened in 2008 and features seven species of jellyfish in 10 tanks, making it the largest jellyfish exhibit in the State. The Zoo cares for more than 700 animals from around the world such as tigers, lions, snow leopards, jaguars, penguins, flamingos, Komodo dragons, bats, lemurs, bears and red pandas. With the additions to the Zoo, attendance has increased every year for the past six years. Attendance increased 25% from 2007 to 2008, with over 328,000 visitors enjoying a visit to the Zoo in 2008.

More than 40 private and public golf courses are located within the City and the surrounding area of the County. To provide recreational opportunities for children through the First Tee of Akron program, the City completed construction of a new nine-hole golf course on 85 acres within the City. The World Golf Championship-Bridgestone Invitational was held at the Firestone Country Club in August 2008 and will be held there again in 2009.

The Portage Lakes chain located in nearby Coventry and Franklin Townships, with 75 miles of shoreline, is available for swimming, fishing and boating. The Akron Metropolitan Park District (Metro Parks), a separate political subdivision substantially coterminous with the County,

operates a park system of over 6,600 acres in the County and in neighboring Medina County. In 2008, the City hosted the seventh annual world-class Road Runner Akron Marathon with almost 10,000 runners participating. Road Runner High Speed Online is the main sponsor for this event.

The Cuyahoga Valley National Park, a national park of approximately 33,000 acres, is located primarily in the County adjacent to the City's north boundary. The National Park Service has estimated that approximately 8.5 million people annually use this national park and the numerous, nonfederal facilities within its boundaries for recreational activities. This recreation area preserves rural, natural land and open space along 22 miles of the Cuyahoga River. In 1994, the \$4 million Cuyahoga Valley Environmental Education Center was completed and opened to the public. In addition, the Park received approximately \$9 million in federal funds for various construction projects in 1994 and 1995. In 1996, the \$1.1 million Boston Interpretive Center was opened. The Park's Towpath along the Ohio & Erie Canal is part of the 87-mile Ohio & Erie National Heritage Corridor designated by Congress in 1996. Previously, the City completed a 6.6-mile extension of the Towpath through northwest Akron. The balance of the Towpath's extension through the City was completed in 2008 with the Towpath Bridge dedication on August 22, 2008. The City has also purchased a site adjacent to Lock 1 in downtown Akron to be redeveloped as a visitors center for the Ohio & Erie National Heritage Corridor.

FINANCIAL MATTERS

INTRODUCTION

The City's fiscal year corresponds with the calendar year. The main sources of City revenue are property taxes, income taxes, certain nontax revenues and State distributions as described herein.

The responsibilities for the major financial functions of the City are divided among the Mayor, the Director of Finance and the Council. The Director of Finance is the City's fiscal and chief accounting officer. That officer's duties include: to keep the books and accurate statements of all money received and expended and of all taxes and special assessments; at the end of each fiscal year, or more often if requested by the Mayor, to examine all accounts of City officers and departments; and not to allow the amount set aside for any appropriation to be overdrawn, or the amount appropriated for any one item of expense to be drawn upon for any other purpose, or a voucher to be paid unless sufficient funds are in the City treasury to the credit of the fund on which the voucher is drawn. The Director of Finance is responsible for receiving, maintaining custody of and disbursing all City funds. Other important financial functions include: general financial recommendations and planning by the Mayor; budget preparation by the Mayor with the assistance of the Director of Finance; and approval of all budgeting and appropriations by the Council.

In 2002, the electors of the County voted to eliminate the positions of County Auditor and County Treasurer and combine their duties into a single position. The duties formerly performed by the County Auditor and County Treasurer are now performed by the County Fiscal Officer. For property taxation purposes, assessment of real property is made by the County Fiscal Officer subject to supervision by the State Tax Commissioner, and assessment of public utility and tangible personal property is made by the State Tax Commissioner. Property taxes and special assessments are billed and collected by the County Fiscal Officer.

BUDGETING, TAX LEVY AND APPROPRIATIONS PROCEDURES

Detailed provisions for City budgeting, tax levies and appropriations are made in the Revised Code and the City Charter. The procedures involve review by County officials at several steps.

City budgeting for a fiscal year formally begins with the preparation and the adoption of a tax budget for the fiscal year. For debt service, the tax budget must show the amounts required, the estimated receipts from sources other than ad valorem property taxes, the net amount for which a property tax levy must be made, and the portions of that levy to be inside and outside the Charter tax rate limitation. The tax budget then is presented for review by the County Budget Commission comprised of the County Fiscal Officer and the County Prosecuting Attorney.

As part of that review, the County Budget Commission determines and approves levies for debt service outside and inside the Charter tax rate limitation. The Revised Code provides that "if any debt charge is omitted from the budget, the commission shall include it therein."

After its approval of the tax budget, the County Budget Commission certifies its action to the City together with the estimate by the County Fiscal Officer of the tax rates outside and inside the Charter tax rate limitation. Thereafter, and before the end of the then calendar year, the Council approves the tax levies and certifies them to the proper County officials. The approved and certified tax rates are then reflected in the tax bills sent to property owners. Real property taxes are billed in two installments, the first usually in or before January and the second in July.

The City's Department of Finance is responsible for appropriation preparation. Each of the City's operating departments submits an appropriation request supported by detailed explanations of need by early October. The Department of Finance adjusts these requests in accordance with projected resources and then reviews the adjusted requests with each of the departments and the Mayor to determine final funding priorities. This process is completed by mid-November and the appropriation document is then finalized and submitted to City Council in early December. The Council reviews the appropriation request as submitted by the Mayor and adopts a permanent appropriation. A temporary appropriation is passed by December 31 if Council decides to continue appropriation review into the new year. At the conclusion of the appropriation review, Council adopts a permanent appropriation. This appropriation provides funding for the calendar year commencing January 1 and includes both operating and capital expenditures. State law requires the adoption of the appropriation measure by April 1. The appropriation ordinance for calendar year 2008 was enacted by the Council on March 17, 2008. The appropriation ordinance for calendar year 2009 was enacted on March 9, 2009. Annual appropriations may not exceed the County Budget Commission's official estimate of resources, and the County Fiscal Officer must certify that the City's appropriation measures do not appropriate money in excess of the amounts set forth in those estimates.

The Department of Finance continues to monitor and adjust the appropriations throughout the year. At the request of an operating department, the Director of Finance may transfer funds within certain categories of expenditures, but may not change the total amount of the appropriations for each individual fund. The Department of Finance also regularly compares actual receipts to projected receipts and reduces the rate of expenditure, if such action is necessary. City Council must authorize by ordinance any increase in appropriations. The Department reports quarterly to Council a comparison of actual and projected receipts and expenditures.

FINANCIAL REPORTS AND EXAMINATIONS OF ACCOUNTS

The City maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the Auditor of State (the Auditor). The Auditor is charged by law with the responsibility of inspecting and supervising the accounts and records of each taxing subdivision and most public agencies and institutions.

City receipts and expenditures are compiled on a cash basis, pursuant to accounting procedures prescribed by the Auditor, which are generally applicable to all Ohio political subdivisions. The records of these cash receipts and expenditures are converted annually for audit purposes to a modified accrual and accrual basis of accounting. These accounting procedures conform to generally accepted accounting principles as recommended by the Governmental Accounting Standards Board. Those recommendations, among other things, provide for a basic set of financial statements, which include a government-wide statement of net assets and a government-wide statement of activities on a full accrual basis. In addition, the basic financial statements also include a balance sheet and statement of revenues, expenditures and changes in fund balances on a modified accrual basis of accounting for the general fund, each major special revenue, debt service (bond retirement) and capital project fund (referred to as governmental funds) and all other governmental funds; a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows on a full accrual basis of accounting for all major enterprise funds, other enterprise funds and internal service funds (referred to as proprietary funds); and a statement of net assets and a statement of changes in net assets for the City's fiduciary funds on a full accrual basis.

The City's Audit and Budget Division within the Department of Finance is responsible for finalization of City accrual financial statements, monitoring and improvement of internal controls for accounting, cash management and other fiscal activities and special reviews of the City's accounting system.

Beginning with the audit of 1981 and continuing through the audit of 2002, the Auditor authorized the City to contract with an independent public accounting firm for an audit of the City's finances. The audit of the City's general-purpose financial statements for each of the years 2003 through 2007 was performed by the Auditor, the most recent of which was completed through December 31, 2007. The City formally received the report of that audit on July 18, 2008. Copies of the full 2007 Comprehensive Annual Financial Report (CAFR) are available and may be obtained by writing to the Director of Finance at the address set forth in the **Introductory Statement**. The 2008 audit is underway, with completion expected in June 2009.

The City has issued a CAFR for each of the calendar years 1983 through 2007. The City's CAFR for the years 1984 through 2007, were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). As explained by the GFOA, the Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City has also received the GFOA Distinguished Budget Presentation Award for the years 1985 through 2008.

See **Appendix A** for a comparative summary of general fund receipts and expenditures for the last five fiscal years and budgeted for 2009. **Appendix B** sets forth receipts and expenditures for all funds for 2004 to 2008.

CASH BALANCES AND INVESTMENTS

Listed below are the year-end cash balances and investments for 2004 to 2008:

As of December 31	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund:					
Cash.....	\$ 90,189	\$ 40,527	\$ 56,824	\$ 57,063	\$ 946,679
Investments	4,756,257	5,637,888	6,017,862	6,297,206	5,616,525
Debt Service Funds:					
Cash.....	87,883	34,957	60,652	53,444	1,035,703
Investments	4,634,675	4,863,036	6,423,241	5,897,761	6,144,694
Enterprise Funds:					
Cash.....	189,876	72,086	118,746	94,720	333,924
Investments	10,013,436	10,028,253	12,575,540	10,452,823	1,981,131
All Other Funds:					
Cash.....	207,108	89,366	141,994	178,291	1,043,094
Investments	<u>10,922,153</u>	<u>12,432,037</u>	<u>15,037,624</u>	<u>19,675,272</u>	<u>6,188,542</u>
Total Cash and Investments.....	\$30,901,577	\$33,198,150	\$40,432,483	\$42,323,062	\$23,290,292

Investments of City funds are governed by the Uniform Depository Law (Chapter 135 of the Revised Code) applicable to all subdivisions and by the Charter and Sections 37.30 through 37.42 of the Code of Ordinances, enacted December 15, 1986 (the Investment Policy Ordinance). Section 37.38 of the Investment Policy Ordinance sets forth the City's investment objectives as follows.

“The achievement of good fiscal management for the City requires effective cash management of public money and, in turn, effective bank management practices with respect to the investment and deposit of this public money. The following investment and deposit objectives shall be applied in the management of public money:

(A) The primary objective of the City's investment activities is the preservation of capital and the protection of investment principal.

(B) The City's investments shall remain sufficiently liquid to enable the City to meet operating requirements that might reasonably be anticipated.

(C) Those responsible for investing public money shall strive to maximize the return on the investments but shall avoid assuming unreasonable investment risks.

(D) The City's investments shall be diversified to avoid the assumption of unreasonable and avoidable risks associated with specific types of securities or individual financial institutions. To the extent practicable, of the public money allocated to the general depository account, it is intended that no more than 50% will be invested in repurchase agreements, no more than 50% will be invested with any one eligible institution, and no more than 20% will be invested with any one maturity date.

(E) Investments shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion,

and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived.

(F) Price and rate quotations for all eligible investments may be obtained from eligible institutions within or outside of the City or the State. However, in the case of the sale or purchase of eligible investments where all other factors considered by the Investment Officer are equal, placement shall be made with the eligible institution situated within the City. The right is reserved to reject all bids or proposals or any bid if such is inconsistent with the City's investment objectives."

The Director of Finance is responsible for the City's investments. The Treasurer of the City, as the designee of the Director of Finance, is charged with the day-to-day responsibility of carrying out the investment objectives and practices of the City. Under recent and current practices, investments are made in direct obligations of the United States, obligations guaranteed by the United States (including obligations of certain federal agencies), certificates of deposit, repurchase agreements (with the underlying securities held on the City's behalf by third-party institutions or in the customer safekeeping account of the Federal Reserve account of the City's depository institutions), and certain of the City's own bonds and notes, including the bond anticipation notes issued in anticipation of the levy and collection of special assessments (see **Special Assessments and Bond Anticipation Notes**).

The City from time to time also invests in STAR Ohio (State Treasury Asset Reserve), which is an investment pool managed by the Ohio Treasurer of State. STAR Ohio is similar in concept to a registered investment company issuing redeemable securities, commonly called a "money market mutual fund." A treasurer, governing board or investment authority of a subdivision may deposit public money of the subdivision with the Treasurer of State. Subdivision is defined in Section 135.5(E)(2) of the Ohio Revised Code as any county, municipal corporation, school district, township, municipal or school district sinking fund, special taxing or assessment district and other district or local authority electing or appointing a treasurer. The Treasurer of State will invest the public money deposited in STAR Ohio in the same types of instruments as are provided for the investment of interim money of the State. STAR Ohio seeks to obtain as high a level of current income as is consistent with prudent investment management, the preservation of capital and maintenance of liquidity. STAR Ohio has been awarded Standard & Poor's highest rating, AAAm. STAR Ohio is the only money market mutual fund in which the City may invest.

The City does not invest in any securities that would be characterized as derivatives or in reverse repurchase agreements and purchases all investments with the intent to hold to maturity. The weighted average maturity of the portfolio other than the City's own bonds and notes is one day. The weighted average maturity of the entire portfolio is 589 days. The following table presents a summary of the City's investment portfolio as of December 31, 2008.

	<u>Investments</u>	<u>% of Portfolio</u>
State Investment Pool (STAR Ohio)	\$ 6,755,000	33.89%
Repurchase Agreements	3,205,000	16.08
Certificates of Deposit	-0-	0.00
U.S. Treasury Securities	-0-	0.00
Federal Agency Securities	-0-	0.00
City bonds and notes(a)	<u>9,970,892</u>	<u>50.03</u>
Total(b)	<u>\$19,930,892</u>	<u>100.00%</u>

(a) See **Bond Anticipation Notes**.

(b) Does not include cash (\$3,359,400); see prior table.

FINANCIAL OUTLOOK

The City has been successful in managing costs in recent years by gaining new efficiencies with the assistance of its employee groups. Because of how the City has sized its workforce over the last decade, it has been the only large city in Ohio that has not had to lay off employees due to financial reasons.

The City, however, remains subject to the current global economic conditions. The City has assisted and, in fact, invested in efforts to successfully diversify the economic base and to increase the employment base within the City and region. But the private sector is subject to the fiscal crisis as well. The City expects that (a) reductions in the private sector workforce have and will lead to a decrease in municipal income tax collections, (b) the decline in the market will reduce investment earnings and (c) the reduction in property values will result in a decline in property tax receipts. The City's income tax collections in the first five months of 2009 have been negatively impacted. Through the end of May 2009, collections were down approximately 6.4%, following a 1.5% decrease for 2008.

The general fund is the largest operating fund of the City. The revenue in the fund grew from \$154,347,416 to \$157,294,743 (an increase of 1.9%) in 2008. The increase was due to growth in the inheritance tax receipt from \$2,886,321 to \$5,330,376. Expenses in the general fund were 1.9% higher than in 2007 (\$157,058,779 compared to \$154,076,902). The increases were related to wages and benefits that increased from \$114.8 million to \$117.0 million.

The City believes that the financial outlook will continue to be challenging and that it will continue to revise expenditures and take other actions as necessary to meet this trend.

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AD VALOREM PROPERTY TAXES AND SPECIAL ASSESSMENTS

ASSESSED VALUATION

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the City, and the estimated total actual valuations (in thousands).

Tax Collection Year	Assessed Valuation (000)				Estimated Total Actual Valuation (000)
	Real(a)	Tangible Personal(b)(c)	Public Utility(c)(d)	Total	
2000	\$2,325,080(e)	\$405,265	\$165,731	\$2,896,076	\$8,452,474
2001	2,339,587	403,911	153,005	2,896,503	8,474,048
2002	2,368,852	438,484	121,659(g)	2,928,995	8,660,334
2003	2,744,340(f)	391,104	126,061	3,261,505	9,548,639
2004	2,726,337	323,378	125,675	3,175,390	9,225,858
2005	2,752,404	321,451	127,741	3,201,596	9,294,977
2006	3,005,544(e)	234,182	115,393	3,355,119	9,655,123
2007	3,007,188	160,594	112,378	3,280,160	9,362,047
2008	2,992,093	99,393(h)	77,877(h)	3,169,363	9,034,905
2009	2,921,342(f)	13,607(h)	82,703(h)	3,017,652	8,495,101

- (a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the County Fiscal Officer. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.
- (b) Other than public utility.
- (c) The State (i) has reduced the valuation of tangible personal property of general businesses and railroads in increments beginning in 2006 to zero in 2009 and (ii) is reducing the valuation of tangible personal property of telephone and telecommunications companies in increments beginning in 2007 to zero in 2011; see the discussion of those reductions and related State makeup payments below.
- (d) Tangible personal property of all public utilities and real property of railroads; see footnotes (a) and (c).
- (e) Reflects triennial adjustment.
- (f) Reflects sexennial reappraisal.
- (g) Reflects effect of State legislation that, beginning with collection year 2002, reduced the assessed valuation of electric utility production equipment from 100% to 25% of true value and of natural gas utility property from 88% to 25% of true value.
- (h) Reflects, in part, the reclassification of tangible personal property of telephone and telecommunications companies from Public Utility to Tangible Personal.

Source: County Fiscal Officer.

Taxes collected on "Real" in a calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Taxes collected on "Tangible Personal" in a calendar year are levied in the same calendar year on assessed values during and at the close of the taxpayer's most recent fiscal year that ended on or before December 31 of the preceding calendar year, and at the tax rates determined in the preceding year. "Public Utility" (real and tangible personal) taxes collected in a calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

Based on County Fiscal Officer records of assessed valuations for the 2009 tax collection year (2008 for tangible personal), the ten largest City ad valorem property tax payers are set forth in the following table.

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Total Assessed Valuation</u> (000)	<u>% of Total Assessed</u>
FirstEnergy Corp.	Utility	\$74,137	2.45%
Aircraft Braking Systems Corp.	Industrial	13,747	0.46
Children's Hospital Medical Center	Medical	12,530	0.41
American Transmissions	Utility	11,963	0.39
SBC	Utility	8,854	0.29
Dominion East Ohio	Utility	8,554	0.28
Bridgestone/Firestone	Industrial	6,759	0.22
Akron Centre Plaza Limited	Builder/Dev.	6,122	0.20
Plaza Chapel Hill Co.	Builder/Dev.	5,757	0.19
Busson, Bernard D.	Builder/Dev.	5,280	0.18

Pursuant to statutory requirements for sexennial reappraisals, in 2008 the County Fiscal Officer adjusted the true value of taxable real property to reflect then current fair market values. These adjustments will first be reflected in the 2008 duplicate (collection year 2009) and in the ad valorem taxes distributed to the City in 2009 and thereafter. The County Fiscal Officer is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially to reflect true values.

The "assessed valuation" of real property is fixed at 35% of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its assessed value.

The taxation of all tangible personal property used in general businesses (excluding certain public utility tangible personal property) has been phased out over four years, from tax year 2006 to tax year 2009. Previously, machinery and equipment and furniture and fixtures were generally taxed at 25% of true value, and inventory was taxed at 23%. The taxation of all tangible personal property used by telephone, telegraph or interexchange telecommunications companies ("telecommunications property") is also being phased out over tax years 2007 to 2011. Previously, telecommunications property was taxed at 25% or 46% of true value (depending on the type of equipment and when it was placed into service). The percentages of true value of such property taxed have been, and are being, reduced to those set forth in the following table:

Tax Year	General Business Property	Telecommunications Property
2006	18.75%	(a)
2007	12.50	20.00%
2008	6.25	15.00
2009	0.00	10.00
2010	0.00	5.00
2011	0.00	0.00

(a) 25% or 46%; see discussion above.

Certain tangible personal property not previously used in business in Ohio is not subject to tangible personal property taxation.

To compensate for decreased revenue as the tangible personal property tax is phased out, the State in 2006 commenced making distributions to taxing subdivisions (such as the City) from revenue generated by a newly enacted commercial activity tax (the "CAT"). The CAT is levied annually on all persons or entities doing business in the State with taxable gross receipts from their business activities greater than \$150,000. Generally, these distributions are expected to fully compensate taxing subdivisions for such tax revenue losses from the phaseout of tangible personal property tax on general business tangible personal property through 2010, with gradual reductions in the reimbursement amount from 2011 through 2017, and for such tax revenue losses from the phaseout of tangible personal property tax on telecommunications property through 2011, with gradual reductions in the reimbursement amount from 2012 through 2018. Reimbursements for tax losses relating to levies for voted debt service (currently, not applicable to the City) are generally to continue at 100% until the debt is retired, subject to a ½-mill threshold adjustment (for all fixed-sum levies). That adjustment basically requires real property taxpayers to absorb up to ½ mill of increased property taxes (in order to continue to generate a fixed dollar amount) due to the phaseout of tangible personal property taxes. The State is to provide any necessary reimbursement above that amount. The State's reimbursement payment to the City for the prior Fiscal Year was \$2,263,871.

Litigation has been pending since 2006 challenging the permissibility of the inclusion in the CAT tax base of food sales for off-premises consumption, and litigation was filed in March 2008 challenging the application of the CAT to motor fuels. On September 2, 2008, an appeals court held that the CAT may not be applied to the wholesale and retail sale of food for human consumption off premises. The Ohio Supreme Court on February 9, 2009 accepted the State's appeal of that court of appeals' decision, which has been stayed pending the outcome of that appeal. When fully phased in, the CAT is projected by the State to produce approximately \$1,680,000,000 annually with \$188,000,000 of that annual amount derived from its application to those food sales and \$139,100,000 of that amount attributable to its application to motor fuels.

Public utility tangible personal property (with some exceptions) is currently assessed (depending on the type of property) from 25% to 88% of true value. Effective for collection year 2002, the assessed valuation of electric utility production equipment was reduced from 100% and natural gas utility property from 88% of true value, both to 25% of true value; makeup payments in varying and declining amounts are to be made through 2016 to taxing subdivisions such as the City by the State from State resources.

Commencing in tax year 2006, the assessment rate for electric utility transmission and distribution equipment was reduced from 88% to 85%, and the assessment rate for all electric company taxable property was reduced from 25% to 24%, commencing in tax year 2006. Taxation of all personal property used by telephone companies, telegraph companies or interchange telecommunications companies is also being phased out by tax year 2011, with State reimbursement payments to be made in declining amounts through 2018.

The first \$10,000 of taxable value of tangible personal property has historically been exempted from taxation; reimbursement of resulting reduced local collections has been made in the past from State sources. This reimbursement is being phased out such that no reimbursement payments are to be made after the State's fiscal year 2009.

The General Assembly has from time to time exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property, and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural property and all other real property, and provides for tax reduction factors to be separately computed for and applied to each class. These tax credits apply only to certain voted levies on real property, and do not apply to unvoted tax levies, or to voted levies to provide a specified dollar amount or to pay debt charges on general obligation debt. These credits are discussed further following **Tax Table A** under **Tax Rates**.

OVERLAPPING GOVERNMENTAL ENTITIES

The major political subdivisions or other governmental entities that overlap all or a portion of the territory of the City are listed below. The “(%)” figure is that percentage of the assessed valuation of the entity that is located within the City.

1. The County (functions allocated to counties by Ohio law, such as elections, health and human services and a portion of the judicial system). (25.31%)
2. A portion (99.74%) of the Akron City School District, which includes 90.68% of the territory within the City (K-12 educational responsibilities). Portions of other school districts are also included in the City as follows: the Copley-Fairlawn City School District (3.67%), which includes 0.93% of the territory within the City, and the Revere Local School District (3.4%), the Springfield Local School District (11.79%), Woodridge Local School District (31.39%) and the Coventry Local School District (9.79%), which together include 8.39% of the territory within the City. (See **The City – Education**.)
3. METRO Regional Transit Authority (public mass transit). (25.31%)
4. Akron Metropolitan Park District (park and recreation areas). (26.70%)
5. Cuyahoga Valley Joint Vocational School District (.49%) and Portage Lakes Joint Vocational School District (4.90%) (vocational education programs).
6. Akron-Bath-Copley Joint Hospital District. (75.90%)
7. Summit County Library District (public library facilities). (37.09%)
8. Muskingum Watershed Conservancy District. (8.23%)

Each of these entities operates independently, with its own separate budget, taxing power and sources of revenue. Only those entities listed as 1 through 4 above may levy ad valorem property taxes within the ten-mill limitation described under **Indirect Debt and Unvoted Property Tax Limitations**.

TAX RATES

All references to tax rates under this caption are in terms of stated rates in mills per \$1.00 of assessed valuation.

The Charter provides that the maximum total tax rate that may be levied without a vote of the electors for all purposes is 10.5-mills. See **Indirect Debt and Unvoted Property Tax Limitations**.

The following are the rates for recent years at which the City and the overlapping taxing subdivisions (within the Akron City School District) levied ad valorem property taxes.

Tax Table A: Overlapping Tax Rates

<u>Collection Year</u>	<u>City</u>	<u>Akron City School District</u>	<u>County</u>	<u>Akron Metropolitan Park District</u>	<u>Total</u>
2000.....	9.04	54.86	12.81	.85	77.56
2001.....	9.04	54.86	13.61	.85	78.36
2002.....	9.09	63.76	13.57	.85	87.27
2003.....	9.09	63.76	13.81	.85	87.51
2004.....	9.09	63.76	13.00	.85	86.70
2005.....	10.30	63.76	14.36	.85	89.27
2006.....	10.30	63.76	14.26	.85	89.17
2007.....	10.30	71.66	15.14	1.46	98.56
2008.....	10.30	71.66	14.87	1.46	98.29
2009.....	10.30	71.66	14.78	1.46	98.20

Source: County Fiscal Officer.

Statutory procedures limit, by the application of tax credits, the amount realized by each taxing subdivision from real property taxation to the amount realized from those taxes in the preceding year plus both:

- the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year, and
- amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year.

As noted above, all of the City's property tax levies, as Charter tax rates and taxes for debt service charges, are exempt from these tax credit provisions. The tax credit provisions do not apply to amounts realized from taxes levied at a rate required to produce a specified amount, such as for debt service charges, or from taxes levied inside the ten-mill limitation or any applicable charter tax rate limitation. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the tax levies subject to these tax credits. A resulting "effective tax rate" reflects the aggregate of those reductions, and is the rate based on which real property taxes are in fact collected. As an example, the total overlapping tax rate for the 2009 tax collection year of 98.20 mills within the City (in the portion overlapping the Akron City School District) is reduced by reduction factors of 0.320808 for residential/agricultural property and 0.240173 for all other property, which results in "effective tax rates" of 66.696689 mills for residential and agricultural property and 74.615022 mills for all other property. See **Tax Table A**.

Real property tax amounts are generally further reduced by an additional 10% (12.5% in the case of owner-occupied residential property). The State biennial budget bill eliminates the 10% "rollback" for certain commercial and industrial real property (while it remains for all other real property), effective for the 2005 tax year and thereafter. See **Collections** for a discussion of reimbursement by the State for this reduction.

The following are the rates at which the City levied property taxes for the general categories of purposes in recent years both outside and inside the Charter tax rate limitation:

Tax Table B: City Tax Rates

<u>Collection Year</u>	<u>Inside 10.5-mill Charter Rate Limitation:</u>				<u>Voted(a):</u>	<u>Total Tax Rate</u>
	<u>Operating</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Debt Retirement</u>	<u>Debt Retirement</u>	
2000	8.15	.30	.30	.16	.13	9.04
2001	8.15	.30	.30	.16	.13	9.04
2002	8.15	.30	.30	.21	.13	9.09
2003	8.15	.30	.30	.21	.13	9.09
2004	8.15	.30	.30	.23	.11	9.09
2005	9.15	.30	.30	.44	.11	10.30
2006	9.28	.30	.30	.42	--	10.30
2007	9.28	.30	.30	.42	--	10.30
2008	9.28	.30	.30	.42	--	10.30
2009	9.28	.30	.30	.42	--	10.30

(a) The voted levies for "Debt Retirement" continue for the life of the bonds authorized by the electors, in annual amounts sufficient to pay debt service on those bonds as it becomes due.

Source: County Fiscal Officer.

See the discussion of the Charter tax rate limitation, and the priority of claim on that millage for debt service on unvoted general obligation debt, under **Indirect Debt and Unvoted Property Tax Limitations**.

COLLECTIONS

The following are the amounts billed and the percent collected for City ad valorem property taxes for recent tax collection years. "Billed" includes current charges, plus current and delinquent additions and also current and current delinquent abatements. "% Collected" includes collections of current "Billed" and current delinquent additions.

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Collection Year	Billed	Collected	% Collected	Delinquent	
				Current	Accumulated
Real and Public Utility					
1999	\$20,779,354	\$21,037,337	101.2%	\$1,013,719	\$1,696,834
2000	22,505,782	22,238,102	98.8	1,475,146	2,034,172
2001	22,651,092	22,220,183	98.1	1,479,221	2,194,962
2002	22,638,225	22,471,793	99.3	1,371,779	2,088,045
2003	26,092,082	25,393,968	97.3	2,121,887	3,008,437
2004	25,924,487	25,866,285	99.8	1,623,766	2,338,092
2005	29,665,733	29,185,735	98.4	2,008,310	2,962,137
2006	32,145,893	31,243,117	97.2	2,732,216	3,882,004
2007	32,131,608	30,741,341	95.7	2,980,746	4,356,443
2008	31,706,811	31,218,568	98.5	2,418,623	3,997,850

Collection Year	Billed	Collected	% Collected	Delinquent	
				Current	Accumulated
Tangible Personal Property					
1999	\$3,480,690	\$3,628,151	104.2%	\$179,102	\$352,201
2000	3,657,424	3,667,080	100.3	167,157	334,065
2001	3,969,280	4,072,557	102.6	189,351	801,506
2002	3,572,013	3,636,069	101.8	106,250	516,407
2003	3,103,108	3,149,682	101.5	119,238	487,910
2004	3,067,614	3,114,834	101.5	97,932	428,337
2005	3,369,543	3,313,357	98.3	302,846	914,325
2006	2,573,578	2,634,715	102.4	92,882	886,647
2007	1,975,643	1,988,483	100.6	123,176	779,695
2008	999,793	1,051,594	100.1	63,782	455,411

Source: County Fiscal Officer.

Current and delinquent taxes are billed and collected by the County Fiscal Officer for all taxing subdivisions in the County.

Included in the "Billed" and "% Collected" figures above are payments from State revenue sources under two statewide real property tax relief programs (which do not apply to special assessments). Homestead exemptions are available for persons over 65 and the disabled. Payments to taxing subdivisions have been made in amounts equal to approximately 10% (12-1/2% with respect to owner-occupied residential property) of all ad valorem real property taxes levied, thereby reducing the tax obligations of real property owners in any given year by the applicable 10% or 12-1/2%. This State assistance reflected in the City's tax collections for 2008 was \$1,054,199 for the elderly/disabled homestead payment and \$2,674,962 for the rollback payment. Also included for 2008 is \$28,254 received from the State as a reimbursement of reduced calculations resulting from the partial exemption of tangible personal property used in business. See **Ad Valorem Property Taxes – Assessed Valuation**.

Real Property taxes are payable in two installments, the first usually in January and the second in July. Tangible personal property taxes for taxpayers owning property in more than

one county are payable in September, and for taxpayers owning property in one county are payable in two installments (usually in April and September).

SPECIAL ASSESSMENTS

As indicated in **Capital Investment Program**, the City conducts an ongoing residential street improvement program, which includes paving, resurfacing, draining, planting shade trees and constructing curbs, sidewalks, storm sewers and sanitary sewers. The City pays approximately 65% of the cost of these improvements; the remaining portion is paid from special assessments levied against the property benefiting from those improvements.

Typically, owners of such property commence a street improvement project by filing a petition with City Council requesting the improvement. If accepted, the project becomes part of the City's five-year capital plan. At the commencement of construction, bond anticipation notes are issued to pay the property owners' portion of the project cost. These notes are purchased and held by the City's Treasury Investment Account as investments until the project is completed, usually within approximately two years. Following completion of the work and determination of final costs, the special assessments are levied by Council against the benefiting property. Special assessments not paid within 30 days are certified to the County Fiscal Officer for collection over a period of time (10 years for almost all projects). Bonds are issued in anticipation of the collection of the special assessments to refund (together with any cash payments of special assessments) those notes. The special assessments certified for collection bear the same interest as the bonds. Under State law, those bonds are to be paid from the anticipated special assessments, but they are also general obligations of the City, payable from ad valorem property taxes to the extent not paid from those special assessments (see **City Debt and Other Long-Term Obligations – Statutory Direct Debt Limitations, Indirect Debt and Unvoted Property Tax Limitations and Debt Tables A and B**). The City has never been required to levy an ad valorem property tax for debt service on bonds issued in anticipation of the collection of special assessments because special assessments have been collected as required and sufficient balances have been available in the Bond Payment Fund to cover any temporary shortfall.

The City conducts annual programs for the provision of street lighting and street cleaning services (including sprinkling, sweeping and removing snow and leaves) for its streets, alleys and other public ways. A portion of the cost of these programs is paid by the City from general funds; the remaining portion is financed by the levy each year of special assessments upon the benefited properties. Notes may be issued in anticipation of those special assessments to fund these programs. If issued, these notes have a maturity of one year or less and are payable solely from those special assessments. The notes are not general obligations of the City. By statute, no property tax may be pledged or used for their payment.

Real property taxes levied on any property against which special assessments have been levied cannot be paid unless those special assessments are also paid. During the five most recent years, the collections of the current amount of special assessments levied and of delinquencies have averaged 97.4% of the amount levied. The following are the amounts billed and percent collected for City special assessments for the indicated years (special assessments are collected in conjunction with ad valorem taxes). "Billed" are the amounts of current special assessments certified by the City to the County Fiscal Officer to be collected. "% Collected" includes the amounts of special assessments received by the City and collections of current "Billed" amounts and delinquencies.

<u>Collection Year</u>	<u>Billed</u>	<u>Collected</u>	<u>% Collected</u>	<u>Accumulated Delinquent</u>
<i>Special Assessments</i>				
1999	\$10,676,569	\$11,585,883(a)	108.5%	\$3,280,568
2000	10,628,747	10,661,383	100.3	3,256,734
2001	11,331,061	11,191,162	98.8	2,418,777
2002	11,030,263	11,009,546	99.8	3,690,459
2003	11,262,716	11,283,129	100.2	2,713,227
2004	11,285,597	11,359,415	100.7	2,474,047
2005	11,610,231	11,667,389	100.5	2,238,596
2006	12,567,716	12,151,839	96.7	3,405,722
2007	13,023,706	12,547,988	96.4	2,091,614
2008	14,410,775	13,372,381	92.8	2,601,877

(a) This collection includes approximately \$1.46 million received from the County's sale of delinquent tax liens.
Source: County Fiscal Officer.

DELINQUENCIES

The following table sets forth the number of delinquent parcels in the City and the number of parcels against which foreclosures were commenced.

<u>Collection Year</u>	<u>Total Nonexempt Parcels</u>	<u>Total Delinquent (a)</u>	<u>Foreclosures Commenced Against</u>
1999	99,900	10,276	201
2000	99,786	9,755	27
2001	99,510	6,124	97
2002	99,329	11,309	166
2003	98,158	10,932	189
2004	98,072	13,920	163
2005	94,156(b)	11,855	222
2006	98,513	14,369	168
2007	97,350	15,270	183
2008	96,795	14,000	245

(a) Certified delinquent to the County Prosecutor for the then current year only. Parcels must be delinquent two years prior to certification.

(b) The decrease is due in part to conversion to exempt parcels and combining parcels for development projects.

Source: County Fiscal Officer.

There is no one taxpayer that accounts for more than 5% of any of the delinquencies of ad valorem real property taxes or special assessments identified above.

The following is a general description of delinquency procedures under Ohio law, the implementation of which may vary in practice among the counties. Real estate taxes and special

assessments not paid in the due year are to be certified by the county auditor's office as delinquent. A list of delinquent properties then is published. If the delinquent taxes and special assessments are not paid within one year after certification, the properties are then to be certified as delinquent to the county prosecuting attorney. The property owner may arrange a payment plan with the county treasurer providing for payments over a period not to exceed five years. If payments are made when due under the plan, no further interest will be assessed against delinquent balances covered by the plan; a default in any payment under the plan or in the payment of current taxes will invalidate the taxpayer's participation in the plan. If a payment plan is not adhered to or if none is arranged, foreclosure proceedings may be initiated by the county. Mass foreclosure proceedings and sales are permitted after three years' delinquency. County auditors employ a notification procedure and judicial proceedings to collect delinquent tangible personal property taxes. Proceeds from delinquent property foreclosure sales become part of and are distributed as current collections to the taxing subdivisions.

A program authorized by State legislation permits certain of the larger counties to "sell" the right to collect delinquent real estate taxes. That program was implemented by the County in each of the years 1999 through 2008. The County expects to use the program in 2009.

MUNICIPAL INCOME TAX

In 1962, City electors approved a Charter provision authorizing the Council to levy a 1% income tax for a six-year period. The tax was renewed on a continuing basis in 1968 with the passage of another Charter provision. In 1969, the electors authorized an increase in the rate of income tax to 1.3% in 1970, 1.4% in 1971, and 1.5% in 1972 and thereafter. In 1981, the electors authorized subsequent increases in the rate of income tax to 1.8% effective March 1, 1981, and 2% effective January 1, 1982, and thereafter. The voters of the City approved each of these income tax issues submitted to them. At the May 2003 election, the voters approved a 0.25% increase in the income tax rate to fund, in cooperation with the School District, Community Learning Centers. (See **The City – Education – Akron City School District.**) The increase in the tax rate became effective on January 1, 2004. The City, pursuant to Council action and that voter authorization, currently levies the income tax at the rate of 2.25% on both business income and individuals' wages and salaries. In a May 2007 election, the voters did not approve an income tax rate increase of 0.33% to fund additional police officers, equipment and facilities for public safety forces, economic development projects, neighborhood improvements and other purposes.

The income tax is collected and administered by the City.

The City's income tax is in effect for a continuing period of time. It could be reduced to 1.25% or terminated by action of the Council, or by vote of the electors initiated by petition of 7% of the number of electors of the City who voted at the last preceding election for the office of Mayor, subject, however, to certain covenants relating to bonds secured by and to be paid from municipal income taxes (see **Income Tax Revenue Bonds**). A reduction to an authorized rate below 1.25% or termination of the income tax (subject to those bond related covenants) could be accomplished only by an amendment to the Charter approved by the electors of the City. The amendment could be proposed by a vote of two-thirds of the members of the Council or by petitions signed by electors equal to 10% of the total vote cast at the last general City election. If the tax were so terminated, under existing law and absent a Charter prohibition the Council could reimpose a 1% income tax without authorization by the electors.

The following table sets forth the annual income tax revenues for the last ten years and estimated for 2009.

<u>Year</u>	<u>2% Income Tax Amount</u>	<u>.25% CLC Income Tax Amount</u>	<u>Total</u>
1999.....	\$92,681,503	--	\$92,681,503
2000.....	94,006,773	--	94,006,773
2001.....	96,173,451	--	96,173,451
2002.....	96,854,591	--	96,854,591
2003.....	99,938,891	--	99,938,891
2004.....	98,231,448	\$10,210,818	108,442,266
2005.....	111,929,483	13,104,103	125,033,586
2006.....	109,137,656	12,943,119	122,080,775
2007.....	119,389,280	14,737,185	134,126,465
2008.....	117,549,893	14,542,597	132,092,490
2009 (estimated).....	117,549,893	14,542,597	132,092,490

The recent fluctuations in income tax revenues are partially due to varying returns from the larger employers in the City. (See also **Financial Outlook** for further discussion.)

Pursuant to a 1991 Charter amendment and applicable only to the 2% portion of the City's income tax rate, income tax proceeds are allocated 27% for capital expenditures and 73% for the General Fund. This income tax authorization is a major component of the City's Capital Investment Program as discussed herein.

Residents are currently permitted, as a credit against their City income tax liability, up to a maximum of 2.25%, paid as municipal income tax on the same income in another municipal corporation. Based on employer payments of corporate and salary withholding income taxes, there was only one employer that contributed 5% or more of that collection. Certain types of the income subject to the municipal income tax is also subject to State income tax.

OTHER GENERAL FUND REVENUE SOURCES

Other sources of revenue to the General Fund, in addition to ad valorem property taxes and the municipal income tax, include certain nontax revenues and State local government assistance distributions. See **Appendix A-1** for further information regarding other revenue sources for the General Fund.

NONTAX REVENUES

The City's General Fund also receives significant revenues from nontax sources, such as licenses and permits, fines and interest earnings. (See also **Nontax Revenue Bonds**.) The Nontax Revenues include: (a) grants from the United States of America and the State of Ohio; (b) payments in lieu of taxes authorized by State statute; (c) fines and forfeitures that are deposited in the General Fund; (d) fees deposited in the General Fund from properly imposed licenses and permits; (e) investment earnings on the General Fund that are credited or transferred to the General Fund; (f) investment earnings of other funds of the City that are credited or transferred to the General Fund; (g) proceeds from the sale of assets that are deposited in the General Fund; (h) rental income that is deposited in the General Fund; (i) gifts and donations; and (j) charges for services and payments received in reimbursement for services; provided that Nontax Revenues do not include any funds in the City's Knight Estate Fund.

Historical Collections of Nontax Revenues

The following table summarizes historical collections for the past ten years of the revenues identified by the City from its General Fund as Nontax Revenues. No assurance can be given that the full amount of such collections will be available to pay debt service on the Nontax Revenue Bonds (see **Nontax Revenue Bonds**). Moreover, no assurance can be given that the collection of such Nontax Revenues will remain at the levels historically collected by the City.

Historical Collections -- General Fund Nontax Revenues

<u>Year</u>	<u>Licenses & Permits</u>	<u>Charges for Services</u>	<u>Fines & Forfeitures</u>	<u>Interest Earnings(a)</u>	<u>Expenditure Recoveries</u>	<u>Other</u>	<u>Total</u>
1999	\$1,813,511	\$12,087,201	\$3,654,212	\$3,000,000	\$3,629,994	\$ 401,471	\$24,586,389
2000	1,469,874	12,430,602	4,185,616	3,600,000	3,212,007	511,996	25,410,095
2001	1,439,866	12,542,750	3,955,445	4,000,000	3,573,827	884,649	26,396,537
2002	1,491,481	12,345,409	3,775,598	2,200,000	3,600,431	1,469,209(b)	24,882,128
2003	1,420,413	12,060,064	3,785,926	1,050,000	3,856,997	1,002,550(c)	23,175,950
2004	1,761,193	13,527,776	3,767,414	990,000	3,344,210	3,444,829(d)	26,835,422
2005	2,742,547	14,396,312	3,927,525	1,100,000	3,626,666	345,416	26,138,466
2006	2,461,563	16,450,089	3,840,095	623,020	3,561,785	263,526	27,200,078
2007	2,975,741	16,929,944	3,559,135	125,000	3,582,706	691,099	27,863,625
2008	2,714,828	16,279,187	3,489,072	147,895	3,474,708	379,272	26,484,962
(e)	9.41%	57.68%	13.82%	2.21%	13.08%	3.80%	

(a) Amount transferred from the City's Investment Earnings Fund.

(b) Includes approximately \$788,400 rebate from Workers' Compensation.

(c) Includes \$185,777 insurance reimbursement from 2002.

(d) Includes \$3,034,183 refund of a loan guarantee account and \$244,749 refund of a project contingency fund, both of which were no longer needed.

(e) Approximate percentage of the total General Fund Nontax Revenues averaged over the years 2004 through 2008 for each category.

Licenses and Permits. Revenue in this category is derived from the issuance of sidewalk permits and a variety of inspection permits. Fees charged to contractors for examinations, building plan reviews and various zoning fees are included in this category. Revenue is also generated from the issuance of operating licenses, including licenses for ambulances, burglar alarms, carnivals, gasoline pumps, taxis and solid waste haulers. In total, the City issues over 80 different types of licenses or permits. Fees vary with the type of license or permit and are set by City ordinance.

Charges for Services. This category of revenue includes a variety of fees and charges collected by the City for the provision of services. The major services provided are solid waste and recyclable collection and Health Department charges for services provided at several clinics throughout the City.

Fines and Forfeitures. These revenues are derived from City fines, parking violations, court costs, highway patrol and civil filing fees.

Interest Earnings. The City Treasurer invests City funds pursuant to the Ohio Revised Code and the City's Investment Policy. See **Financial Matters – Cash Balances and Investments**. The City uses the Investment Earnings Fund to record all investment earnings and then distributes the earnings almost entirely to the General Fund. The Knight Estate Fund, the

Akron Development Corp. Incubator Fund and certain federal grant funds are required to receive their share of investment earnings.

Expenditure Recoveries. Revenue in this category is derived from reimbursements to the General Fund for costs and expenses it has incurred on behalf of other funds. These other funds include the Engineering, Fire Pension, Police Pension, Golf Course, Management Information Systems, Off-Street Parking, Sewer and Water Funds.

Other. This category includes a wide variety of types of revenue collected by City divisions. Due to the nature of these revenues, which frequently includes one time receipt of revenues, the total may fluctuate from year to year. Included in these totals are loan payments, refunds, rental payments from leased land, landfill royalties, gifts, donations and proceeds from the sale of personal property by the City's Police Department.

LOCAL GOVERNMENT ASSISTANCE FUNDS

Statutory State-level local government assistance funds are comprised of designated State revenues. Most are distributed to each county and then allocated on a formula basis or, in some cases (as in the County) on an agreement basis, among the county and cities, villages and townships, and in some cases park districts, in the county. City receipts from those funds for the past 10 years were and for 2009 are estimated to be:

<u>Year</u>	<u>Amount</u>
1999.....	\$14,385,550
2000.....	14,920,941
2001.....	15,443,729
2002.....	14,648,868
2003.....	14,545,453
2004.....	14,405,110
2005.....	14,441,757
2006.....	14,374,069
2007.....	14,418,325
2008.....	14,227,271
2009 (estimated).....	13,231,400

The amounts of and formula for distribution of these funds have been and may be further revised.

The State also distributes significant portions of the State estate tax to decedents' communities of residence. Due to the very nature of this tax, the annual amounts received can vary significantly. The City received \$2,763,674, \$2,886,321 and \$5,330,376 from this source in 2006, 2007 and 2008, respectively. The City credits these distributions to its General Fund. Recent amendments of this State tax provided for additional credits and increased exemptions, and increased percentages of allocations to be distributed to localities. Due to the difficulty of predicting the amount of receipts from the revised estate tax, the City currently intends to assume the receipt of \$3,750,000 from that source for budgeting purposes for 2009.

CITY DEBT AND OTHER LONG-TERM OBLIGATIONS

The following describes the security for general obligation debt, applicable debt and ad valorem property tax limitations, outstanding and projected bond and note indebtedness and certain other long-term financial obligations of the City. Certain overlapping subdivisions may

issue voted and unvoted general obligation debt. As used in the discussions that follow, BANs refers to notes issued in anticipation of the issuance of general obligation bonds.

SECURITY FOR GENERAL OBLIGATION DEBT

The following describes security for City general obligation debt.

Bonds and Bond Anticipation Notes

Unvoted Bonds. The basic security for unvoted City general obligation debt is the City's ability to levy, and its levy pursuant to constitutional and statutory requirements of, an ad valorem tax on all real and tangible personal property subject to ad valorem taxation by the City, within the Charter tax rate limitation described below. This tax must be in sufficient amount to pay (to the extent not paid from other sources) as it comes due the debt service on unvoted City general obligation bonds, both outstanding and in anticipation of which BANs are outstanding. The law provides that the levy necessary for debt service has priority over any levy for current expenses within that tax limitation; that priority may be subject to the provisions of bankruptcy laws and other laws affecting creditors' rights and to the exercise of judicial discretion. See the discussion below, under **Indirect Debt and Unvoted Property Tax Limitations**, of the Charter tax limitation and the priority of claim on it for debt service on unvoted general obligation debt of the City.

Voted Bonds. The basic security for voted City general obligation debt is the authorization by the electors for the City to levy to pay debt service on those bonds, without limitation as to rate or amount, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the City. The tax is outside of the Charter tax limitation and is to be in sufficient amount to pay (to the extent not paid from other sources) as it comes due the debt service on the voted bonds (subject to the provisions of bankruptcy laws and other laws affecting creditors' rights and to the exercise of judicial discretion). The City has no voted general obligation debt.

BANs. Ohio law requires, while BANs are outstanding, the levy of an ad valorem property tax in an amount not less than that which would have been levied if bonds had been issued without the prior issuance of the BANs. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time up to a maximum period of 240 months (20 years) from the date of issuance of the original notes (the maximum maturity for special assessment BANs is five years). Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of BANs outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period. The City has \$58,981,600 of BANs outstanding.

In addition to the basic ad valorem property tax security described above, each ordinance authorizing the issuance of the City's general obligation bonds or notes issued in anticipation thereof provides further security by making a pledge of the full faith and credit of the City for the payment of the debt service on those bonds or notes as it becomes due. Included in that pledge are all funds of the City, except those specifically limited to another use or prohibited from that use by the Ohio Constitution or by Ohio or federal law or by revenue bond trust agreements. These exceptions include tax levies voted for specific purposes, special assessments pledged to particular bonds or notes and certain utility revenues. As discussed herein, only voted general obligation debt is payable from unlimited ad valorem property taxes.

As is shown in **Debt Table C**, the City expects that almost all of the debt service on the unvoted general obligation debt of the City will in fact be paid from sources other than the ad

valorem property tax, such as the City's income tax revenues, utility revenues and special assessments. Should income tax revenues or other revenues for any reason become insufficient to pay debt service on City bonds and bond anticipation notes, the City will be required by Ohio law to levy, collect and use the above-described ad valorem taxes to pay that debt service.

STATUTORY DIRECT DEBT LIMITATIONS

The Revised Code provides that the net principal amount of both voted and unvoted general obligation debt of a city, excluding "exempt debt" (discussed below), may not exceed 10-1/2% of the total value of all property in the city as listed and assessed for taxation, and that the net principal amount of the unvoted nonexempt debt of a city may not exceed 5-1/2% of that value. These two limitations, which are referred to as the "direct debt limitations," may be amended from time to time by the General Assembly.

A city's ability to incur unvoted debt (whether or not exempt from the direct debt limitations) also is restricted by the indirect debt limitation discussed below under **Indirect Debt and Unvoted Property Tax Limitations**.

Certain debt a city may issue is exempt from the direct debt limitations ("exempt debt"). Exempt debt includes: general obligation debt issued for improvements for municipal utility, off-street parking, garbage and refuse collection or disposal, hospital and airport purposes, to the extent it is "self-supporting" (that is, revenues from the category of facilities are sufficient to pay operating and maintenance expenses and related debt service and other requirements); bonds issued in anticipation of the collection of special assessments; revenue bonds; notes issued in anticipation of the collection of current revenues (having a maximum six months maturity) or in anticipation of the proceeds of a specific tax levy; notes issued for certain emergency purposes; bonds issued to pay noncontractual final judgments; and unvoted general obligation bonds to the extent that debt service will be met from lawfully available municipal income taxes to be applied to that debt service pursuant to ordinance covenants. Notes issued in anticipation of exempt bonds are also exempt debt.

In the calculation of the debt subject to the direct debt limitations, the amount of money in a city's bond retirement fund allocable to the principal amount of nonexempt debt is deducted from gross nonexempt debt. Without consideration of money in the City's Bond Payment Fund and based on outstanding debt and current tax valuation, the City's voted and unvoted nonexempt debt capacities as of June 26, 2009 (as well as of December 31, 2008) were:

<u>Debt Limitation</u>	<u>Outstanding Debt</u>	<u>Additional Borrowing Capacity Within Limitation</u>
10-1/2% - \$316,853,509	\$153,258,194	\$163,595,315
5-1/2% - \$165,970,886	\$153,258,194	\$ 12,712,692

See **Debt Table A** for further details.

INDIRECT DEBT AND UNVOTED PROPERTY TAX LIMITATIONS

Voted general obligation debt may be issued by the City if authorized by a vote of the electors. Ad valorem taxes, without limitation as to amount or rate, to pay debt service on voted bonds are authorized by the electors at the same time they authorize the issuance of the bonds.

General obligation debt also may be issued by the City without a vote of the electors. This unvoted debt may not be issued unless the highest ad valorem property tax for the payment of

debt service on (a) those bonds (or the bonds in anticipation of which BANs are issued) and (b) all outstanding unvoted general obligation bonds (including bonds in anticipation of which notes are issued) of the City resulting in the highest tax required for such debt service, in any year is 10.5-mills or less per \$1.00 of assessed valuation. This indirect debt limitation is imposed by the Charter.

In lieu of the ten-mill limitation briefly discussed below, the electors of a charter municipality such as the City may establish a different tax rate limitation. The electors of the City have authorized the Council to levy, for all purposes of the City, each year a tax of up to the Charter tax rate limitation on all the taxable property in the City without further authorization from the electors, but subject to change by further action of the electors. See **Ad Valorem Tax Rates**. No portion of the 10.5-mills can be preempted by another overlapping taxing subdivision. In the case of BANs issued in anticipation of unvoted general obligation bonds, the highest annual debt service estimated for the anticipated bonds is used to calculate the millage required. These debt service estimates are included in **Debt Table C**.

This Charter millage is required to be used first for the payment of debt service on unvoted general obligation debt of the City, unless provision has been made for its payment from other sources, and the balance may be used for general fund purposes.

The indirect limitation applies to all unvoted general obligation debt even if debt service on some of it is expected to be paid in fact from special assessments, utility revenues or other sources. Revenue bonds, notes issued solely in anticipation of special assessments and bonds and notes payable only from City income tax revenues are not included in debt subject to the Charter tax rate limitation because they are not general obligations of the City and the full faith and credit of the City is not pledged for their payment.

If the City were to convert to the anticipated bonds its \$58,981,600 outstanding unvoted general obligation bond anticipation notes at estimated interest rates of 5.00% to 5.50% per year (see **Debt Table C**), the highest debt service requirement in any year for all City debt subject to the Charter tax rate limitation (including unvoted general obligation bonds already outstanding and bonds to be issued to fund those BANs) is estimated to be \$30,486,844. The payment of that annual debt service would require a levy of 10.1028 mills based on current assessed valuation. This maximum debt service requirement (except debt service on certain final judgment bonds) is expected by the City to be paid from sources other than ad valorem taxes, such as City income tax revenues and special assessments (see **Debt Table C**). If those other sources for any reason are not available, the debt service could be met from the amounts produced by the millage currently levied for all purposes by the City within the Charter tax rate limitation.

The total millage theoretically required by the City for its outstanding unvoted bonds (including bonds in anticipation of which notes are outstanding) is, as shown above, 10.1028 mills for 2010, the year of the highest potential debt service. There thus remains 0.3972 mills within the Charter tax rate limitation that has yet to be allocated to debt service by the City and that is available to the City in connection with the issuance of additional unvoted general obligation debt. The City could, for example, issue such additional debt in the estimated principal amount of up to approximately \$14,936,000 (maturing over 20 years with substantially equal principal and interest payments with an estimated interest rate of 5.00%) within this limitation (see **Debt Table C**). The estimated principal amount of such additional debt would be reduced accordingly if the estimated interest rate exceeded 5.00% or if the City's total assessed valuation continued to decrease (see **Assessed Valuation**).

In the absence of the Charter tax limitation, the applicable indirect debt limitation would be the product of what is commonly referred to as the "ten-mill limitation" imposed by a combination of provisions of the Ohio Constitution and of the Revised Code. The ten-mill

limitation is the maximum aggregate millage for all purposes that may be levied without elector approval on a single piece of property by *all* overlapping taxing subdivisions, with the ten mills being allocated among certain overlapping taxing subdivisions (including the cities) pursuant to a statutory formula. The inside millage so allocated is required by Ohio law to be used first for the payment of debt service on unvoted general obligation debt of the subdivisions (unless provision has been made for its payment from other sources) and the balance may be used for other purposes of the subdivisions. If the ten-mill limitation applied to the City (that is, if the City did not have the Charter tax rate limitation), unvoted obligations could not be issued by the City unless the tax required to be imposed in any one year would be ten mills or less per \$1.00 of assessed valuation for payment of annual debt service on those obligations (if BANs, the bonds in anticipation of which the BANs are issued) and all outstanding unvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the City resulting in the highest tax rate required for that debt service. To the extent that this inside millage is required for debt service of a taxing subdivision (which may exceed the formula allocation for that subdivision), the amount that would otherwise be available to that subdivision or to other overlapping subdivisions for general fund purposes would be reduced. A law applicable to all Ohio cities and villages, however, requires that any lawfully available receipts from a municipal income tax or from voted property tax levies be allocated to pay debt service on City unvoted debt before the formula allocations of the inside millage to overlapping subdivisions can be invaded for that purpose.

DEBT OUTSTANDING

The following tables list the City's outstanding general obligation debt represented by bonds and notes and certain other debt service information as of June 26, 2009.

DEBT TABLE A

Principal Amounts of Outstanding General Obligation Debt; Capacity for Additional Debt Within Direct Debt Limitations

A. Total debt(a)	\$273,764,547
B. Exempt debt: (all unvoted)	
Bonds issued to pay final judgments	\$3,585,000
Bonds issued for public improvements under Chapter 725 of the Revised Code.....	2,265,944
Bonds issued for various improvements with a specific pledge of income tax under Section 133.05(B)(7) of the Revised Code:	
Streets.....	\$ 5,531,474
Recreational Facilities.....	24,222,354
Community Centers	3,544,652
Convention Center	2,427,548
Inventure Place.....	1,749,490
Justice Center Plaza	550,515
Fire Department Facilities.....	893,662
Motor Vehicles/Equipment...	3,100,887
Municipal Facilities	4,707,714
Total.....	\$46,728,296
Bond anticipation notes issued for various improvements with a specific pledge of income tax under Section 133.05(B)(7) of the Revised Code:	
Streets.....	\$23,748,000
Recreational Facilities.....	14,411,000
Municipal Facilities	6,160,000
Economic Development.....	3,267,000
Motor Vehicles/Equipment...	3,049,000

Storm Sewers	1,085,000		
Fire Department Facilities.....	240,000		
Total.....		\$51,960,000	
Bonds issued in anticipation of the collection of the collection of special assessments		11,185,513	
Bond anticipation notes issued in anticipation of the collection of special assessments		4,781,600	
Total exempt debt			\$120,506,353
C. Nonexempt debt:			
Unvoted bonds and BANS issued for the following improvements:			
Streets		\$74,939,928	
Parking Facilities.....		24,198,517	
Recreational Facilities		19,899,425	
Real Estate Acquisition		5,817,010	
Storm Sewer System		197,826	
CitiCenter Building		1,176,046	
Ascot Park Roadway		249,464	
High Street Renewal Area		1,884,553	
Municipal Complex.....		9,025,425	
Furnace/Howard Renewal Area		3,455,000	
Motor Vehicles/Equipment		9,030,000	
Industrial Incubator/Accelerator.....		3,385,000	
Total nonexempt debt.....			\$153,258,194
D. 5-1/2% of assessed valuation (unvoted direct debt limitation)			\$165,970,886
E. Total limited tax nonexempt bonds and notes outstanding:			
Bonds outstanding	\$151,018,194		
Notes outstanding	2,240,000	\$153,258,194	
F. Debt capacity within 5-1/2% unvoted debt limitation (but subject to indirect debt limitation) (D minus E)(b).....			\$12,712,692
G. 10-1/2% of assessed valuation (voted and unvoted limitation)			\$316,853,509
H. Total nonexempt bonds and notes outstanding:			
Bonds outstanding	\$151,018,194		
Notes outstanding	2,240,000	\$153,258,194	
I. Debt capacity within 10-1/2% direct debt limitation (G minus H)(b).....			\$163,595,315
(a) Other City debt and long-term obligations, which are not general obligations of the City and thus are not set forth in this table, include:			
<ul style="list-style-type: none"> Water System mortgage revenue bonds payable solely from revenues (\$39,625,000) and Sewer System revenue bonds payable solely from revenues (\$34,425,000) (see Revenue Bonds in the Annual Statement). 			

- Loan payments payable to: (i) the OWDA, (ii) the OPWC, (iii) the ODOT and (iv) the ODOD, and certain lease agreements (see **Long-Term Obligations Other Than Bonds and Notes** in the Annual Statement).
 - Certificates of Participation for: (i) Canal Park Stadium project (\$24,750,000) and (ii) Municipal Parking Facilities projects (\$27,220,000 and \$19,610,000) (see **Long-Term Obligations Other Than Bonds and Notes** in the Annual Statement).
 - Nontax Revenue Economic Development Bonds (\$60,350,000) (see **Nontax Revenue Bonds** in the Annual Statement).
 - Pension Refunding Income Tax Revenue Bonds, Series 1999 (\$7,370,000), and Community Learning Centers Income Tax Revenue Bonds, Series 2004A (\$165,000,000) and Series 2004B (\$33,290,000) (see **Income Tax Revenue Bonds** in the Annual Statement).
 - Water System Special Revenue Bonds (\$22,135,000) and Sanitary Sewer System Special Revenue Bonds (\$17,720,000), payable solely first from JEDD Revenues and then, if necessary, from net available revenues of the respective utility (see **Special Revenue Bonds** in the Annual Statement).
- (b) Debt capacity in this table is determined without considering money in the Bond Payment Fund (approximately \$1,579,490), which is available to pay debt service on general obligation bonds and bond anticipation notes.

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DEBT TABLE B

Various City and Overlapping General Obligation (GO) Debt Allocations (Principal Amounts)

	<u>Amount</u>	<u>Per Capita(b)</u>	<u>% of City's Current Assessed Valuation(d)</u>	<u>% of City's Estimated Actual Valuation(e)</u>
City Nonexempt GO Debt(a)	\$153,258,194	\$706	5.08%	1.80%
Total City GO Debt (exempt and nonexempt)	\$273,764,547	\$1,261	9.07%	3.22%
Total Overlapping GO Debt(c)	\$320,188,624	\$1,475	10.61%	3.77%

(a) Total City GO debt, less exempt debt (see **Debt Table A**).

(b) Based on 2000 census population of 217,074 for the City.

(c) Includes, in addition to "Total City GO Debt," allocations of the total GO debt of overlapping debt issuing subdivisions resulting in the calculation of total overlapping debt based on percent of assessed valuation of territory of the subdivisions located within the City (% figures are resulting percent of total debt of subdivisions allocated to the City in this manner), as follows:

\$22,896,841 of County debt (25.31%);

\$18,804,630 of Summit County Library District debt (37.09%);

\$ 137,442 of Copley-Fairlawn City School District debt (3.67%);

\$ 300,556 of Revere Local School District debt (3.40%);

\$ 4,140,341 of Woodridge Local School District debt (31.39%); and

\$ 144,267 of METRO Regional Transit Authority debt (25.31%).

(d) The assessed valuation of the City is \$3,017,652,469.

(e) The estimated actual valuation of the City is \$8,495,101,329.

Source of assessed valuation and estimated actual valuation: County Fiscal Officer.

Source of GO debt figures for overlapping subdivisions: Ohio Municipal Advisory Council (OMAC)*.

*Statement provided by OMAC: "OMAC compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Official [Annual] Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose."

DEBT TABLE C

Projected Debt Service Requirements on Unvoted General Obligation Bonds (Payable from Ad Valorem Taxes Levied Within the City's 10.5-Mill Charter Tax Rate Limitation)

Year	Bonds	Bonds in Anticipation of Which Notes are Outstanding(a)	Total Debt Service	Portion of Total Debt Service Anticipated to be Paid from:					
				Income Tax	Pledged Income Tax(b)	Ad Valorem Taxes	Special Assessments	Tax Increment Financing	Off-Street Parking Revenue
2009	\$25,397,958	\$1,014,369	\$26,412,327	\$13,518,721	\$ 7,640,346	\$419,275	\$3,035,009	\$617,001	\$1,181,976
2010	24,717,176	5,769,668	30,486,844	13,634,963	11,462,267	414,725	3,202,963	610,458	1,161,467
2011	23,608,505	5,681,380	29,289,886	13,571,644	10,896,560	414,775	2,659,251	609,131	1,138,525
2012	23,160,720	5,593,093	28,753,813	13,407,479	10,739,473	412,425	2,465,076	613,780	1,115,580
2013	22,195,428	5,504,805	27,700,233	13,338,364	10,159,176	409,763	2,082,203	624,589	1,086,139
2014	20,132,526	5,416,518	25,549,044	13,054,013	8,761,313	411,650	1,681,607	579,484	1,060,777
2015	18,600,346	5,273,972	23,874,318	12,850,421	8,189,463	407,700	1,185,503	595,197	646,034
2016	18,282,949	5,185,684	23,468,633	12,831,705	8,088,579	409,900	886,353	610,744	641,353
2017	17,626,849	5,097,397	22,724,246	12,537,644	7,966,778	404,538	722,966	447,755	644,565
2018	16,586,136	5,009,109	21,595,245	11,860,279	7,693,388	338,600	603,625	456,787	642,565
2019	15,420,133	4,920,822	20,340,954	11,066,838	7,423,244	220,000	603,625	382,683	644,565
2020	14,446,827	4,228,909	18,675,736	10,848,141	6,577,578	220,500	0	384,202	645,315
2021	13,391,705	4,140,622	17,532,327	10,606,549	5,794,782	220,500	0	265,680	644,815
2022	12,525,288	4,052,334	16,577,622	10,609,494	5,325,062	0	0	0	643,065
2023	10,798,138	3,964,047	14,762,184	9,034,189	5,077,930	0	0	0	650,065
2024	8,569,388	3,875,759	12,445,147	7,679,964	4,121,892	0	0	0	643,290
2025	5,842,288	3,787,472	9,629,759	5,598,404	4,031,35	0	0	0	0
2026	5,845,025	3,699,184	9,544,209	5,604,142	3,940,067	0	0	0	0
2027	2,598,438	3,610,897	6,209,334	2,354,429	3,854,905	0	0	0	0
2028	1,206,975	3,522,609	4,729,584	960,742	3,768,842	0	0	0	0
2029	0	3,434,322	3,434,322	187,442	3,246,880	0	0	0	0
2030	0	0	0	0	0	0	0	0	0
	\$300,952,794	\$92,782,971	\$393,735,765	\$205,155,567	\$144,759,883	\$4,704,350	\$19,128,380	\$6,797,490	\$13,190,095

(a) It is assumed that, in the case of notes issued in anticipation of bonds, the first principal maturity of the bonds anticipated will occur in 2010, the bonds will mature in either substantially equal annual principal payments or substantially equal principal and interest payments over the number of years referred to in the ordinances authorizing the notes (generally 10 or 20 years), and the bonds will have interest rates of 5.00% to 5.50%.

(b) Debt service on general obligation bonds secured with a specific pledge of income tax revenues under Section 133.05(B)(7) of the Revised Code. (See **Debt Outstanding - Debt Table A and Income Tax Revenue Bonds**.)

NOTE: Columns may not total due to rounding to the nearest dollar.

PAYMENT OF DEBT SERVICE

General obligation debt of the City, unless paid from other sources, is to be paid by the levy of ad valorem property taxes, which taxes are unlimited as to amount or rate as to voted issues and within the 10.5-mill Charter tax rate limitation as to unvoted issues. The actual source of payment of debt service on general obligation debt has been shifted during the last 45 years from ad valorem property taxes to other sources, as indicated below. The ad valorem property tax continues to be pledged to the payment of such debt even though payment is made from other sources. At the end of 1963, the City's outstanding general obligation debt totaled \$41,127,332; of this amount, \$25,856,432, or 62.87%, was expected to be retired from ad valorem taxes. By the end of 2008, the City's outstanding general obligation debt had risen to \$246,059,447, but only \$10,278,052, or 4.17%, of this amount was expected to be retired from ad valorem property taxes.

Debt Table D sets forth the principal amount of the City's total general obligation debt, outstanding as of January 1 in the years indicated, divided according to the source of funds used and expected to be used in 2009 to retire that debt. Of that total debt, 82.86% is to be paid in 2009 from the City's municipal income tax (see **Municipal Income Tax**) and another 6.53% is to be paid from the collection of special assessments (see **Special Assessments**).

Tax increment payments support 2.51% of the outstanding general obligation debt. Under certain tax increment financing statutes, the City may declare the future increase in assessed valuation of parcels being developed to be exempt from real property taxation for a certain period of time. Owners of that property then make payments to the City in lieu of the taxes that would have been paid. The City uses these payments to pay debt service on general obligation debt issued to fund public improvements, including bonds issued under Chapter 725 of the Revised Code (see **Debt Table A**). The City has entered into several agreements with the Akron City School District that provide, in part, for limitations on the exemption period and for certain payments by the City to the School District.

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DEBT TABLE D

Principal Amount of General Obligation Debt, the Debt Service on Which Was (or Will Be) Retired from these Sources

Outstanding as of January 1,	Total	Income Taxes(a)	Ad Valorem Taxes	Special Assessments	Water and Sewer Revenue	Off-Street Parking Revenue	Tax Increment Payments	County-Wide Bed Tax
2000	\$171,814,909	\$133,548,085	\$4,016,915	\$18,252,037	\$2,100,000	\$1,785,000	\$9,052,872	\$3,060,000
2001	172,953,014	137,571,170	3,783,830	17,145,518	1,800,000	1,460,000	8,527,496	2,665,000
2002	188,070,578	145,848,423	6,247,483	21,043,509	1,500,000	1,135,000	10,051,163	2,245,000
2003	205,891,933	165,105,870	5,990,787	21,488,573	1,200,000	810,000	9,496,703	1,800,000
2004	226,897,875	182,209,845	8,138,174	20,777,232	900,000	4,685,000	8,862,624	1,325,000
2005	240,155,763	195,444,902	10,183,873	20,491,318	600,000	4,060,000	8,280,670	1,095,000
2006	214,589,786	178,142,440	10,078,149	18,363,662	300,000	-0-	6,860,535	845,000
2007	225,634,970	190,782,790	10,287,564	17,433,196	-0-	-0-	6,496,778	634,642
2008	233,149,295	189,346,094	10,794,138	16,285,403	-0-	10,420,040	5,978,799	324,821
2009	246,059,447	203,874,875(b)	10,278,052	16,077,013	-0-	9,659,431	6,170,076	-0-

(a) Includes general obligation debt expected to be paid from the City's income taxes as well as general obligation debt secured with a specific pledge of income tax revenues (see **Debt Outstanding – Debt Table A and Debt Table C**).

(b) Includes payments of City funds relating to street improvements (\$3,153,514), storm sewers (\$197,826), recreational facilities (\$7,068,772), municipal facilities (\$362,786) and equipment replacement (\$101,400).

Shown below is the annual debt service on general obligation debt paid from income tax revenues and from unlimited ad valorem taxes pursuant to elector authorization and ad valorem taxes within the 10.5-mill Charter tax rate limitation.

<u>Calendar Year</u>	<u>Income Tax Revenues</u>	<u>Debt Service Paid from(a)</u>	
		<u>Unlimited Ad Valorem Taxes(b)</u>	<u>Ad Valorem Taxes within 10.5-mill Limit(b)</u>
1999	\$14,633,171	\$350,000	\$449,049
2000	15,449,818	350,000	441,021
2001	16,443,697	350,000	439,179
2002	16,719,954	350,000	579,341
2003	16,829,991	350,000	655,488
2004	19,859,927	350,000	754,854
2005	17,350,072	350,000	917,171
2006	17,172,914	-0-	971,250
2007	18,815,310	-0-	921,511
2008	19,500,503	-0-	929,212

(a) See **Debt Tables A and C** for amount of future debt service anticipated to be paid from these sources.

(b) See **Tax Table B** for millage levied for this debt service.

As indicated in **Debt Table C** and **Debt Table D**, the City's unvoted general obligation bonds and bond anticipation notes are anticipated to be paid from income tax revenues, special assessments, off-street parking revenues and other sources. Because the City has provided for the levy of taxes within the 10.5-mill Charter tax rate limitation (as required by law), should those revenue sources fail for any reason to produce amounts sufficient for debt service, the City would be required to preempt the levy for current expenses for its General Fund to the extent of the revenue shortfall in order to provide for debt service on those bonds and notes.

The City has not been in default on any of its general obligation debt since March 1, 1936.

BOND ANTICIPATION NOTES

On June 25, 2009, the City issued \$35,315,000 of bond anticipation notes to refund \$7,500,000 of outstanding BAN's and to fund various capital improvements. As of that date, \$58,981,600 of the debt of the City was in the form of general obligation bond anticipation notes. BANs may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the BANs (including revenue bonds), or available funds of the City, or a combination of these sources. Of these notes \$4,781,600 were issued in anticipation of the issuance of bonds and the levy and collection of special assessments and have been purchased by the City as investments in the City's Treasury Investment Account. These notes were issued from time to time, beginning on May 10, 2004, and mature on or before five years from their respective dates of issuance. (See **Special Assessments**.)

The following table lists the City's outstanding BANs. These outstanding BANs, or the bonds they anticipate, are reflected in **Debt Tables A, B and C**.

DEBT TABLE E

Outstanding General Obligation Bond Anticipation Notes

<u>General Purpose of Issue</u>	<u>Dated</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Due</u>	<u>Anticipated Bond Maturity (a)</u>
Various Purpose Improvement, Series 2008 B	December 11, 2008	\$ 18,885,000	2.500%	December 10, 2009	20
Various Purpose Improvement, Series 2009	June 25, 2009	35,315,000	1.375%	June 25, 2010	20
Street Improvements (b)		4,781,600			
Total		\$58,981,600			

(a) Estimated years over which the anticipated bonds mature as set forth in the ordinance authorizing the notes.

(b) 27 notes issued in anticipation of the issuance of bonds and the levy and collection of special assessments have been purchased by the City as investments in the City's Treasury Investment Account.

CHANGES IN INDEBTEDNESS; FUTURE FINANCINGS

The City's amortization schedule of its general obligation bonds provides that 59.1% of those bonds currently outstanding will mature and be paid within 10 years.

A summary of the general obligation debt of the City, outstanding as of January 1 for the years indicated, is set forth in the following table.

<u>General Obligation Debt (Principal Amount)</u>					<u>% of Then Current Assessed Valuation(b)</u>	<u>% of Then Estimated Actual Valuation(b)</u>
<u>January 1</u>	<u>Bonds</u>	<u>Bond Anticipation Notes</u>	<u>Total</u>	<u>Per Capita(a)</u>		
2000	\$164,747,872	\$7,067,037	\$171,814,909	\$ 770	5.93%	2.03%
2001	168,491,626	4,461,388	172,953,014	797	5.97	2.04
2002	178,233,239	9,837,339	188,070,578	866	6.42	2.17
2003	195,624,027	10,267,906	205,891,933	948	6.31	2.08
2004	217,948,066	8,949,809	226,897,875	1,045	7.15	2.37
2005	205,570,263	34,585,500	240,155,763	1,106	7.50	2.49
2006	211,767,928	2,821,858	214,589,786	989	6.40	2.15
2007	222,776,617	2,858,353	225,634,970	1,039	6.88	2.19
2008	230,369,113	2,780,182	233,149,295	1,074	7.36	2.58
2009	214,782,947	31,276,500	246,059,447	1,134	8.15	2.90

(a) Based on Bureau of Census 2000 population figure of 217,074 for the City.

(b) For then current assessed valuation and estimated actual valuation see table under **Ad Valorem Property Taxes and Special Assessments -- Assessed Valuation**.

The following table sets forth the types and principal amounts of debt retired and issued in the last calendar year and projections for the current year.

	Principal Amount of Debt (000)					
	2008			2009		
	Outstanding as of <u>January 1(b)</u>	<u>Paid</u>	<u>Issued(a)</u>	Outstanding as of <u>January 1(b)</u>	To be <u>Paid</u>	To be <u>Issued(c)</u>
Revenue Bonds(d)	\$ 89,225	\$ 8,955	\$ -0-	\$ 80,270	\$24,085	\$ 25,300
Special Revenue Bonds(e)	42,090	2,235	-0-	39,855	2,320	-0-
Nontax Revenue Bonds(f)	42,330	2,130	20,150	60,350	2,205	-0-
Special Assessment Notes(g)	-0-	-0-	-0-	-0-	-0-	-0-
Income Tax Revenue Bonds(h) ..	210,160	4,500	-0-	205,660	5,005	30,000
General Obligation						
Voted –						
Bonds	-0-	-0-	-0-	-0-	-0-	-0-
Notes	-0-	-0-	-0-	-0-	-0-	-0-
Unvoted-utility or off-street parking(i)						
Bonds	25,678	1,479	-0-	24,199	1,505	-0-
Notes	-0-	-0-	-0-	-0-	-0-	-0-
Unvoted-in anticipation of special assessments(j)						
Bonds	13,505	2,909	640	11,236	2,458	4,020
Notes	2,780	1,001	2,113	4,892	2,520	2,115
Unvoted-general purposes						
Bonds	191,187	11,787	-0-	179,400	11,548	-0-
Notes	-0-	-0-	26,385	26,385	26,385	51,385

- (a) For description of note issues see **Bond Anticipation Notes**.
- (b) For detail see **Debt Table A**.
- (c) Estimated amounts, currently expected to be issued.
- (d) Non-GO debt payable from revenues of utilities (includes bonds to be refunded in 2009).
- (e) Non-GO debt payable from JEDD revenues and utility revenues if necessary.
- (f) Non-GO debt payable solely from nontax revenues.
- (g) Non-GO debt payable solely from special assessments.
- (h) Non-GO debt payable solely from municipal income tax revenues.
- (i) Exempt GO debt expected to be paid from revenues of utilities or off-street parking facilities.
- (j) Exempt GO debt expected to be paid from the collection of special assessments.

The City also plans to issue, from time to time, notes in anticipation of the levy and collection of special assessments and of the issuance of bonds for various street, sewer and water improvement projects. It is expected that consistent with City policy these general obligation notes will be purchased by the City as investments in its Treasury Investment Account. (See **Special Assessments**.)

It is anticipated that general obligation bonds and bond anticipation notes will be issued during 2009 to refund bond anticipation notes as those notes mature.

REVENUE BONDS

The City has issued revenue bonds for its Water System and for its Sewer System (see **The City – Water System and Sewer System**). These bond issues are summarized in the following tables.

Water System Revenue Bonds

<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Principal Outstanding as of Dec. 31, 2008</u>	<u>Principal and Interest Payment Due in 2009</u>
January 15, 1996	2012	\$21,175,000	\$10,135,000	\$2,793,150
February 1, 1998	2018	18,700,000	7,140,000	903,278
July 1, 2003	2014	28,045,000	16,100,000	3,443,100
August 10, 2006	2026	13,340,000	12,470,000	996,595

The Water System Revenue Bonds dated January 15, 1996 were issued to advance refund a prior issue of Water System Revenue Bonds dated December 1, 1991 in the outstanding aggregate principal amount of \$19,090,000. The bonds dated February 1, 1998 were issued to refund a prior issue of Water System Revenue Bonds dated September 15, 1987, \$6,935,000 in principal amount of which was outstanding at the time the refunding bonds were issued. The bonds dated July 1, 2003 were issued to advance refund a prior issue of Water System Revenue Bonds dated May 15, 1994 in the outstanding aggregate principal amount of \$19,405,000. The Water System Revenue Bonds are payable from the revenues of the Water System. They are not general obligations of the City. The Water System Revenue Bonds are secured by a mortgage on that utility.

In May 18, 2009, City Council authorized the issuance of Waterworks System Mortgage Revenue Improvement and Refunding Bonds, Series 2009, in a principal amount not to exceed \$25,300.00. The bonds are to be issued to refund all or a portion of the 1996 and 1998 bond issues listed above and to fund capital improvements for the Waterworks System. The bonds have not yet been issued.

Sewer System Revenue Bonds

<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Principal Outstanding as of Dec. 31, 2008</u>	<u>Principal and Interest Payment Due in 2009</u>
April 1, 1998	2013	\$19,140,000	\$ 4,555,000	\$ 872,810
December 1, 2005	2017	33,855,000	29,870,000	4,206,713

In April 1998, the City issued \$19,140,000 Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 1998, to finance improvements to the Sewer System and to advance refund a prior issue of Sewer System general obligation bonds dated December 1, 1989, in

the outstanding principal amount of \$7,800,000. In December 2005, the City issued \$33,855,000 Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 2005, to finance improvements to the Sewer System and to partially advance refund prior issues of Sewer System revenue bonds issued in 1996, 1997 and 1998 in the outstanding principal amount of \$30,065,000. The Sewer System Revenue Bonds are payable from the revenues of the Sewer System and are not general obligations of the City.

SPECIAL REVENUE BONDS

The City has issued \$13,825,000 Waterworks System Special Revenue Bonds, Series 2000, dated as of July 1, 2000, \$15,550,000 Waterworks System Special Revenue Bonds, Series 2002, dated as of September 1, 2002, \$13,825,000 Sanitary Sewer System Special Revenue Bonds, Series 2000, dated as of August 1, 2000, and \$10,000,000 Sanitary Sewer System Special Revenue Bonds, Series 2002, dated as of November 1, 2002. These Special Revenue Bonds are special obligations of the City; they are not general obligations of the City. These bonds are payable solely first from revenues received by the City from joint economic development districts (see **Joint Economic Development Districts**) and then, if necessary, from net available revenues from the respective municipal utility system, after payment of any debt service on revenue bonds for that system. The Special Revenue Bonds are subordinate obligations to the City's revenue bonds issued for the Water System and the Sewer System, respectively. The City does not expect to have to use the utility revenues to pay debt service on these bonds. See **Joint Economic Development Districts** for a table showing debt service coverage provided by JEDD revenues.

INCOME TAX REVENUE BONDS

Pension Bonds

In May 1999, the City issued \$10,090,000 of Pension Refunding Income Tax Revenue Bonds, Series 1999 (the Pension Bonds), to refund the obligation of the City to the Ohio Police and Fire Pension Fund for employer's accrued liability. The refunding eliminated the City's obligation to pay \$738,365 per year through 2035 to that Fund for the City's allocable share of the accrued liability. The City will pay, on average, approximately \$708,000 in debt service per year through 2023 to retire the Pension Bonds in 2023.

As provided in the bond ordinance for the Pension Bonds, the City will levy and collect annually income taxes to first produce an amount sufficient to pay interest (and any premium) on and principal of the Pension Bonds when due, and to meet the coverage requirements included in the Trust Indenture relating to the Pension Bonds (the Indenture), and then to meet other obligations of the City to be discharged from its income tax revenues. To secure the payment of the debt service on the Pension Bonds and any additional bonds issued under the Indenture, the City pledged its income tax revenues (the Income Tax Revenues) to the Trustee and assigned and created a security interest in the Pledged Income Tax Revenues to and in favor of the Trustee. The Pledged Income Tax Revenues comprise all money in the Pledged Funds and all income and profit from the investment of that money. The City has created two funds under the Indenture as Pledged Funds, the Bond Fund and the Bond Reserve Fund. These Pledged Funds are in the custody of the Trustee.

The Pension Bonds do not and shall not represent or constitute a general obligation debt or pledge of the faith or credit of the City. The Pension Bonds are special obligations of the City payable solely from the income tax revenues. The holders of the Pension Bonds have no right to have taxes, other than the City income tax, levied by the City, the State or the taxing authority of any other political subdivision thereof for the payment of debt service on the Pension Bonds.

The City has agreed in the Indenture to pay the Trustee the following amounts of Income Tax Revenues: (a) to the Bond Fund, on or before January 15 of each year, an amount sufficient to pay debt service due and payable on the Pension Bonds for the then current year less any amounts then remaining in the Bond Fund after all debt service for the prior year has been paid, and (b) to the Bond Reserve Fund, nothing unless required by the Indenture.

Holders of the Pension Bonds do not have a security interest in the City's Income Tax Revenues other than the Pledged Income Tax Revenues. The City is permitted to and intends to use its Income Tax Revenues for other lawful purposes, including but not limited to the payment of City general obligation debt. See **City Debt and Other Long-Term Obligations**. Under the Indenture, the City may issue additional bonds, although the City has no present expectation of doing so. The Indenture also permits the City to incur other obligations payable from and secured by a pledge of Income Tax Revenues on a parity with the Pension Bonds, including any general obligation bonds of the City, any City guarantees of debt or other obligations (such as the CLC Bonds) that are secured by a pledge of Income Tax Revenues (Parity Obligations). As provided in the Indenture, the City may issue additional Pension Bonds or incur Parity Obligations if the City can demonstrate that the average annual Income Tax Revenues for the previous two calendar years, taking into account any income tax rate changes then in effect, aggregate at least 300% (3.0x) of the largest amount required to be paid in any succeeding calendar year to (i) be paid into the Bond Fund to pay debt service on all Pension Bonds to be outstanding immediately after the issuance of any additional bonds and (ii) pay all required payments on outstanding other Parity Obligations. See **Municipal Income Tax**. The coverage calculated for 2008 is 1,173% (11.7x). See **Income Tax Revenue Bond Debt Service and Debt Service Coverage**.

General Obligation Bonds

The City has issued general obligation bonds and bond anticipation notes for various improvements secured with a pledge of income tax under Section 133.05(B)(7) of the Revised Code, with aggregate outstanding principal of \$70,873,296. Those bonds and notes were issued for various purposes including: Convention Center, Community Centers, Inventure Place, Justice Center Plaza, Fire Department Facilities, Motor Vehicles, Street Improvements, Municipal Facilities and Recreational Facilities. See **Debt Outstanding - Debt Table A**. Although not secured under the Indenture, those bonds and notes are on a parity with the Pension Bonds and are "Parity Obligations" as defined in the Indenture. For purposes of determining whether the coverage requirement in the Indenture is satisfied prior to the issuance of additional bonds or Parity Obligations, the City will include the aggregate amount of Income Tax Revenues pledged by the City to pay debt service on these Parity Obligations.

Guarantees

In 2001, the Summit County Port Authority (the Port Authority) issued \$14,646,070 of revenue bonds to fund, in part, the renovation, expansion and equipping of the Akron Civic Theatre (see **Central Business District (CBD) Development Program**). These revenue bonds are to be paid from a County-wide bed tax. As part of a cooperative agreement between the City, the County, the Port Authority and the Akron Civic Theatre, the City has guaranteed the payment of debt service on these bonds but only from its income tax revenues. The Guaranty by the City is not a general obligation of the City. Under the cooperative agreement, the County's bed tax collections that are not needed to pay debt service on these revenue bonds will be paid to the City. The City's guaranty of debt service commenced in 2004 and extends through 2033. Although the City expects that the debt service on these bonds will be fully paid from the bed tax revenues, the amount of that debt service will be included in the coverage calculation for all bonds payable pursuant to a pledge of the income tax revenues including the Pension Bonds, certain general obligation bonds and the CLC Bonds. See **Income Tax Bond Debt Service and Debt Service Coverage**.

Community Learning Centers (CLC) Bonds

As noted in **Education - Akron City School District** and **Municipal Income Tax**, the City, pursuant to voter approval, increased its income tax rate by an additional 0.25% (the CLC Income Tax) effective January 1, 2004. The revenues generated by the CLC Income Tax are to be used solely to fund Community Learning Centers, including payment of debt service on bonds issued for that purpose. The City covenanted in the Trust Agreement securing the CLC Bonds (the Trust Agreement) not to suffer the repeal or the amendment of the City's income tax ordinances in any way that materially and adversely impairs the security for the CLC Bonds. In January 2004, the City issued \$215,000,000 City of Akron Community Learning Centers Income Tax Revenue Bonds (the CLC Bonds) to fund the initial phases of the Community Learning Centers project.

The City will levy and collect annually income taxes to produce an amount sufficient to pay debt service on the CLC Bonds when due and to meet other obligations of the City to be discharged from its municipal income tax revenues (the Income Tax Revenues). To secure the payment of the debt service on the CLC Bonds including additional bonds issued under the Trust Agreement, the City has pledged its Income Tax Revenues to the Trustee and has assigned and created a security interest to and in favor of the Trustee in all money in the Pledged Funds and all income and profit from the investment of that money (the Pledged Income Tax Revenues). The City has created two funds under the Trust Agreement as Pledged Funds—the Bond Fund and the Bond Reserve Fund. Those Pledged Funds are in the custody of the Trustee. The Bond Reserve Fund will not be funded unless and until the City fails to meet the coverage ratio as provided in the Trust Agreement.

In the Cooperative Agreement, the School District has agreed to transfer \$3,000,000 each year to the Trustee for deposit in the Bond Fund (the School Contribution). The School Contribution is to be made in two installments (\$1,500,000 on or before February 15 and \$1,500,000 on or before May 15) each year from 2004 through 2033 or until all the CLC Bonds are fully paid. The City intends that all debt service on the CLC Bonds will be paid from the income tax revenues generated from the CLC Income Tax (the CLC Income Tax Revenues) and the annual School Contribution (collectively, the CLC Revenues). If for any reason, that debt service could not be paid from those sources, it will be paid from other Income Tax Revenues. The City has agreed in the Trust Agreement to transfer to the Trustee for deposit in the Bond Fund from CLC Income Tax Revenues, an amount sufficient to pay debt service due and payable on the CLC Bonds for the then current year taking into account the School Contribution and any amounts then remaining in the Bond Fund after all debt service for the prior year has been paid. The transfers are to occur well in advance of the debt service payment dates.

The CLC Bonds do not and shall not represent or constitute a general obligation debt or pledge of the faith or credit of the City, the School District, the State or any political subdivision thereof. The CLC Bonds are special obligations of the City payable solely from the CLC Revenues and the Income Tax Revenues of the City. The Holders of the CLC Bonds have no right to have taxes, other than the City income tax, levied by the City, the School District, the State or the taxing authority of any other political subdivision thereof for the payment of debt service on the CLC Bonds. Holders of the Bonds do not have a security interest in the City's Income Tax Revenues other than the Pledged Income Tax Revenues. The City is permitted to and intends to use its Income Tax Revenues for other lawful purposes, including but not limited to the payment of City general obligation debt. See **City Debt and Other Long-Term Obligations**.

The City must meet a coverage test in order to issue Additional Bonds under the Trust Agreement (the Additional Bonds) and in order to incur Parity Obligations. As noted above, Parity Obligations are other obligations payable from and secured by a pledge of Income Tax Revenues on a parity with the CLC Bonds, including any general obligation bonds or notes of the

City additionally secured by a pledge of Income Tax Revenues and any guarantees of the City secured by a pledge of the Income Tax Revenues. Parity Obligations are not secured by the Trust Agreement or the Pledged Income Tax Revenues under the Trust Agreement. The coverage test under the Trust Agreement for both Additional Bonds and Parity Obligations requires the City to certify that the average annual Income Tax Revenues for the previous two calendar years, taking into account any income tax rate changes then in effect, aggregate at least 300% of the largest amount required in any succeeding calendar year to (a) be paid into the Bond Fund to pay debt service on all CLC Bonds to be outstanding immediately after the issuance of the Additional Bonds and (b) pay all required payments on outstanding Parity Obligations.

A second coverage test is also required to be met in order to issue Additional Bonds under the Trust Agreement. For each of the years that all CLC Bonds will be outstanding, the projected CLC Revenues must equal an amount not less than 100% of the debt service due on all CLC Bonds in each corresponding year. For this second coverage test, (a) the projected CLC Revenues will be computed based on the actual CLC Income Tax Revenues for the preceding year as increased annually at a rate not to exceed 2.5% per year, and (b), if necessary, an amount from the Accumulated CLC Income Tax Fund will be included in the CLC Income Tax Revenues for the purposes of this test and allocated to pay debt service as needed for each of those years.

Income Tax Revenue Bond Debt Service and Debt Service Coverage

The following table sets forth past and projected debt service on bonds, notes and other obligations outstanding as of December 31, 2008 that are subject to a pledge of and payable from the City's income tax revenues.

Debt Service Payments Pledged With Income Tax Revenues

Year	Non-CLC Obligations				CLC Bonds	Total
	GO	Pension	Guarantees(b)	Total		
	Bonds(a)	Bonds				
2004	\$6,984,903	\$708,078	\$ 717,088	\$8,410,069	\$12,434,115	\$20,844,184
2005	6,962,245	706,963	736,003	8,405,211	12,976,763	21,381,974
2006	6,224,197	705,163	754,188	7,683,548	13,217,063	20,900,611
2007	6,767,068	707,658	776,563	8,251,289	13,528,063	21,779,352
2008	6,948,758	709,218	792,913	8,450,889	13,966,413	22,417,302
2009	6,963,721	704,980	818,293	8,486,994	14,357,288	22,844,282
2010	8,558,362	704,973	837,293	10,100,628	14,763,798	24,864,426
2011	8,080,943	704,133	860,118	9,645,194	15,173,288	24,818,482
2012	8,012,143	707,258	881,508	9,600,909	14,960,788	24,561,697
2013	7,520,133	704,088	901,285	9,125,506	15,564,538	24,690,044
2014	6,210,558	707,563	924,625	7,842,746	16,053,538	23,896,284
2015	5,726,996	704,725	949,625	7,381,346	13,690,288	21,071,634
2016	5,714,399	705,838	972,625	7,392,862	13,619,700	21,012,562
2017	5,680,886	705,638	997,625	7,384,149	13,552,563	20,936,712
2018	5,495,783	704,125	1,022,625	7,222,533	13,488,088	20,710,621
2019	5,313,926	706,300	1,047,625	7,067,851	13,435,488	20,503,339
2020	4,556,548	704,700	1,072,625	6,333,873	13,388,450	19,722,323
2021	3,862,040	706,913	1,097,625	5,666,578	13,362,950	19,029,528
2022	3,480,607	707,700	1,127,625	5,315,932	13,341,700	18,657,632
2023	3,321,762	707,063	1,153,200	5,182,025	13,328,700	18,510,725
2024	2,454,012	--	1,180,750	3,634,762	13,317,700	16,952,462
2025	2,451,762	--	1,210,000	3,661,762	13,317,700	16,979,462
2026	2,448,762	--	1,240,675	3,689,437	13,412,200	17,101,637
2027	2,451,887	--	1,342,500	3,794,387	13,305,450	17,099,837
2028	2,454,112	--	1,371,000	3,825,112	13,306,200	17,131,312
2029	2,020,437	--	1,405,750	3,426,187	13,368,000	16,794,187
2030	--	--	1,436,250	1,436,250	13,374,500	14,810,750
2031	--	--	1,467,500	1,467,500	13,389,500	14,857,000
2032	--	--	1,499,250	1,499,250	13,401,250	14,900,500
2033	--	--	1,496,250	1,496,250	13,408,500	14,904,750

(a) Includes bond anticipation notes.

(b) To date, no payments have been required on any guarantees.

The following table sets forth information on Income Tax Revenues and debt service on bonds, notes and other obligations outstanding as of December 31, 2008 that are necessary to determine the applicable coverage requirements related to the Pension Bonds and the CLC Bonds as discussed above.

Income Tax Debt Service Coverage				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Income Tax Revenues(a):				
2.00% Income Tax	\$105,080,466	\$110,533,570	\$114,263,468	\$118,469,586
0.25% CLC Income Tax	11,657,460	13,023,611	13,840,152	14,639,891
Total Income Tax Revenues	\$116,737,926	\$123,557,181	\$128,103,620	\$133,109,477
Debt Service(b):				
Highest Non-CLC Obligations(c)	\$ 8,405,211	\$ 8,251,289	\$ 8,251,289	\$ 10,100,628
Highest Total Debt Service	\$ 22,407,539	\$ 22,407,539	\$ 22,843,989	\$ 24,864,426
Debt Service Coverage(d):				
CLC Bonds	521%	551%	561%	535%
Pension Bonds(e)	1,250%	1,340%	1,385%	1,173%

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- (a) Annual average for most recent two years (the year indicated at the column heading and the preceding year). See **Municipal Income Tax**. For purposes of this table, the coverage tests are determined as of January 1 of the year following the year indicated.
- (b) Projected highest total debt service; see prior table.
- (c) Based on the highest projected debt service as of the then current year.
- (d) Average income tax revenues divided by highest total debt service. Under the Indenture for the Pension Bonds and the Trust Agreement for the CLC Bonds, the coverage required must be at least 300%.
- (e) Excludes debt service on CLC Bonds and CLC Income Tax Revenues (which are specifically pledged only to CLC Bonds). Since CLC Bond debt service is fully paid from CLC Revenues, it does not impact the coverage for the Pension Bonds; otherwise this coverage would be the same as for the CLC Bonds.

The following table sets forth the debt service and revenue information necessary to determine coverage under the CLC Revenues Coverage Test provided in the Trust Agreement for the CLC Bonds. CLC Revenues Coverage is provided for 2005 through 2008 and projected through 2013 based on current information. It is expected that Additional Bonds will be issued prior to 2013.

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<u>Year</u>	<u>CLC Bonds Debt Service</u>	<u>CLC Revenues</u>		<u>Accumulated CLC Revenues(a)(b)(c)</u>	<u>CLC Revenues Coverage(d)</u>
		<u>CLC Income Tax Revenues(a)</u>	<u>School Contribution</u>		
2005	\$12,976,763	\$13,104,103	\$3,000,000	\$ 7,237,086	124%
2006	13,217,063	12,943,119	3,000,000	9,244,760	121
2007	13,528,063	14,737,185	3,000,000	12,593,017	131
2008	13,966,413	14,542,597	3,000,000	15,709,690	116
2009	14,357,288	14,542,597	3,000,000	18,395,000	116
2010	14,763,798	14,688,023	3,000,000	20,778,735	117
2011	15,173,288	14,834,903	3,000,000	22,940,350	118
2012	14,960,788	14,983,252	3,000,000	25,462,815	120
2013	15,564,538	15,133,085	3,000,000	27,531,361	117
2014	16,053,538	15,284,416	3,000,000	29,262,239	114

- (a) Assumes no increase in CLC Income Tax Revenues for 2009, but then a 1.0% annual increase, beginning in 2010. The Trust Agreement for the CLC Bonds permits the projection of annual increases of up to 2.5% per year. (See also **Municipal Income Tax**.) There can be no assurances that the CLC Income Tax Revenues will increase as projected.
- (b) In 2008 and each year thereafter, \$500,000 is subtracted to cover possible other CLC-related expenses. To the extent such amount is not required, it will remain in the Accumulated CLC Revenue Account.
- (c) Actual through 2008; estimated for 2009 and thereafter.
- (d) The CLC Revenues, plus, if necessary, an amount of the Accumulated CLC Revenues needed to meet coverage, divided by Bond Service Charges in each year. Under the Trust Agreement for the CLC Bonds, the coverage required in order to issue additional CLC Bonds is at least 100%. Since the CLC Revenues, as projected, provide coverage in excess of 100% of annual Bond Service Charges, use of the Accumulated CLC Revenues would not be required. Adding the Accumulated CLC Revenues to the CLC Revenues substantially increases the coverage in any one year.

NONTAX REVENUE BONDS

The City issued \$35,000,000 City of Akron Nontax Revenue Economic Development Bonds, Series 1997, dated as of November 1, 1997 (the 1997 Nontax Revenue Bonds), to finance the renovation of the vacant O'Neil's Department Store Building in the central business district into an office/retail/restaurant/entertainment/parking complex (see **The City – Community and Economic Development Programs**). The City issued \$19,500,000 City of Akron Taxable Economic Development Revenue Bonds, Series 2006, dated December 15, 2006 (the 2006 Nontax Revenue Bonds), to acquire real property and, as applicable, to improve it for sale or lease for economic development purposes in order to create and preserve jobs and employment opportunities. The City also issued \$20,150,000 Taxable Economic Development Revenue Bonds, Series 2008, dated September 18, 2008 (the 2008 Nontax Revenue Bonds, and together with the 1997 Nontax Revenue Bonds and the 2006 Nontax Revenue Bonds, the Nontax Revenue Bonds) to (i) acquire real property and, as applicable, improve it for use, lease or sale for economic development purposes and (ii) construct and renovate buildings, parking facilities and related structures and otherwise improve the same for use, lease or sale for economic development purposes, in order to create and preserve jobs and employment opportunities.

The Nontax Revenue Bonds are special obligations of the City payable from Nontax Revenues (including fees for licenses, fines, interest earnings and other nontax sources) (see **Nontax Revenues**). They are **not** general obligation debt of the City. The Nontax Revenue Bonds and any additional bonds (the Additional Bonds) issued under the trust indentures applicable to the Nontax Revenue Bonds (the Indentures) are to be paid by the City from certain pledged nontax revenues. Holders of the Nontax Revenue Bonds do not have a security interest in the City's Nontax Revenues other than those pledged under the respective Indentures, and the City is permitted to and

intends to use its Nontax Revenues for other lawful purposes. See **City Debt and Other Long-Term Obligations**.

The City has guaranteed the payment of certain third-party obligations by pledging Nontax Revenues for that payment. (See, for example, **Goodyear Tire & Rubber Company Project**.) To date, the City has not had to make any payments under these guarantees.

The City may, however, only issue Additional Bonds under the Indentures or incur other obligations payable from and secured by a pledge on Nontax Revenues on a parity with those Nontax Revenue Bonds such as the guarantees or other nontax revenue bonds (the NT Parity Obligations) if the City can demonstrate that the average annual Nontax Revenues for the previous two years, taking into account any rate changes then in effect, have aggregated at least 150% (with respect to the 1997 Nontax Revenue Bonds) or 300% (with respect to the 2006 Nontax Revenue Bonds and the 2008 Nontax Revenue Bonds) of the highest amount of (a) debt service on all outstanding Nontax Revenue Bonds (taking into account, with respect to the 2006 Nontax Revenue Bonds and the 2008 Nontax Revenue Bonds, the amount of Project Revenues, as that term is defined in the respective Indentures for those bonds, available to pay debt service) and (b) required payments on the proposed Additional Bonds or NT Parity Obligations and any outstanding NT Parity Obligations due in any succeeding year.

The following table sets forth the debt service on the Series 1997 Nontax Revenue Bonds, the 2006 Nontax Revenue Bonds, the 2008 Nontax Revenue Bonds and the nontax revenue guarantee obligations. The highest amount required for all Nontax Parity Obligations occurs in 2011.

<u>Year</u>	<u>1997 Nontax Revenue Bonds</u>	<u>2006 Nontax Revenue Bonds</u>	<u>2008 Nontax Revenue Bonds</u>	<u>Guarantees(a)</u>	<u>Total Debt Service</u>
2006	\$2,836,740	\$ --	\$ --	\$ 662,402	\$3,499,142
2007	2,834,350	1,513,910	--	987,744	5,336,004
2008	2,837,440	1,554,436	301,340	1,108,161	5,801,377
2009	2,835,400	1,527,661	1,486,063	1,639,565	7,488,688
2010	2,833,800	1,550,886	1,486,063	2,011,581	7,882,329
2011	2,837,300	1,572,078	1,586,063	2,638,736	8,634,177
2012	2,834,200	1,540,766	1,608,688	2,179,999	8,163,653
2013	2,834,500	1,584,453	1,644,100	1,834,879	7,897,932
2014	2,833,750	1,694,033	1,681,194	1,711,329	7,920,306
2015	2,837,750	1,697,558	2,282,600	1,021,229	7,839,137
2016	2,836,000	1,693,333	2,282,429	700,889	7,512,651
2017	2,833,500	1,701,633	2,282,685	700,889	7,518,707
2018	2,835,000	1,694,133	2,282,000	611,364	7,422,497
2019	--	1,688,748	2,282,079	581,522	5,715,393
2020	--	1,695,166	2,282,479	581,522	5,722,211
2021	--	1,696,250	2,282,758	581,522	5,723,574
2022	--	1,693,752	2,282,473	581,522	5,720,791
2023	--	1,697,673	2,282,181	581,522	5,724,420
2024	--	1,696,097	2,282,368	581,522	5,723,031
2025	--	1,695,313	2,282,441	581,522	5,722,320
2026	--	1,695,041	2,282,813	581,522	5,722,420
2027	--	--	2,282,818	581,522	4,027,384
2028	--	--	2,282,793	581,522	2,864,315
2029	--	--	--	581,522	581,522
2030	--	--	--	581,522	581,522
2031	--	--	--	581,522	581,522
2032	--	--	--	581,522	581,522

(a) To date, no payments have been required on any guarantees.

The following table sets forth information on Nontax Revenues and debt service on bonds and obligations necessary to determine the applicable coverage requirements related to the 1997 Nontax Revenue Bonds, the 2006 Nontax Revenue Bonds and the 2008 Nontax Revenue Bonds.

Nontax Revenue Debt Service Coverage

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Nontax Revenues(a)	\$26,486,944	\$26,669,272	\$27,531,852	\$27,174,294
Debt Service(b)	\$3,499,142	\$5,985,975	\$5,985,975	\$8,634,177
Debt Service Coverage (c) (d)	757%	446%	460%	315%

(a) Annual average for most recent two years. See **Nontax Revenues**.

(b) Projected highest total debt service; see prior table.

(c) Average Nontax Revenues divided by highest total debt service. Under the Indenture for the 1997 Nontax Revenue Bonds, the coverage required must be at least 150%. Under the Indentures for the 2006 Nontax Revenue Bonds and for the 2008 Nontax Revenue Bonds, the coverage required must be at least 300%, but includes any Project Revenues as Nontax Revenues.

(d) Does not include any Project Revenues for the 2006 Nontax Revenue Bonds or the 2008 Nontax Revenue Bonds.

LONG-TERM OBLIGATIONS OTHER THAN BONDS AND NOTES

OWDA, ODOT, ODOD and OPWC Loans

The City has entered into loan agreements with the Ohio Water Development Authority (OWDA), the Ohio Department of Transportation (ODOT), the Ohio Department of Development (ODOD) and the Ohio Public Works Commission (OPWC) for its Water System and Sewer System, for other public improvements and for certain economic development projects. These loan agreements are summarized in the following tables.

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<u>Year of Agreement</u>	<u>Project Purpose</u>	<u>Outstanding Amount as of December 31, 2008</u>	<u>Annual Principal & Interest Payment</u>	<u>Final Payment Year</u>
<u>OWDA</u>				
1982	Sewage treatment facilities	\$ 1,242,227	\$ 961,902	2010
1995	Sewage treatment plant computerization	6,983,143	1,176,439	2015
1995	Sewage collection - relief sewers	8,142,292	1,371,789	2015
1999	Water mains - clean and line	781,116	82,691	2020
2000	Sedimentation basin rehabilitation	5,716,185	626,574	2020
2001	Water force main replacement	188,183	58,041	2012
2002	Water force main replacement	1,254,841	341,785	2012
2004	Post chemical building replacement	1,718,655	346,242	2014
2004	Water meter replacement	6,079,440	997,645	2015
2005	Storage Basin for CSO	<u>8,480,526</u>	1,571,991	2014
	Total OWDA	\$ 40,586,608		
<u>ODOT</u>				
2004	U.S. 224 upgrading	\$ 2,513,932	\$ 460,955	2014
2004	Bridge improvements	2,731,218	500,796	2014
2005	Cascade Locks Bikeway	<u>2,008,634</u>	320,270	2015
	Total ODOT	\$ 7,253,784		
<u>ODOD</u>				
1997	Industrial Incubator Project	\$ 195,034	\$ 64,638	2012
2003	University Technology Park Project	<u>945,032</u>	\$ 121,494	2018
	Total ODOD	\$ 1,140,066		

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<u>Year of Agreement</u>	<u>Project Purpose</u>	<u>Outstanding Amount as of December 31, 2008</u>	<u>Annual Principal & Interest Payment</u>	<u>Final Payment Year</u>
<u>OPWC</u>				
1994	Sewer System improvements	\$202,441	\$21,310	2018
1995	Water main replacements	537,682	51,208	2019
1996	Main outfall sewer rehabilitation	498,996	45,363	2019
1997	Sewer System improvements	357,000	29,750	2020
1997	Street improvements	361,000	38,000	2018
1998	Street improvements	583,050	50,700	2020
1998	Street improvements	500,182	33,345	2023
1999	Street improvements	389,025	29,925	2021
1999	Lakeshore Blvd. outfall sewer	159,118	12,240	2021
1999	Bye Street storm sewer outlet	182,813	14,625	2021
2000	Post chemical building replacement	693,625	44,750	2023
2000	Bridge improvement	223,770	16,576	2022
2000	Street improvements	82,350	6,100	2021
2000	Northwest storm sewer	313,555	21,624	2022
2001	Street improvements	617,842	41,189	2023
2003	Street improvements	736,695	43,335	2025
2004	Bridge improvement	105,000	5,250	2028
2005	Street improvements	54,000	2,700	2028
2005	Street improvements	1,690,200	93,900	2027
2005	Street improvements	716,903	37,732	2028
2005	Sewer System improvements	159,830	9,133	2025
2006	Street Improvements	988,000	49,400	2028
2006	Street Improvements	170,570	9,220	2027
2006	Street Improvements	834,000	41,700	2028
2007	Street Improvements	836,200	41,810	2028
2008	Street Improvements	1,299,000	43,300	2039
2008	Street Improvements	361,000	12,033	2040
2008	Street Improvements	225,000	7,500	2040
2008	Street Improvements	<u>861,700</u>	28,723	2040
Total OPWC		\$14,740,547		

Where applicable, the payments under these loan agreements are required to be made from revenues of the appropriate system after payment of operation and maintenance expenses of the system and the requirements of any revenue bonds issued for that system. The loan agreements grant no security or property interest to the OWDA or the OPWC in any property of the City, and do not pledge the general credit of the City, or create a debt subject to the direct or indirect

debt limitations, or require the application of the general resources of the City for repayment. All of the OPWC loans are interest-free.

Certificates of Participation

Canal Park Baseball Stadium Project. In July 2005, the City issued \$32,065,000 Refunding Certificates of Participation, Series 2005 (the Series 2005 Stadium COPs), to advance refund the outstanding principal amount of a prior issue of Certificates of Participation dated November 7, 1996. Those original COPs were issued as part of the funding for the Canal Park Stadium (see **Central Business District Development Program**). The Series 2005 Stadium COPs evidence the owners' proportionate interest in the rent to be paid by the City under an amended lease-purchase agreement (the Amended Lease). The obligations of the City under the Amended Lease, including making rental payments, are subject to and dependent upon annual appropriations by the City. The City's obligation to make these rental payments does not constitute a debt of the City within the meaning of any constitutional or statutory limitation. The City has made such an appropriation for each fiscal year from 1997 through 2009. The Amended Lease, and the payments thereunder, continue through 2016. The remaining aggregate principal component is \$24,750,000 and the average annual payment over the life of the Series 2005 Stadium COPs is approximately \$3.57 million.

Parking Facilities Project. In September 2005, the City issued \$31,940,000 Certificates of Participation, Series 2005-A (the Series 2005-A Parking COPs), to finance and refinance the costs of constructing and equipping various municipal off-street parking facilities, including parking decks, garages and surface parking lots. As part of this financing, the Series 2005-A Parking COPs refunded \$21,820,000 of outstanding general obligation bonds and notes of the City previously issued to fund municipal parking facilities. The Series 2005-A Parking COPs evidence the owners' proportionate interest in the rent to be paid by the City under a lease-purchase agreement (the Lease). In December 2007, the City issued \$19,610,000 Certificate of Participation, Series 2007 (the Series 2007 Parking COPs, and together with the Series 2005-A Parking COPs, the Parking COPs), to finance the costs of constructing and equipping certain municipal off-street parking facilities. The Series 2007 Parking COPs were issued as additional obligations under the Lease pursuant to a First Supplement Lease Purchase Agreement. The obligations of the City under the Lease, including making rental payments, are subject to and dependent upon annual appropriations by the City. The City's obligation to make these rental payments does not constitute a debt of the City within the meaning of any constitutional or statutory limitation. The City has made such an appropriation for each fiscal year from 2006 through 2009. The Lease, and the payments thereunder, continue through 2028. The remaining aggregate principal component is \$46,830,000, and the average annual payment over the life of the Parking COPs is approximately \$13.58 million. The City expects that a portion of the payments will be made from revenues from the parking facilities.

Other Obligations

The City has a lease with the Ohio Building Authority for space in the Ocasek Government Office Building. The rent for 2009 is \$166,125, and the lease term ends December 2009 with an option to renew. This space is being used for City offices. (See **Central Business District Development Programs – State, County and City Projects.**)

The City and County have entered into a prisoner housing agreement under which the County houses certain prisoners for the City in the County Jail (see **Industrial Development Program – Sweitzer Avenue Industrial Development Project**). The City's annual payments include an amount to pay debt service on a portion of the County's bonds issued to construct and improve its jail facilities. The City's payment in 2008 was \$5,429,020, including \$508,820 to pay

debt service. The agreement continues until 2018 with an option to extend for an additional 25 years.

The City also has a 10-year lease with 1st Source Bank for the purchase of automated trash trucks and trash carts to be used for its residential trash collection throughout the City. The lease calls for a semiannual payment of \$576,486 with the final payment due October 15, 2016.

The City has no other long-term financial obligations, other than the bonds and notes and other obligations described above.

RETIREMENT OBLIGATIONS

Present and retired employees of the City are covered under two statewide public retirement (including disability retirement) systems. The Ohio Police and Fire Pension Fund (OP&F) covers uniformed members of the police and fire departments. All other eligible City employees are covered by the Ohio Public Employees Retirement System (OPERS).

Employees covered by OPERS contribute at a statutory rate of 10% of earnable salary or compensation. The recent and current employer contribution rate is 14.00%. OPERS reports a total unfunded actuarial accrued pension liability (both State and local government employees, but excluding health care) of \$4.9 billion at December 31, 2006, the most recent date as of which information is available.

OP&F-covered employees contribute at a statutory rate of 10% of gross earnings. The City contributes at rates (actuarially established and fixed by the OP&F Board), applying to earnable salary or compensation, of 19.5% for police personnel and 24% for fire personnel. OP&F reports, as of December 31, 2006, a total unfunded actuarial accrued liability of \$2.8 billion. In 1999, the City issued Income Tax Revenue Bonds to refund the City's obligation for its unfunded accrued liability, which was determined in 1967 when this Statewide system was established (see **Income Tax Revenue Bonds**).

Federal law requires City employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the wage base. Otherwise, City employees who are covered by a State retirement system are not currently covered under the federal Social Security Act.

The City's current employer contributions to OPERS and OP&F have been treated as current expenses and included in the City's operating expenditures, except to the extent paid from the proceeds of the "Police and Fire Pension" levy referred to above under **Tax Rates**.

OP&F and OPERS are not subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974. Both OP&F and OPERS are created by and operate pursuant to Ohio law. The General Assembly could determine to amend the format of either fund and could revise rates or methods of contributions to be made by the City into the pension funds and revise benefits or benefit levels.

In addition to the post-retirement benefits provided by OP&F and OPERS, the City provides post-retirement health care and life insurance benefits, in accordance with union agreements and City Council ordinances, for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. As of December 31, 2008, approximately 1,925 retirees met those eligibility requirements. The City pays 100% of the cost of health care and life insurance benefits. These benefits are financed on a pay-as-you go basis; as such, the cost of retiree health care and life

insurance benefits is recognized as expenditure/expense as claims are incurred. For 2008, those costs totaled \$4,498,018.

LEGAL MATTERS

LITIGATION

The City is a party to various legal proceedings seeking damages or injunctive or other relief and generally incidental to its operations. These proceedings are unrelated to any outstanding City debt, or the security therefor, or the permanent improvements being financed. The ultimate disposition of these proceedings is not now determinable, but will not, in the opinion of the City Director of Law, have a material adverse effect on any outstanding City debt, or the security therefor, or those improvements.

Under current Ohio law, City money, accounts and investments are not subject to attachment to satisfy tort judgments in State courts against the City.

The City has been self-insured for liability coverage for non-auto related incidents since 1985. The City has secured traditional insurance for other types of coverage, such as property insurance, airport liability, employee life, auto liability and boiler and machinery coverage. The City is assisted in its insurance program by an independent consulting firm that writes no insurance, but has expertise in the insurance industry. The City relies on the advice provided by the consultant in securing any insurance.

BOND COUNSEL

The City has retained the legal services of Squire, Sanders & Dempsey L.L.P., as bond counsel in connection with the issuance of certain bonds, notes and other obligations of the City. The City also retains the legal services of Roetzel & Andress Co. L.P.A., as bond counsel for certain other issues of bonds and notes of the City. Legal matters incident to the issuance of that debt and with regard to the tax-exempt status of the interest thereon are subject to the respective legal opinions of those bond counsels.

RATINGS

The City's general obligation bonds are rated "AA-" by Standard & Poor's Ratings Services, "AA-" by Fitch Ratings and "A1" by Moody's Investors Service, Inc.

The ratings reflect only the respective views of the rating services, and any explanation of the meaning or significance of the ratings may be obtained only from the respective rating service. The City furnished to each rating service certain information and materials, some of which may not have been included in this Annual Statement, relating to the outstanding obligations and the City. Generally, rating services base their ratings on such information and materials and on their own investigation, studies and assumptions. There can be no assurance that a rating when assigned will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating service if in its judgment circumstances so warrant. Any lowering or withdrawal of a rating may have an adverse effect on the marketability or market price of the outstanding obligations. The City may issue debt for which a rating is not requested. Failure to furnish requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of a rating on outstanding obligations.

CONCLUDING STATEMENT

To the extent that any statements made in this Annual Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of those statements have been or will be realized. Information in this Annual Statement has been derived by the City from official and other sources and is believed by the City to be accurate and reliable. Information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

This Annual Statement has been prepared and delivered by the City and signed for and on behalf of the City by its Director of Finance in her official capacity.

CITY OF AKRON, OHIO

Dated: June 26, 2009

By: /s/ Diane Miller-Dawson
Director of Finance

APPENDIX A-1: Comparative Summary of General Fund Receipts ^(a)

<u>Source</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Budgeted 2009</u>
Taxes:						
Real Estate & Public Utility	\$18,554,963	\$21,397,823	\$23,671,030	\$23,055,251	\$23,212,173	\$22,747,900
Local Government	14,405,110	14,441,757	14,434,069	14,418,325	14,227,271	13,231,400
Estate (Inheritance)	2,891,546	5,655,709	2,763,674	2,886,320	5,330,376	3,750,000
Charges for Public Services:						
General Government Revenue	413,911	785,275	736,138	475,118	476,765	476,000
Service Revenues	18,452,230	19,415,676	21,212,708	21,369,422	20,927,850	22,390,000
Interfund Transfer:	430,000	333,950	43,414	34,893	1,006,390	1,225,000
Licenses, Permits and Inspections:	3,592,060	4,711,497	4,417,460	4,974,028	4,495,048	2,695,000
Other Receipts:						
JEDD Revenues	8,000,000	800,000	2,040,000	2,920,000	800,000	2,550,000
Miscellaneous	4,524,809	1,009,611	1,089,386	1,429,765	1,129,977	1,901,800
Investment Earnings	990,000	1,100,000	623,020	125,000	147,895	147,900
Income Tax Collection	69,216,301	77,040,420	77,813,800	82,611,299	85,569,600	83,219,600
Total Receipts	\$141,470,930	\$146,691,718	\$148,844,699	\$154,299,421	\$157,323,345	\$154,334,600
Balance January 1	6,257,650	4,846,446	5,678,416	6,074,686	6,297,205	6,562,349
Total Receipts and Balance	<u>\$147,728,580</u>	<u>\$151,538,164</u>	<u>\$154,523,115</u>	<u>\$160,374,107</u>	<u>\$163,620,550</u>	<u>\$160,896,949</u>

^(a) This Summary differs from those presented in prior Annual Statements because some of the categories of revenue sources have been consolidated. Totals remain the same.

APPENDIX A-2: Comparative Summary of General Fund Expenditures

<u>Source</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Appropriated 2009</u>
Legislative:						
Council	\$ 667,957	\$ 689,254	\$ 757,250	\$ 781,332	\$ 838,598	\$ 826,490
Council Clerk's Office	<u>298,292</u>	<u>295,078</u>	<u>230,121</u>	<u>225,082</u>	<u>229,291</u>	<u>276,210</u>
Total Legislative	966,249	984,332	987,641	1,006,414	1,067,889	1,102,700
Judicial:						
Municipal Court - Judges	3,064,135	3,044,422	3,222,533	3,428,879	3,513,738	3,635,600
Court Clerk's Office	<u>2,961,931</u>	<u>2,937,000</u>	<u>2,958,446</u>	<u>3,112,101</u>	<u>3,217,218</u>	<u>3,368,490</u>
Total Judicial	6,026,066	5,981,422	6,180,979	6,540,980	6,730,956	7,004,090
Law Enforcement:						
Law Director's Office	3,527,415	3,533,023	3,684,351	3,850,296	3,848,880	3,916,300
Indigent Defense	<u>390,195</u>	<u>308,743</u>	<u>372,378</u>	<u>349,412</u>	<u>388,639</u>	<u>380,000</u>
Total Law Enforcement	3,917,610	3,841,766	4,056,729	4,199,708	4,237,519	4,296,300
Commissions and Executive:						
Planning	1,530,792	1,437,341	1,548,104	1,640,400	1,718,102	1,546,910
Civil Service Commission	<u>1,491,793</u>	<u>1,394,753</u>	<u>1,078,518</u>	<u>1,074,255</u>	<u>1,124,093</u>	<u>1,128,990</u>
Mayor's Office	2,625,316	2,704,808	2,612,810	2,774,070	2,997,742	3,179,320
Human Relations Commission	<u>190,563</u>	<u>195,378</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Commissions and Executive	5,838,464	5,732,280	5,239,432	5,488,725	5,839,937	5,855,220
Finance Department:						
Director's Office and Budget						
Management	368,875	317,365	331,630	337,956	249,567	244,990
Purchasing	<u>622,203</u>	<u>598,807</u>	<u>673,213</u>	<u>687,921</u>	<u>724,226</u>	<u>741,830</u>
Accounting, Payroll and Audit	1,235,256	1,084,545	1,513,371	1,450,022	1,513,438	1,421,460
Treasury	<u>108,260</u>	<u>100,522</u>	<u>103,256</u>	<u>111,452</u>	<u>88,263</u>	<u>64,610</u>
City-Wide Other Expense(a)	<u>4,500,698</u>	<u>5,278,905</u>	<u>4,521,674</u>	<u>4,190,430</u>	<u>4,267,041</u>	<u>4,673,000</u>
Total Finance Department	<u>6,835,292</u>	<u>7,380,144</u>	<u>7,143,144</u>	<u>6,777,781</u>	<u>6,842,535</u>	<u>7,145,890</u>
Subtotal for General Government	\$23,583,681	\$23,919,944	\$23,607,925	\$24,013,608	\$24,718,836	\$25,404,200

(a) Reflects expenditure not in control of a department head, such as retirement benefits, computer time, claims and judgments and audit costs.

APPENDIX A-2: Comparative Summary of General Fund Expenditures (Continued)

<u>Source</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Appropriated 2009</u>
Safety Department:						
Police	\$42,543,554	\$44,629,757	\$45,528,562	\$47,816,145	\$48,997,210	\$47,580,240
Corrections	8,785,921	8,220,460	8,526,359	9,414,832	8,775,745	9,690,000
Fire	25,608,456	25,702,138	26,679,470	27,095,834	28,254,207	27,649,890
Communications	1,350,090	1,410,927	1,454,317	1,534,706	1,488,697	1,558,140
Traffic Engineer	1,488,732	1,481,808	1,545,101	1,576,013	1,569,816	1,517,810
Combined Dispatch Center	4,116,632	4,186,597	4,111,499	4,398,869	4,314,778	4,642,690
Inspection-Building	1,550,911	2,166,769	1,758,060	1,648,429	1,795,583	463,040
Inspection-Weights & Measures	248,531	285,152	211,839	62,352	59,759	50,000
Disaster Services	570	136	34	26	449	27,000
Total Safety Department	85,693,397	88,083,744	89,815,241	93,547,206	95,256,243	93,178,810
Health Department:						
Administration	1,559,291	1,258,480	1,239,740	1,279,981	1,460,963	1,291,290
Environmental Health and Housing	2,311,831	2,221,792	2,371,132	2,541,605	2,623,148	2,661,340
Health Education	223,951	255,786	282,947	797,698	775,274	953,900
Medical & Nursing Services	2,122,563	2,048,307	2,135,989	2,035,114	1,878,698	2,016,440
Laboratory	339,905	345,285	339,579	354,494	375,124	403,730
Vital Statistics	518,851	875,219	928,817	440,105	391,881	426,000
Counseling Services	341,767	350,287	351,203	356,888	399,960	381,290
Total Health Department	7,418,159	7,355,156	7,649,407	7,805,885	7,905,048	8,133,990
Service Department:						
Service Director's Office	893,594	965,407	1,001,762	1,008,445	1,139,787	956,150
Customer Service	976,931	943,304	793,019	766,376	813,507	754,570
Customer Service Call Center	-0-	730,720	747,812	813,849	780,905	712,910
Plan Center	231,075	250,028	241,997	226,962	218,040	225,450
Street Lighting	107,483	81,226	16,256	212,328	246,146	217,000
Building Maintenance	3,320,459	3,096,568	3,206,670	3,343,947	3,537,428	3,506,090
Airport	260,775	306,614	399,954	551,028	530,160	250,000
Parks Maintenance	3,237,685	3,207,173	3,294,797	3,251,848	3,445,591	3,426,010
Recreation & Zoo	3,885,490	3,956,382	3,900,528	4,022,581	4,183,907	3,987,360
Sanitation Services & Landfill	8,338,333	8,859,277	9,430,901	10,105,808	9,761,970	10,000,310
Highway Maintenance	1,800,000	1,900,030	2,054,037	1,999,920	2,099,920	2,000,000
Sewer Maintenance	598,220	549,343	661,158	646,415	685,760	697,240
Public Works Administration	576,054	518,641	537,115	547,852	576,664	582,320
Recycling	873,455	1,064,923	1,014,894	1,134,387	1,082,794	1,057,970
Engineering Services	66,857	71,268	74,956	78,457	75,512	-0-
Total Service Department	25,166,411	26,500,904	27,375,856	28,710,203	29,178,075	28,373,380
Total General Fund Expenditures	\$140,085,421	\$145,859,748	\$148,448,429	\$154,076,902	\$157,058,202	\$155,090,380

APPENDIX B: Cash Basis Financial Statement Summary

FISCAL YEAR 2004

<u>Funds</u>	<u>Balance at Beginning</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance at Close</u>
General Fund	\$ 6,257,649.65	\$141,470,930.59	\$142,882,134.12	\$ 4,846,446.12
Special Revenue Fund	29,960,409.70	276,795,682.21	279,178,115.70	27,577,976.21
Debt Service Fund	5,799,067.34	142,466,529.74	143,543,038.66	4,722,558.42
Capital Projects Fund.....	(33,975,183.82)(a)	83,661,452.35	69,196,151.17	(19,509,882.64)(a)
Enterprise Fund.....	14,317,857.10	95,979,566.60	100,094,111.43	10,203,312.27
Internal Service Fund.....	4,547,999.31	45,500,909.06	46,990,357.57	3,058,550.80
Trust & Agency Fund	<u>8,166.05</u>	<u>7,029.80</u>	<u>12,579.86</u>	<u>2,615.99</u>
Total.....	<u>\$26,915,965.33</u>	<u>\$785,882,100.35</u>	<u>\$781,896,488.51</u>	<u>\$30,901,577.17</u>

FISCAL YEAR 2005

<u>Funds</u>	<u>Balance at Beginning</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance at Close</u>
General Fund	\$ 4,846,446.12	\$146,691,717.58	\$145,859,748.27	\$ 5,678,415.43
Special Revenue Fund	27,577,976.21	133,533,271.67	132,365,643.00	28,745,604.88
Debt Service Fund	4,722,558.42	144,185,147.71	144,009,713.22	4,897,992.91
Capital Projects Fund.....	(19,509,882.64)(a)	70,997,064.46	68,230,689.74	(16,743,507.92)(a)
Enterprise Fund.....	10,203,312.27	104,315,192.84	104,418,165.85	10,100,339.26
Internal Service Fund.....	3,058,550.80	45,282,849.79	47,826,711.13	514,689.46
Trust & Agency Fund	<u>2,615.99</u>	<u>11,919.21</u>	<u>9,919.38</u>	<u>4,615.82</u>
Total.....	<u>\$30,901,577.17</u>	<u>\$645,017,163.26</u>	<u>\$642,720,590.59</u>	<u>\$33,198,149.84</u>

FISCAL YEAR 2006

<u>Funds</u>	<u>Balance at Beginning</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance at Close</u>
General Fund	\$ 5,678,415.43	\$148,844,699.45	\$148,448,428.64	\$ 6,074,686.24
Special Revenue Fund	28,745,604.88	138,068,245.29	136,195,954.18	30,617,895.99
Debt Service Fund	4,897,992.91	119,681,882.23	118,095,982.10	6,483,893.04
Capital Projects Fund.....	(16,743,507.92)(a)	57,312,823.32	54,061,273.56	(13,491,958.16)(a)
Enterprise Fund.....	10,100,339.26	94,926,535.55	92,332,588.99	12,694,285.82
Internal Service Fund.....	514,689.46	47,139,788.80	49,619,378.23	(1,964,899.97)(b)
Trust & Agency Fund	<u>4,615.82</u>	<u>21,711.71</u>	<u>7,747.62</u>	<u>18,579.91</u>
Total.....	<u>\$33,198,149.84</u>	<u>\$605,995,686.35</u>	<u>\$598,761,353.32</u>	<u>\$40,432,482.87</u>

(a) Deficit a result of capital expenditures on numerous projects for which long-term debt had not yet been issued and delays in reimbursement of City's portion of project costs from Special Revenue Fund until completion of various special assessment projects.

(b) Deficit a result of delays in charges to various departments and divisions in connection with self-insurance program.

FISCAL YEAR 2007

<u>Funds</u>	<u>Balance at Beginning</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance at Close</u>
General Fund	\$ 6,074,686.24	\$154,299,420.48	\$154,076,901.72	\$ 6,297,205.00
Special Revenue Fund	30,617,895.99	139,424,253.86	140,132,049.88	29,910,099.97
Debt Service Fund	6,483,893.04	128,875,243.26	129,461,379.76	5,897,756.54
Capital Projects Fund.....	(13,491,958.16)(a)	75,185,896.35	69,570,635.17	(7,876,696.98)(a)
Enterprise Fund.....	12,694,285.82	85,958,055.72	88,199,517.89	10,452,823.65
Internal Service Fund.....	(1,964,899.97)(b)	52,266,368.19	52,679,191.77	(2,377,723.55)(b)
Trust & Agency Fund	<u>18,579.91</u>	<u>7,142.00</u>	<u>6,124.49</u>	<u>19,597.42</u>
Total.....	<u>\$40,432,482.87</u>	<u>\$636,016,379.86</u>	<u>\$634,125,800.68</u>	<u>\$42,323,062.05</u>

FISCAL YEAR 2008

<u>Funds</u>	<u>Balance at Beginning</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance at Close</u>
General Fund	\$ 6,297,205.00	\$157,323,345.55	\$157,058,201.90	\$ 6,562,348.65
Special Revenue Fund	29,910,099.97	150,982,018.25	155,497,728.38	25,394,389.84
Debt Service Fund	5,897,756.54	85,405,467.62	84,122,321.39	7,180,902.77
Capital Projects Fund.....	(7,876,696.98)(a)	78,975,738.43	84,483,699.23	(13,384,657.78)(a)
Enterprise Fund.....	10,452,823.65	85,505,691.52	93,642,269.65	2,316,245.52
Internal Service Fund.....	(2,377,723.55)(b)	53,623,502.85	56,047,829.40	(4,802,050.10)(b)
Trust & Agency Fund	<u>19,597.42</u>	<u>9,121.00</u>	<u>5,605.14</u>	<u>23,113.28</u>
Total.....	<u>\$42,323,062.05</u>	<u>\$611,824,885.22</u>	<u>\$630,857,655.09</u>	<u>\$23,290,292.18</u>

(a) Deficit a result of capital expenditures on numerous projects for which long-term debt had not yet been issued and delays in reimbursement of City's portion of project costs from Special Revenue Fund until completion of various special assessment projects.

(b) Deficit a result of delays in charges to various departments and divisions in connection with self-insurance program.



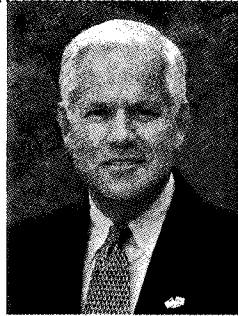
Greenprint for Akron

April



2009

A letter from the mayor



To the Citizens of Akron:

We are caretakers of our land, our water, and our environment. We must make wise choices today, so that our grandchildren and their children's children have a safe and clean city and a prosperous community.

That's why in August, 2007, I launched a new initiative to create a "Greenprint" for Akron. Just as contractors follow blueprints to build a house; our greenprint helps us plan how we will build an environmentally-friendly city in the 21st century.

We did not create a new department or add employees to prepare the extensive plan that is summarized in the document you are holding. Instead, we already had a well-established environmentally-friendly organization in place - Keep Akron Beautiful — whom I tasked with the job of spearheading Akron's effort to bring government, residents, and the private sector together to plan for the future.

How important is this task? As of today, 916 mayors from all 50 states have signed the Mayor's Climate Protection Agreement which was developed during my term as president of the U.S. Conference of Mayors in 2004. I was proud to have Akron be among the first to join.

Akron has had a history of creating environmentally-friendly policies, even before it was fashionable. Fifteen years ago, Akron began curbside recycling. We developed the nation's first electric generating anaerobic digester system at our Water Pollution Control Plant. We have been recycling motor oil and asphalt for years.

This summary defines the vision for Akron's Greenprint, and the smart goals that we will strive to meet. Each goal has clear and measurable objectives. For example, I want the city to reduce our CO2 emissions from government operations as well as the community at large, by 5% by 2013, 10% by 2018, and 20% by 2025. These are aggressive goals, but Akron has been at the forefront of environmental issues and I know we can lead the way again. We will also work closely with Summit County Executive, Russ Pry and his Summit County Green Task force on joint projects to enhance the environment.

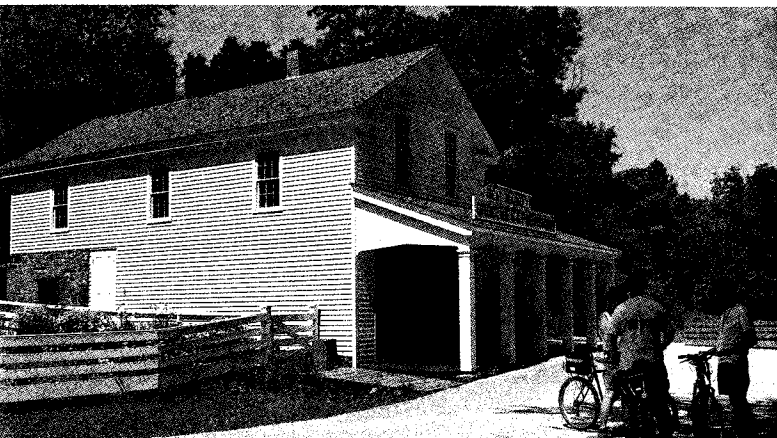
Many of our department managers have played a key role in developing this plan for the 21st century. My thanks to each of them and to Paula Davis, President and CEO of Keep Akron Beautiful.

The Greenprint is a living document, and as we learn more about climate change and our role in protecting the environment, we will fine-tune our plan for the future. I look forward to working with you in showing the nation again, how Akron is a leader in protecting the environment.

Sincerely,

A handwritten signature in dark ink, appearing to read "Don Plusquellic". The signature is fluid and cursive, written in a professional style.

Don Plusquellic, Mayor



Akron's Historical Connection with its Environment

Akron is a city driven by imagination made reality. In 1825, Akron became a city only because a few citizens imagined a canal could be cut through its steep and rolling terrain. From this birth Akron grew into a vibrant city center propelled by the continued imagination of its hardworking population and the wealth of natural resources that surrounded the hilltop city. Akron's imagination took resources from the earth and turned them into energy, products, infrastructure, and ideas that defined a region and helped sustain a country through depressions and wars. Canal City. Rubber City. Polymer City. Never before had a city grown so quickly and Akron became overwhelmed by its multiplying population. Services and infrastructure were pushed to their breaking points and the natural environment that had blessed our city with its prosperity became threatened. Changes had to be made.

In 1921, the Akron Metropolitan Park District began to acquire land for preservation and eventually grew into the Summit County Metro Parks that boasts over 9,000 acres and 4 million visitors. The City, along with Keep Akron Beautiful, contributes to the community's quality of life by maintaining 131 city park sites that comprise over 950 acres. Joint Economic Development Districts (JEDDs) have created an opportunity to correct infrastructure issues that threaten local waterways and wildlife. The City began to recognize its natural resources as a part of its identity, its responsibility, and its key to the future.

Akron has always seen a challenge as an extraordinary opportunity. Here is our next challenge: preserve and improve the Akron environment; contribute to a healthier quality of life for the Akron community; and grow the Akron economy to the betterment of both the environment and the community. What is our most promising natural resource? The people of Akron.

Creating a Sustainability Operating System

As with any plan, it is only as good as the process that develops it. It is through this process that the City learns to define goals and guidelines and, basically, how it will accomplish what it needs to do.

Since 2007 when Akron's Mayor Don Plusquellic first announced that the City would develop a sustainability plan and tapped Keep Akron Beautiful with the charge to lead the process; community members, city workers, and local sustainability experts Affinity Consultants, Inc. have been working diligently to create a strategy.

Keep Akron Beautiful and the City of Akron utilize a secured web-based intranet site for the decision-making and implementation process. The site is an internal communication tool to inspire collaboration and promote the efficiency and effectiveness of the Greenprint Plan.

Guiding Principles

Akron has chosen 7 Guiding Principles that will assist the City with moving towards sustainability. The next step will be for the Task Force to determine City policies that will support the Guiding Principles and provide opportunities to implement a strategic Greenprint path.

Guiding Principle One: Akron will reduce its climate change impact.

The City of Akron has established a baseline indicator of its greenhouse gas (GHG) emissions, a human driven factor that effects climate change. In 2008, two City of Akron Engineers were trained in how to gather the necessary governmental and community data and input it into the ICLEI Cities for Climate Protection software to establish a baseline year for the City and the community's GHG emissions. The year 2005 was selected as the baseline year for the GHG ICLEI survey because that was the year that provided the best available data. The engineers collated the data received from the sources and input the data into the ICLEI software program to generate the report.

Paula Davis, President and CEO of Keep Akron Beautiful, and Director of the Greenprint Plan has captured actions the City of Akron has already implemented. Key successes will be quantified and, along with other community factors, input into the ICLEI Cities for Climate Protection software to offer an estimated projection of emission reductions since 2005. Estimating GHG reductions of selected actions in the Plan will assist the City in understanding the implications of current policy and assist in reaching adopted GHG reduction targets. During this draft process, the City committed to a three-step targeted reduction of the City of Akron's GHG levels from the 2005 baseline. The reductions are 5% by 2013, 10% by 2018, and achieve a 20% reduction by 2025.

Guiding Principle Two: Akron will implement efficient waste management and waste reduction.

Reducing and reusing waste, and to some degree recycling, would reduce greenhouse gas emissions, which contribute to global warming, and impact climate change. Additionally, waste reduction conserves raw materials and reduces the air and water pollution associated with the extraction, collection, and processing of raw materials.

The City of Akron will capture the quantitative affect of its current household curbside recycling initiative and success stories. These results will indicate the disposal trend and provide an opportunity for future initiatives.

Guiding Principle Three: Akron will promote environmental literacy.

The City will take environmental literacy a step further in engaging the community. This engagement will also be a tool in the decision-making process/guiding principle matrix. The engagement will include interviews and surveys of Akron residents and Akron-area businesses. These interviews and surveys will gauge perceptions of and receptiveness to proposed Greenprint ideas and processes among both residents and the business community in order to aid in plan prioritization. This will allow City officials to learn what the community's response will be to certain Greenprint programs and which programs the community emotionally connects with and believes will better their quality of life.

Guiding Principle Four: Akron will institute an environmentally, socially, and economically responsible purchasing program.

The ability to extend Akron's positive impact beyond City boundaries is assisted by this guiding principle. Furthermore, reviewing purchasing processes and understanding the benefits of responsible purchasing can open new networks and partnerships for the City. Existing purchasing partners can be encouraged to develop new policy that promotes corporate industry changes. Additionally, fresh innovative partnerships can create opportunities for new resources for the City by generating strengthened relationships with regulatory agencies, the media, and the sustainable business innovators.

Guiding Principle Five: Akron will seek outside funding sources and maintain fiscal prudence.

The role of city government is to provide basic municipal services at the lowest cost possible. Akron's goal is to maintain this same role while cohesively implementing sustainable actions. However, as an example, existing antiquated service rate structures might not comply with this concept and will need to be reviewed. Therefore, solutions must go beyond the norm and creatively find the funding to maintain basic services. The City government must be very careful to identify between basic necessary services, short-term solutions, and the long-term vision of sustainability. Not everything that provides an immediate cost benefit or avoids a negative fiscal impact is a long-term benefit to the community.

Opportunities in outside funding sources, including state and federal earmarked funds, will be actively researched and sought. This will encourage accountability, discipline, commitment, and completion of projects. Fiscal transparency and funding projects that are encouraged

by community research will additionally provide a strong backbone to this guiding principle.

Guiding Principle Six: Akron will promote and seek the development of green jobs.

The Environmental Business Journal notes that, in the United States in 2005, the green industry was worth about \$265 billion and employed 1.6 million people in an estimated 118,000 jobs. It is estimated to be growing at a rate of approximately 5% annually.

Akron has always been on the cusp of innovation with its history in the rubber industry and its current polymer industry and biomedical corridor. The development of the City's Greenprint Plan provides opportunity for the promotion of the City as a green-friendly environment for new green industries. The movement of green industries into the area through the Akron Global Business Accelerator will provide job creation and retain green job seekers that would otherwise go elsewhere for opportunities. The influx of new green technological industry will also create competition and ingenuity among existing local industries.

Local green jobs would help to revitalize the City's strong middle class, provide pathways out of poverty, encourage new skills (and some new thinking about old skills), and strengthen the community, besides protecting the health of the planet.

Guiding Principle Seven: Akron will encourage the concept of new urbanism and regional smart growth.

New urbanism falls in line with City goals on many levels. This engagement can retain residents, create community connections, develop a stronger tax base, and encourage infill housing and job development – all leading to an economically sustainable City. It offers opportunities in cross-collaboration, with stakeholders and the community, to resolve development issues, create planning and investment guidelines, gain support leading to innovative strategies, and ultimately define a strengthened cultural identity for the City.

Furthermore, a city that incorporates these changes has an opportunity to better public health. A 2006 study prepared for the US Green Building Council (USGBC), Congress for the New Urbanism (CNU), Natural Resources Defense Council (NRDC) and the participants in the Leadership in Energy and Environmental Design for Neighborhood Development (LEED-ND) Core Committee focused on understanding the impact the built environment and development changes has on public health. These improvements include links between air quality from vehicle emissions and respiratory and cardiovascular health, roadway designs that can decrease traffic accidents, walking and biking paths and increased public transit use that can lead to improved physical fitness, and how these changes can create healthy social networks for the community.

Additionally, appealing to quality of life standards and creating a city center where people choose to live and companies choose to invest is one of the most effective ways to achieve environmental sustainability by reducing land consumption and the greenhouse gases produced by extraneous transit.



Greenprint Akron: A sustainability plan for the City of Akron

Greenprint Mission:

Greenprint Akron creates an environmental partnership to foster a sustainable, eco-friendly community through education and leadership.

Greenprint Vision

Greenprint Akron sets a vision for a sustainable community that contributes to climate and environmental protection which will create opportunities for a healthier quality of life and economic growth.

Cities for Climate Change Campaign

ICLEI – Local governments for sustainability

Milestone 1

Conduct a local inventory and forecast of greenhouse gas emissions.

Milestone 2

Adopt an emissions reduction target.

Milestone 3

Draft an action plan to achieve target.

Milestone 4

Implement an action plan.

Milestone 5

Evaluate report on progress and update plans.

Greenprint Guiding Principles

1. Akron will reduce its climate change impact.
2. Akron will implement efficient waste management and waste reduction.
3. Akron will promote environmental literacy.
4. Akron will institute an environmentally, socially, and economically responsible purchasing program.
5. Akron will seek outside funding sources and maintain fiscal prudence.
6. Akron will promote and seek the development of green jobs.
7. Akron will encourage the concept of new urbanism and regional start growth.

Eight Smart Areas

Smart Area Goals

Smart Energy & Emissions

Energy Efficiency, Alternative Energy, Green Rooftops, Green Building, EnergyStar, Advocating for Energy Audits

1. Reduce the total amount of electricity and fuel used in City.
2. Research and pilot alternative sources of energy for City.
3. Promote green building practices through the combined.
4. Strive to create a sustainable culture within the City that energy efficiently.
5. Develop or support programs in the community that assist save money through energy efficiency. Improve air quality.

Smart Water & Wastewater Management

Water Quality & Conservation, Improving Water & Wastewater Systems, Methane Recovery, Waste Sludge to Energy, Storm Water Pollution Prevention

1. Promote water conservation in Akron.
2. Establish programs and policies that improve water quality.
3. Continue the production and development of alternative energy at the Waste Water Treatment facilities.
4. Strive for energy conservation within the Akron Public Utilities Bureau.

Smart Materials & Solid Waste Management

Environmental Purchasing, Curbside Recycling, Reducing Consumption of Natural Resources, Preventing Non-point Source Pollution

1. Strive to recycle more of Akron's municipal solid waste stream.
2. Develop sustainable procurement practices, policies and procedures.
3. Limit non-point source pollution from Akron's roads and highways.

Smart Transit

Mass/Rapid Transit, Walkable Urban Neighborhoods, Bicycle Plan & Towpath Trails, Carpooling, Conversion of Municipal Fleets, Efficient Traffic Control

1. Manage City transportation fleet in a manner that limits energy usage.
2. Maintain an efficient transportation network.
3. Align transportation plans and land use decisions to limit travel miles.

Smart Development

Neighborhood Revitalization, Brownfield Recapture, Reducing Urban Sprawl, Land Banking, Adaptive Reuse, Historical Preservation

1. Encourage neighborhood revitalization.
2. Modify building regulations and standards.
3. Continue land reutilization.
4. Align land development standards.
5. Curb urban sprawl.

Smart Conservation of Natural Resources

Urban Forestry, Preserving Streams & Watershed, Maintaining and Expanding Open Spaces, Maintaining Municipal Park System

1. Preserve and improve the Urban Forest.
2. Preserve and conserve wetlands, and natural areas.
3. Preserve and improve water and air quality.
4. Conserve public green space.

Smart Community Education and Promotion of Progress

Educating Youth on Sustainable Practices, Greenprint Implementation and Tracking, Clearinghouse for Climate Change, Community Engagement, Promotion of School Recycling, Employee Training & Incentives, Commercial/Industrial Support

1. Educate the government and community about strategies for reducing global warming and conserving natural resources.
2. Introduce a Greenprint Plan for Akron.
3. Promote progress towards the Greenprint for Akron goals and track targeted greenhouse gas reductions.

Smart Green Jobs

Green Job Recruitment, Promotion of the Greentech Incubator, Providing Green Skills Training Locally

1. Increase the number of green jobs in Akron.

	Ideas That Are Working	New Initiatives	Green Economic Stimulus Proposals
<p>buildings and facilities, using the 2005 baseline year data.</p> <p>es.</p> <p>ing Department.</p> <p>urages employees to conserve resources and work more</p> <p>ents, industry and companies to reduce their emissions and</p> <p>ving to meet mandated level of particulates.</p>	<p>LEED (Leadership in Energy and Environmental Design) buildings in Akron, Ohio: Akron Zoo Komodo Kingdom, Metro Parks Ranger Station/ Seiberling NatureRealm, WAC FirstEnergy, METRO RTA Intermodal Transit Facility, STEM National Inventors Hall of Fame Middle School.</p> <p>Complete retrofit of parking deck lights to LED (Light Emitting Diodes) at Akron Centre Super Block.</p>	<p>EnergyStar Portfolio Manager to track improvements in energy use from the ICLEI 2005 baseline survey.</p> <p>Reviewed and re-issued Service Department Anti-Idling Policy.</p> <p>Required LEED certification for a new office park to be built on White Pond Drive through the Job Ready Site state program.</p>	<p>Install green rooftops at the Landmark Building and the Cascade Parking Deck, which would be Cascade Plaza.</p> <p>LED lighting replacements: complete all traffic signals citywide, retrofit all city parking decks, yard lights, street lights and city owned lights.</p>
	<p>Joint Economic Development Districts (JEDDs), enable the city to reinvest funds into water and sanitary sewer projects in township service areas-eliminating aging septic systems.</p> <p>Constructed Rack 40 (Cuyahoga Street) Storage Basin to capture up to 10 million gallons of combined sewer overflow during major rain events.</p>	<p>Convert the remaining two-thirds of the Akron Compost Facility over to the Anaerobic Digestion System producing electricity for the grid.</p> <p>Rain barrel and rain garden clinics for installation and maintenance at homes.</p> <p>Host a pharmaceuticals collection event.</p> <p>Provide home tests for leaking toilets, promote water waste tips.</p>	<p>Combined sewer overflow separation projects, storage, and addition treatment.</p> <p>Build the Ohio Canal Tunnel.</p> <p>Sanitary sewers reconstruction and rehabilitation.</p> <p>Water main replacements and substation equipment replacements.</p>
	<p>Automated curbside recycling with Smart Carts since 2007 increasing household participation to 57%.</p> <p>Hot in Place asphalt recycling machines reduces greenhouse gas emissions by 55%.</p> <p>City curbside recycling program expanded to accept all plastics, #1-7 resins.</p>	<p>Provide recycling receptacles at public venues, parks, Community Learning Centers and Derby Downs. Sponsor in-house procurement fairs that educate department managers about eco-friendly alternatives.</p> <p>Reduce harmful applications of salt on roadways by using brine solutions, geo melt and calcium chloride.</p>	<p>Purchase a waste oil burning furnace for Motor Equipment.</p> <p>Install solar panels for electricity at the Municipal Center on Triplett Boulevard.</p> <p>Pilot the use of a wind turbine at the Municipal Center to reduce electrical costs.</p> <p>Build a new trash/recycling Transfer Station that would obscure the transfer of trash from residents and be built to LEED certification.</p>
	<p>Installed 3,200 red LED bulbs in traffic signals.</p> <p>Service Department re-issued their Anti-Idling Policy for enforcement.</p> <p>Construction continues on the Ohio & Erie Canal Towpath for bikers and hikers through downtown Akron with the bridge link from Beech Street.</p>	<p>Last link on the Ohio & Erie Canal Towpath will be from Wilbeth Road to Waterloo in South Akron as the towpath stretches from Cleveland to Zoar.</p> <p>Bike Aboard! Program of the Cuyahoga Valley Scenic railroad brings park visitors into the Northside Train Station.</p> <p>Akron Police Department has two Bike Units.</p>	<p>Build a CNG fueling station.</p> <p>Purchase replacement equipment for 3 1 ton chassis that are CNG capable.</p> <p>Replace city fleet cars with extended range electric, plug-in hybrid, battery electric B.E.V. hybrid.</p> <p>Build the necessary electrical outlet infrastructure.</p> <p>Purchase 4 plug-in alternative fuel trucks and three hybrid mowers for Public Works.</p>
	<p>City has received over \$12 million in Clean Ohio Fund and US EPA grants since 2003 for Brownfield cleanups.</p> <p>Sustainable development initiatives have resulted in Northside condos, Spicer Village Townhomes, and 2 Akron Metropolitan Housing Hope VI grant projects.</p> <p>Historic preservation is important adaptive reuse of buildings downtown like the O'Neil's building, the Troppe Historic District, and the Quaker Square hotel to university housing.</p>	<p>Encourage new in-fill housing in existing neighborhoods.</p> <p>Continue concentrated neighborhood rehabilitation and waiver demolition programs.</p> <p>Establish energy efficiency standards for housing projects that include city investment.</p> <p>Create a Brownfield inventory program.</p> <p>Promote use of land banking to assemble vacant land for redevelopment.</p>	<p>Seiberling environmental cleanup for \$40 million mixed-use conference center, adjacent to new Goodyear Corporate Headquarters; to retain and grow local jobs.</p> <p>Acquisition, assembly and preparation of property for Wilbeth and Main neighborhood/ business development around new \$84 million Bridgestone International Tech Center.</p> <p>Preparing the 23 acres of urban industrial park land with extension of utilities and grading for former Brown-Graves site.</p>
	<p>Forest to Furnishings recycles remnants of the Urban Forest into architectural moldings and hardwood flooring.</p> <p>Flowerscapes in downtown Akron have provided 28 years of professional public land beautification.</p> <p>Lock 3 Farmers' Markets are attracting large crowds downtown-winter and summer.</p>	<p>The city is in the process of inventorying the urban canopy using the I-Tree software.</p> <p>The city is completing the landscape plan for the new policy of no-mowing on the expressways.</p> <p>City of Akron has a representative on the NE Ohio Food Congress and has since started a pilot community gardening program.</p> <p>Map and conserve the wetlands and flood plains.</p>	<p>Bath Road erosion control project.</p> <p>Provide green landscaping for Lock 1, Lock 2 and Lock 3 along towpath.</p> <p>Demolish Rubber Bowl and restore green space near Akron Fulton Airport.</p> <p>Haley's Ditch restoration and cleanup.</p>
	<p>Awarded a 2009 OEEF \$50,000 grant to train 6th grade Akron Public Schools science teachers in the Ohio Energy Projects energy efficiency curriculum. Taught 7 lessons and sent energy efficiency kits home to 1,700 families.</p> <p>Created a Green Ribbon Panel of City Managers for environmental literacy.</p> <p>Joined ICLEI and worked through 3 milestones.</p>	<p>Create a city model of energy efficiency by retrofitting Municipal Hall.</p> <p>Sponsor an awards programs for individuals, organizations and businesses based on green technology and energy efficiency.</p> <p>Partner with Summit County on projects that will create more green jobs, clean the air and move the region towards alternative energy.</p> <p>Conduct the ICLEI greenhouse gas survey every five years.</p>	<p>Fund the continuation of the piloted OEEF Be E3 Smart energy efficiency curriculum in all sixth grade classrooms-public, private and charter, each spring semester for 3 years.</p> <p>Includes pre and post home audits in over 2,000 homes, aided by take home kits with devices that will save energy and water.</p>
	<p>Green jobs have supported all of the LEED green construction projects in Akron.</p> <p>The Akron Global Business Accelerator is on the cutting edge as a green technology incubator for companies in the early stages of advanced/ renewable energy processes and cleantech companies.</p>	<p>Work with Economic Development to seek out alternative fuel, energy efficiency and recycling companies to launch in Akron by creating a incubator space.</p> <p>Work with area universities and trade schools to ensure the proper training for energy efficiency improvements is available.</p> <p>Promote the successes of clean technology companies residing in the Akron Global Business Accelerator.</p>	<p>Creation of a LEED certified Biomedical Incubator, within the designated corridor, to house start-up biomedical companies.</p> <p>Restore and build out 655 S. Broadway as an expansion of the Akron Global Business Accelerator.</p>



Smart Action Areas

Smart Energy & Emissions

- Goal 1:** Reduce the total amount of electricity and fuel used in City owned buildings and facilities, using the 2005 baseline year data.
- Goal 2:** Research and pilot alternative sources of energy for City services.
- Goal 3:** Promote green building practices through the combined Building Department.
- Goal 4:** Strive to create a sustainable culture within the City that encourages employees to conserve resources and work more energy efficiently.
- Goal 5:** Develop or support programs in the community that assists residents, industry and companies to reduce their emissions and save money through energy efficiency. Improve air quality by striving to meet mandated level of particulates.

Objectives:

1. Reduce energy use in City facilities.
2. Pilot alternative sources of energy.
3. Promote green building through new city/county department.
4. Incorporate resource conservation into City culture.
5. Develop community programs that help meet emission reduction goals, improving air quality.

Smart Water & Wastewater Management

- Goal 1:** Promote water conservation in Akron.
- Goal 2:** Establish programs and policies that improve water quality.
- Goal 3:** Continue the production and development of alternative energy at the Waste Water Treatment facilities.
- Goal 4:** Strive for energy conservation within the Akron Public Utilities Bureau.

Objectives:

1. Provide public information.
2. Encourage public participation.
3. Direct capital investment to meet goals.
4. Incorporate alternative energy uses.

Smart Materials & Solid Waste Management

- Goal 1:** Strive to recycle more of Akron's municipal solid waste stream.
- Goal 2:** Develop sustainable procurement practices, policies and procedures.
- Goal 3:** Limit non-point source pollution from Akron's roads and highways.

Objectives:

1. Expand the City's residential curbside recycling program by increasing weekly participation and the volume of recyclables collected.
2. Manage and measure a workplace recycling program in City of Akron office buildings.
3. Work towards a zero landfill policy of waste generated through the Public Works Department.
4. Provide expanded opportunities for the citizens of Akron to recycle.
5. Work with large institutions in the community to increase or improve system-wide recycling programs.
6. Continue to identify green, biodegradable cleaning and custodial products for use by Building Maintenance Department (BMD) that effectively handle cleaning needs.
7. Continue to identify the least hazardous products for use by the Motor Equipment Division.
8. Concentrate on educating City department heads about green alternatives when requesting purchases.
9. Examine Purchasing Department specifications to include earth-friendly options in the bid process.
10. Reduce harmful applications of road salt.

Smart Transit

- Goal 1:** Manage City transportation fleet in a manner that limits energy usage.
- Goal 2:** Maintain an efficient transportation network.
- Goal 3:** Align transportation plans and land use decisions to limit travel miles.

Objectives:

1. Improve fuel efficiency among vehicle types.
2. Expand use of alternative fuels as appropriate.
3. Establish fleet operating procedures that reduce energy consumption.
4. Reduce employee vehicle energy use.
5. Assure that City right-of-way is in good condition.
6. Support multi-modal transportation options throughout the City.
7. Develop a Community Bicycle Plan.
8. Expand access to transport vehicles.
9. Use energy efficient traffic control devices
10. Encourage street connectivity.
11. Encourage compact, mixed use development along arterial streets.
12. Support distribution of necessary goods and services within reasonable access by residents.
13. Emphasize road maintenance over road extension.

Smart Transit Objectives Continued...

14. Adjust off-street parking development standards.
15. Adjust on-street and off-street public parking fees to reflect market conditions.
16. Support access to buildings for all users regardless of physical abilities.

Smart Development

Goal 1: Encourage neighborhood revitalization.

Goal 2: Modify building regulations and standards.

Goal 3: Continue land reutilization.

Goal 4: Align land development standards.

Goal 5: Curb urban sprawl.

Objectives:

1. Preserve existing neighborhoods.
2. Create new housing in neighborhoods.
3. Improve permitting process.
4. Make building standards sustainable.
5. Educate stakeholder groups about green building.
6. Recapture Brownfields for reuse.
7. Promote land banking and infill development.
8. Establish energy standards for City assistance projects.
9. Promote efficient zoning and land use standards.
10. Improved parking and development standards.
11. Examine Joint Economic Development Districts (JEDD) policies.
12. Realign transportation policy.

Smart Conservation of Natural Resources

Goal 1: Preserve and improve the Urban Forest.

Goal 2: Preserve and conserve wetlands, and natural areas.

Goal 3: Preserve and improve water and air quality.

Goal 4: Conserve public green space.

Objectives:

1. Inform the public of the many benefits of trees and how they enhance the community's quality of life.
2. Adopt additional end uses for urban timber to stimulate the arts, employment, and economic opportunities.
3. Become a national leader in the area of Urban Forestry.
4. Suppress/slow urban sprawl.
5. Promote local food production on vacant City property where conditions are conducive.
6. Conserve wetlands and maintain flood plains.
7. Conserve soil from wind and water erosion.
8. Minimize the use of fertilizers and pesticides.
9. Promote air filtration and oxygenation.
10. Promote a riparian corridor protection ordinance for future implementation by the City of Akron.
11. Preserve public land.
12. Conserve expressway berms, slopes, and infields.

Smart Community Education and Promotion of Progress

Goal 1: Educate the government and community about strategies for reducing global warming and conserving natural resources.

Goal 2: Introduce a Greenprint Plan for Akron.

Goal 3: Promote progress towards the Greenprint for Akron goals and track targeted greenhouse gas reductions.

Objectives:

1. City becomes a model and acts as a catalyst for professional associations, businesses and industry to reduce global warming and conserve natural resources.
2. Educate City of Akron employees and other jurisdictions about reducing global warming pollution and conserving natural resources.
3. Reach Akron's youth about the importance of reducing global warming pollution.
4. Providing opportunities for the community to become involved in reaching The Greenprint for Akron goals.
5. Utilize ehsOnline internally to plan and share Greenprint Plan components.
6. Continue to coordinate Green Ribbon Panel/Greenprint Plan.

Smart Green Jobs

Goal 1: Increase the number of green jobs in Akron.

Objectives:

1. Increase jobs in green construction.
2. Increase jobs in alternative fuels.
3. Increase jobs in energy efficient products.
4. Increase jobs in recycling and waste management.



Greenprint Team Structure

Greenprint is a collaborative effort and requires a team structure. The team consists of the City Service Director, Keep Akron Beautiful, and 8 Smart Action Areas whose Key Point Persons also comprise a Task Force.

The Task Force comprised of the Key Point Persons of each action area, holds the purpose of creating City policies to support the guiding principles and developing a quantifiable decision-making matrix for evaluating action items associated with each guiding principle.

The Smart Action Areas hold the responsibility of brainstorming, and once approved, implementing action items and strategies that support the City's guiding principles, policies, mission, and vision.

The City Service Director reviews and approves the recommended action items from the Task Force.

Keep Akron Beautiful facilitates the review process and captures quantifiable results for a City report card.



Environmental Awareness & Education

Saving taxpayer dollars

Improving Air Quality & Public Health

Increase the Quality of Life

Build Local Economy – Create Jobs

Investment in Long-Term Livability

Inspire Community Engagement

Keep Akron Beautiful /Greenprint for Akron

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APPENDIX D

CUSIP Numbers*
for
City of Akron Bonds, Notes and Other Obligations
1995

Name	Amount	Date	CUSIP #
Various Purpose Improvement Bonds, Series 1995	\$2,790,000	August 1, 1995	010033 JV1

1996

Name	Amount	Date	CUSIP #
Waterworks System Mortgage Revenue Improvement and Refunding Bonds, Series 1996	\$21,175,000	January 15, 1996	010122 EX3

1997

Name	Amount	Date	CUSIP #
Nontax Revenue Economic Development Bonds, Series 1997	\$35,000,000	November 1, 1997	010071 AP3
Various Purpose Improvement Bonds, Series 1997	\$26,200,000	December 1, 1997	010033 NX2

* Final maturity of the issue.

1998

Name	Amount	Date	CUSIP #
Waterworks System Mortgage Revenue Improvement and Refunding Bonds, Series 1998	\$18,700,000	February 1, 1998	010122 FP9
Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 1998	\$19,140,000	April 1, 1998	010086 DD5
Street Improvement Bonds, Series 1998	\$2,600,000	August 15, 1998	010033 PH5
Various Purpose Improvement Bonds, Series 1998	\$19,930,000	December 1, 1998	010033 QD3

1999

Name	Amount	Date	CUSIP #
Pension Refunding Income Tax Revenue Bonds, Series 1999	\$10,090,000	April 15, 1999	010056 AR0
Street Improvement Bonds, Series 1999	\$630,000	August 15, 1999	010033 QQ4
Various Purpose Improvement Bonds, Series 1999	\$18,175,000	November 1, 1999	010033 RG5

2000

Name	Amount	Date	CUSIP #
Waterworks System Special Revenue Bonds, Series 2000	\$13,825,000	July 1, 2000	010122 GF0
Sanitary Sewer System Special Revenue Bonds, Series 2000	\$13,825,000	August 1, 2000	010086 DZ6
Street Improvement Special Assessment Bonds, Series 2000	\$3,150,000	August 15, 2000	010095 AS6
Various Purpose Improvement Bonds, Series 2000	\$16,360,000	November 1, 2000	010033 RW0

2001

Name	Amount	Date	CUSIP #
Various Purpose Improvement and Refunding Bonds, Series 2001	\$52,755,000	November 1, 2001	010033 SU3

2002

Name	Amount	Date	CUSIP #
Waterworks System Special Revenue Bonds, Series 2002	\$15,550,000	September 1, 2002	010122 GV5
Street Improvement Special Assessment Bonds, Series 2002	\$2,040,000	September 1, 2002	010095 BD8
Sanitary Sewer System Special Revenue Bonds, Series 2002	\$10,000,000	November 1, 2002	010086 EV4
Various Purpose Improvement and Refunding Bonds, Series 2002	\$33,695,000	December 1, 2002	010033 TQ1

2003

Name	Amount	Date	CUSIP #
Waterworks System Mortgage Rev. Imp. & Refunding Bonds, Series 2003	\$28,045,000	July 1, 2003	010122 HJ1
Street Improvement Special Assessment Bonds, Series 2003	\$2,850,000	September 1, 2003	010033 UA4
Various Purpose Improvement Bonds, Series 2003	\$37,640,000	October 1, 2003	010033 UW6

2004

Name	Amount	Date	CUSIP #
Community Learning Centers Income Tax Revenue Bonds, Series 2004A	\$165,000,000	January 1, 2004	010056 BG3
Community Learning Centers Income Tax Revenue Bonds, Series 2004B	\$50,000,000	January 1, 2004	010056 BT5

2005

Name	Amount	Date	CUSIP #
Refunding Certificates of Participation, Series 2005 (Stadium Project)	\$32,065,000	July 27, 2005	010047 AV0
Various Purpose Imp. & Refunding Bonds, Series 2005	\$80,640,000	September 14, 2005	010033 VV7
Certificates of Participation, Series 2005-A (Parking Facilities Project)	\$31,940,000	September 14, 2005	010047 BS6
Street Improvement SA Bonds, Series 2005	\$2,375,000	September 29, 2005	010033 WF1
Sanitary Sewer System Imp. & Refunding Bonds, Series 2005	\$33,855,000	December 1, 2005	010086 FH4

2006

Name	Amount	Date	CUSIP #
Waterworks System Mortgage Revenue Improvement Bonds, Series 2006	\$13,340,000	August 10, 2006	010122 JE0
Street Improvement Special Assessment Bonds, Series 2006	\$1,310,000	September 14, 2006	010033 WR5
Taxable Economic Development Revenue Bonds, Series 2006	\$19,500,000	December 15, 2006	010053 AV8
Various Purpose Improvement Bonds, Series 2006	\$22,440,000	December 21, 2006	010033 XJ2

2007

Name	Amount	Date	CUSIP #
Various Purpose Improvement Bonds, Series 2007	\$20,735,000	December 3, 2007	010033 YG7
Certificates of Participation, Series 2007 (Parking Facilities Project)	\$19,610,000	December 20, 2007	010047 CN6

2008

Name	Amount	Date	CUSIP #
Various Purpose Improvement Note, Series 2008	\$7,500,000	June 25, 2008	010033 YH5
Various Purpose Improvement Note, Series 2008B	\$18,885,000	December 11, 2008	010033 YJ1