

**MIAMI TOWNSHIP – CIC
COMMUNITY IMPROVEMENT CORPORATION
BOARD OF DIRECTORS MEETING MINUTES
MARCH 15, 2017**

President Andrew Papanek called the Miami Township Community Improvement Corporation (CIC) meeting to order at 12:12 p.m. The following board members were in attendance:

- Andrew Papanek
- Greg Rogers
- Clay McCord
- Erik Collins
- Chris Snyder

April Fulton and Gene Hollins, Frost Brown Todd LLC; Susan Davis, Miami Township; were in attendance.

Corrections and approval of minutes

Chris Snyder motioned to approve the minutes as presented from the January 19, 2017 meeting. Clay McCord seconded the motion. Mr. Papanek aye, Mr. Rogers aye, Mr. McCord aye, Mr. Collins aye, and Mr. Snyder aye.

Reports of officers and committees

Treasurer Clay McCord reported he has processed paperwork to open up a bank account for the CIC. The unaudited CIC financial report was advertised in the legal notices and has been filed with the State of Ohio on February 28, 2017. The State Auditor's Office wanted to perform an audit; however, there are no revenues, no expenses and no assets, and therefore, no reason to conduct an audit. Mr. McCord filed the unaudited financial report through the online system and is up-to-date; he is just waiting for a letter of verification.

Old Business

None

Discuss Update of the 1023 Application

Gene Hollins advised the 1023 application for tax exemption status under section 501 (c) (3) has been submitted to the IRS on February 3, 2017. Mr. McCord said he received a verification letter stating the application was received and a determination letter should be forthcoming in the next 90 days, unless we are contacted for further needed information.

Discuss Next Steps of Doing Business through the CIC

Mr. Hollins gave the following brief update as to the current status of the CIC:

- A. Articles of Incorporation was amended to include basic language required by the IRS that states the CIC be used for the purposes that are appropriate to the 501 (c) (3) status.
- B. The Code of Regulations was amended and re-adopted to make the Township the sole member of the CIC and was submitted to the IRS with the 1023 application.
- C. A resolution approving a conflict of interest policy, signatory authorizations and a ratification of any prior acts was adopted by the CIC Board.

- D. The 1023 application was filed with the IRS on February 3, 2017 and is pending. Mr. Hollins said the IRS examines the 1023 applications in great detail to be sure of the specific purpose of the 501 (c) (3) and may need additional information from the CIC before a determination letter is received.

Mr. Hollins advised the next step would be to approve an Agency Agreement between the CIC and Miami Township. Kip Wahlers of Calfee, Halter & Griswold LLP drafted an Agency Agreement in 2006, but it does not look as if it was ever adopted. CIC's are organized pursuant to Section 1724.01 of the ORC and further provides that political subdivisions may designate such corporations as the "agency of such political subdivision for the industrial, commercial, distribution, and research development in such political subdivision." Accordingly, "any political subdivision which has designated a community improvement corporation as such agency under this section may enter into an agreement with it," and the agency agreement shall provide for certain enumerated powers and responsibilities.

By virtue of an Agency Agreement, the CIC effectively becomes a quasi-public entity subject to the Ohio statutes concerning open meetings and public records. The CIC will follow the requirements for public meetings open to the public at all times; however, an executive session can be called for purposes authorized in the ORC such as discussion of confidential information regarding economic development projects. Current CIC Board configuration, according to the agreement, is permissible, not less than two-fifths of the board of the CIC shall be comprised of appointed or elected officeholders of the township. Mr. Hollins said a provision will be added to the agreement to articulate the CIC entering into ground lease agreements and how the proceeds are distributed back to the township. The board discussed conveying real property over to the CIC versus leasing property to the CIC with the understanding that the CIC will then structure a ground lease agreement to a potential user. Greg Rogers said the township is very close to marketing a property right now and the primary plan is to use a ground lease or secondary would be to require the developer to finance the project through the township or CIC; whatever structure would make the best sense. Erik Collins stated a real estate purchase agreement or ground lease with users would depend on the art of the deal; having maximum flexibility is priority as the ultimate goal is stimulating economic development. Mr. Rogers indicated the township is looking for long-term sustainability that will bring in yearly revenue.

Mr. Rogers stated the current township properties to be leased or purchased are:

- Wood Road – RFP going out in May/June
- Old Fire Stations, one located in the City of Miamisburg, zoned residential; however, there are businesses surrounding the property
- Looking to create a Park District and have a property that could be used for a Park District Headquarters

The CIC is not subjected to competitive bid requirements; however, they are required to follow the prevailing wage standards. Mr. Snyder asked if tax exempt township property transferred over to the CIC would affect the tax exempt status. Mr. Hollins indicated any property owned by the township transferred over to the CIC to be sold to an end user will not be tax exempt. Mr. Snyder asked if the CIC can buy an existing property with a business, borrow the funding and lease the property back to that business owner to collect the revenue to pay off the bond. Mr. Hollins said the CIC can do that very thing. Any monies that the township gives to the CIC, for whatever reason, can be repaid back in the future to the township's general fund. Mr. Rogers stated the township has two mechanisms, the general fund and the TIF Districts, in providing for

the CIC. The TIF has its own legislation as to what you can spend the funds on. Mr. Hollins discussed a 41 TIF Urban Redevelopment and how it might benefit the CIC and also discussed creative ways to finance redevelopment deals.

The new Agency Agreement draft will be distributed electronically to board members for review and if there are any questions or concerns to contact Mr. Hollins or Ms. Fulton.

Adjourn

Mr. Snyder motioned to adjourn the meeting at 1:07 p.m.