

Introduction and Background (ZA)

Today starts the formal legislative process for considering the most important opportunity to transform Avon Lake's lakefront

- Emphasize the word “Process”
 - Anticipate **EXTENSIVE** review by City Council and City Administration

Introduction and Background (ZA)

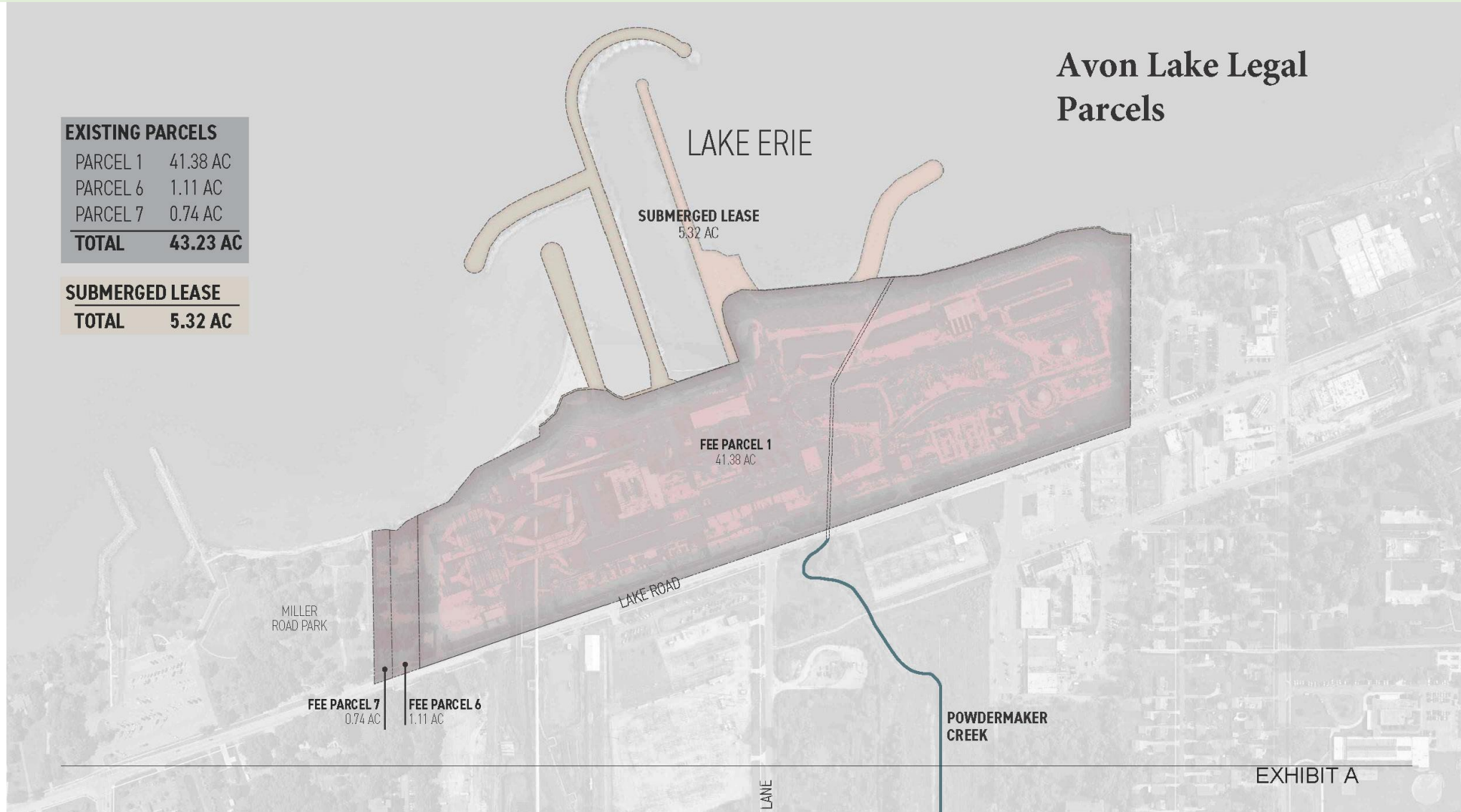
- Anticipate **EXTENSIVE** collaboration with both public and private environmental and financial professionals, including:
 - Ohio EPA
 - Lorain County Port Authority
 - Lorain County Metroparks
 - Verdantas
 - Outside Counsel
 - Outside Financial Experts

- Anticipate **EXTENSIVE** public stakeholder engagement

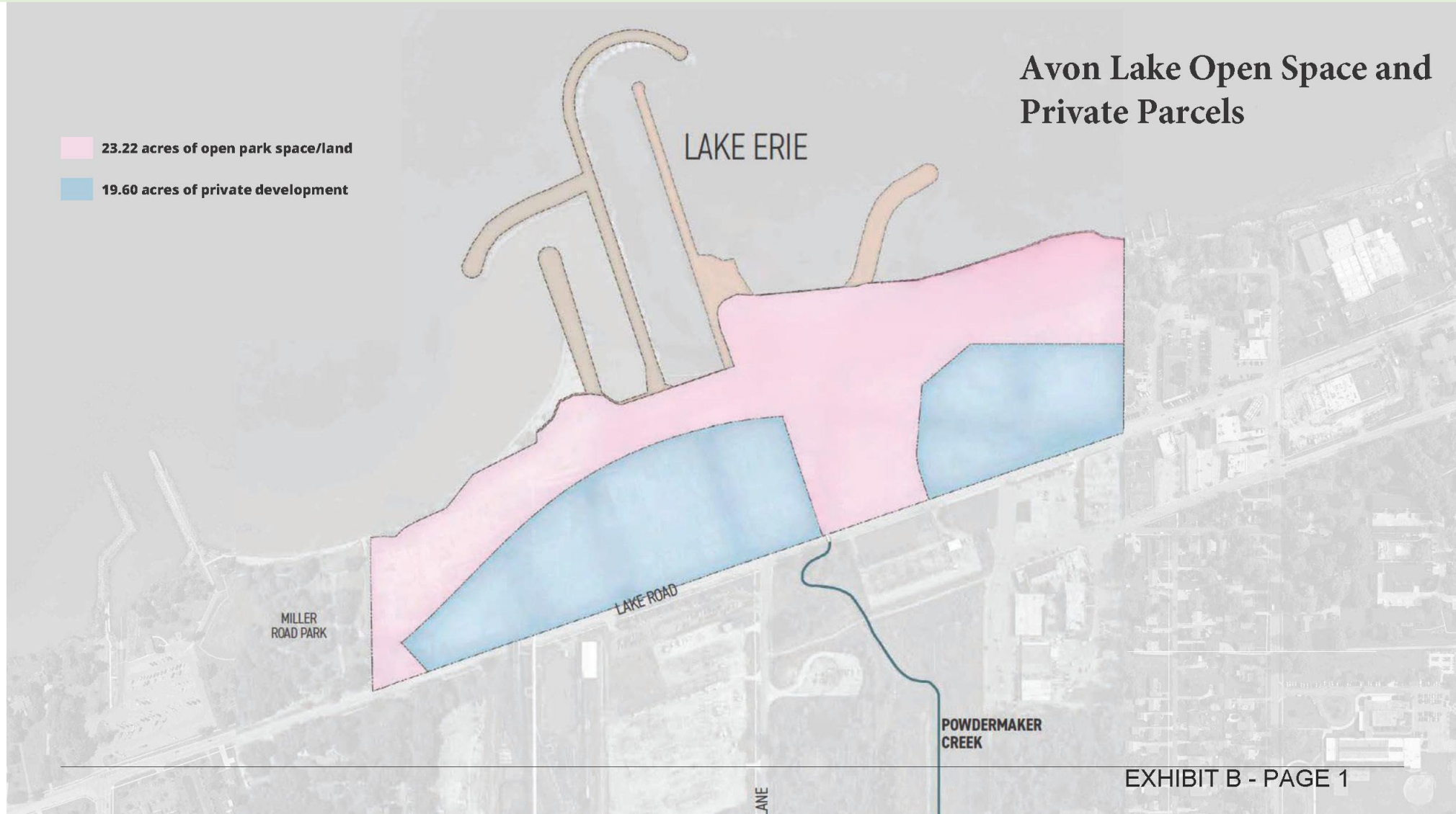
Property Overview (ZA)

- Power Plant Property Size: 43.23 Acres
- Proposed Public Park Size: 23.22 Acres
- Proposed Private Development: 19.60 Acres
- Major Mixed-Use Project with up to 1,250 residential units and other commercial and recreational uses
 - New zoning allows buildings up to 100 feet tall
 - Requires view corridors and Planning Commission approval

Property Overview (ZA)



Property Overview (ZA)



Property Overview (ZA)



Project Goals & Process Road Map (MS)

- Project Goals
 - Facilitate the transformation of the Avon Lake Power Plant Brownfield Redevelopment Area into a Thriving Community Asset
 - Ensure Public Access to Lake Erie through a Major New Community Park
 - Provide expansion and connectivity to Miller Road Park
 - Enhance quality of life for all Avon Lake Residents through one of Ohio's best lakefront parks

Project Goals & Process Road Map (MS)

- Project Goals
 - Ensure the **ENTIRE** Power Plant Property is Remediated to Applicable Ohio Voluntary Action Program Cleanup Standards
 - Provide transparency and engagement of City Council in park acquisition investigation and remediation process while acknowledging confidentiality obligations until Closing
 - Provide lengthy due diligence period and comprehensive investigation of property's environmental condition

Project Goals & Process Road Map (MS)

- Project Goals
 - Require Closing only after Public Park Property Phase II assessment and remediation is approved by City's Certified Professional (Steve Gross – Verdantas)
 - Allow significant public stakeholder engagement as remediation work proceeds

Disclaimers/Qualifications (MS)

- Interim Development Agreement **DOES NOT** address Implosion Discussion
 - Separate issue before City Council
- Interim Development Agreement provides multiple “Off-Ramps” for City Council to **APPROVE** or to **REJECT** Park Property Acquisition at City Council’s sole discretion

City Council Opportunities to Review and Vote on PSA Before Closing – Off-Ramps/Anticipated Schedule (MS)

Monday, October 7, 2024	Economic Development Committee Meeting - Move IDA out of committee to the Collective Committee Meeting (“CCM”)
Monday October 7, 2024	Collective Committee Meeting – Pass IDA to First Reading of Council
Tuesday October 15, 2024	City Council – First Reading (rescheduled due to Monday Columbus Day)
Monday October 21, 2024	CCM – Discussion on IDA (Environmental & TIF Question Discussions/Focus)
Monday October 28, 2024	City Council – Second Reading
Monday November 4, 2024	CCM – Discussion on IDA
Tuesday November 12, 2024	City Council (rescheduled due to Monday Veterans Day) – Third Reading

IDA Components/Road Map/Off-Ramps (TD)

- IDA Structure
 - Addresses ALERG Agreement to remediate the entire Property.
 - Identifies a process for rezoning the Property through an Overlay District; **subject to City Council approval.**
 - Provides a process for a TIF Ordinance, **subject to City Council approval.**
 - ALERG must demonstrate project feasibility and bond underwriting with Lorain County Port Authority or other financing source.
 - Identifies use of TIF Funds for Park Acquisition and Redevelopment through a Non-Binding Letter of Intent, **subject to City Council approval.**

IDA Components/Road Map/Off-Ramps (TD)

- IDA Structure
 - Final Purchase Agreement and closing on the Park Property is subject to:
 - Substantial additional due diligence;
 - Confirmation by City's CP that the Property has been remediated to applicable standards under the Ohio VAP, with VAP Technical Assistance; and
 - **Final City Council approval.**

Environmental Due Diligence (SG)

- Ohio Voluntary Action Program Process Overview
 - Phase I Environmental Site Assessment – Desk Top Background Study
 - Phase II Property Assessment – Soil, Groundwater, Sediment, Surface Water Sampling, Soil Gas Sampling
 - Property-Specific Risk Assessment – To identify risks/receptors
 - Technical Assistance With Ohio EPA
 - Collaboration with Ohio EPA VAP staff to address remediation questions/concerns

Environmental Due Diligence (SG)

- Remediation Activities – Including Active Remediation, Institutional Controls and Engineering Controls
- No Further Action Letter – Issued by an Ohio VAP Certified Professional
- Covenant Not To Sue – From Ohio EPA Director in which Ohio EPA confirms Property meets Applicable Ohio VAP Standards

Applicable Remediation Standards (TD)

- ALERG agrees to remediate the ENTIRE PROPERTY, including Public Park, to applicable standards under the Ohio Voluntary Action Program (“Ohio VAP”).
 - Park to be remediated to satisfaction of OUR OWN Certified Professional (“CP”) from Verdantas (Steve Gross), in collaboration with Land Developer’s CP (Gary Diegan).
 - Park acquisition Phase II assessment and remediation activities to be performed before Closing and subject to Ohio VAP Technical Assistance.
 - Goal is to integrate remediation with redevelopment where applicable.

Applicable Remediation Standards (TD)

- Final cover soil may be placed “post-Closing.”
- Anticipates off-Property sediment evaluation and potential impacts to Lake Erie.
- City has the option of submitting for a Covenant Not to Sue (“CNS”) under the Ohio VAP post-Closing.
- CPs from City and Land Developer to collaborate.
- Due Diligence shared based on Letter of Intent (“LOI”) signing.
 - No physical testing by City until Purchase Agreement is fully-negotiated (not signed).

Financing/Tax Increment Financing (“TIF”) (TD)

- *City will not contribute any City funds toward the acquisition or remediation of the Public Park property.* (See Section 5 b) ii) of proposed Interim Development Agreement.)
- Deal depends on TIF funding for acquisition and final cover soil.
- Developer pays “City Costs” for all outside consultants and attorneys. (See Section 5 b) viii) of proposed Interim Development Agreement.)
- City pays \$15M from TIF funds for Park Property acquisition, not to exceed 25% of eligible TIF revenue and must be supported by independent appraisal.
- City receives \$15M from TIF for park improvements.

Financing (TD)

- Both parties to use reasonable, good faith efforts to pursue grant funding to mitigate redevelopment costs.
- Anticipates acquiring the existing Submerged Land Lease with State of Ohio in a separate agreement with additional due diligence.

TIF Overview (JB)

- City Council's adoption of a TIF Ordinance is a pre-condition of the development of the Project on the Property and the City's acquisition of the Public Park property.
 - City Council has the right to approve or deny the adoption of a TIF Ordinance in its sole and absolute discretion.
- The value and duration of the tax exemption granted by the TIF Ordinance will be contingent on the Avon Lake School District's approval of the TIF Ordinance.
 - City's administration agrees to support ALERG's efforts to secure the School District's agreement for the largest TIF Exemption feasible to support the Project.

TIF Overview (JB)

- The City will not issue any debt or pledge its credit toward the monetization of the TIF revenues for the Project.
 - The expectation is that a sum equal to the exempted taxes will be paid as “payments in lieu of taxation” (“PILOTS”).
 - City’s administration agrees to support entry into an agreement with a Port Authority to assign the City’s rights to PILOTS to the Port Authority (or its designee).
 - If City Council approves such an agreement, the PILOTS will serve the debt issued by the Port Authority in order to monetize the TIF revenue.

Benefits Summary (MS)

- Transformative Lakefront Redevelopment Project
- Major Community Park Enhancing the Quality of Life for the Entire Community
- Transparent Remediation Process for Public Park
 - Approved by City's Certified Professional in Collaboration with Ohio EPA under Technical Assistance
- Financed through TIF – Major public financing tool widely-used for similar public/private projects
 - No requirement for City to pay acquisition or redevelopment costs with City funds or to provide financing guarantees backed by City