

**Record of Proceedings:
West Chester Township Board of Trustees
Work Session – Tax Increment Financing**

December 4, 2012

President Stoker convened the work session for Tax Increment Financing (TIF) at 5:15 p.m., said Mr. Lang advised he would be late for the meeting, but suggested they proceed with the meeting in his absence. Mrs. Stoker requested roll call: Mrs. Stoker and Mr. Wong were present. Mr. Lang was absent. Mrs. Stoker asked Mrs. Boyko to begin the presentation.

Mrs. Boyko said the TIF zones/districts constitute a significant part of the Township's infrastructure funding stream and was the reason for having this annual TIF workshop. She said Andy Brossart, Vice President of Public Finance for Fifth Third Securities, would be presenting a status report of the various TIF districts, current debt limitations, revenue projections, and estimated uses for those projects. She also noted the presentation was a collaborative effort between herself, Finance Director Ken Keim, and Mr. Brossart.

Mr. Brossart then presented the PowerPoint presentation that consisted of the following charts and supplemental comments:

Referencing page 1 of the PowerPoint presentation (copy attached below), Mr. Brossart said they use the Townships' bond rating as determined by Moody's Investor Services to review where the Township's been and to evaluate the Township's credit quality. This in turn is used by investors to determine whether or not they want to invest in the Township's bonds and the level of interest charged the Township when they issues bonds. West Chester Township has been rated Aaa since 2010, improving since an Aa3 rating in 2001.

Referencing page 2 of the presentation (copy attached below), Mr. Brossart reviewed recent refinancing opportunities pursued by the Township, noting the dollar figures were net/ after the cost of issuance. He said the bulk of the 2001 bond was related to the Union Centre Boulevard interchange construction bonds. They continue to monitor the market for refinance savings opportunities, but those do not currently exist.

Referencing page 3 of the presentation (copy attached below), Mr. Brossart began a review of the current TIF districts and their status, starting with the Tylersville TIF Zone. He said the Township is only responsible for paying from revenues and bears no obligation if there is a shortfall in revenue in the district, unlike the obligation bore by Liberty Township and Butler County.

Referencing page 4 of the presentation (copy attached below), the Central Business District (CBD) TIF Zone, Mr. Brossart said, given the current annual net collections,

there is a healthy cash flow in this district. This TIF's borrowing capacity in today's dollars is about \$12.2 million at a 4% interest rate.

Referencing page 5 of the presentation (copy attached below), the chart identifies where they've historically estimated collections in the CBD TIF and what they actually received. The estimates are updated as new development is in fact realized and property is re-evaluated.

Referencing page 6 of the presentation (copy attached below), the Union Centre Boulevard (UCB) TIF Zone, Mr. Brossart said this has the most debt of the TIFs, and that some of the library debt was originally obligated to the 747 TIF and more recently shifted to this TIF.

Mr. Brossart said the detail is on page 7 (copy attached below), and they estimated \$8.5 million in revenue last year, but \$7.9 million was received due to property devaluation in the economy. It also reflects the shifting of library debt to this district.

Referencing page 8 (copy attached below), UCB Debt, Mr. Brossart said this was a graphic representation of the debt in the district, and that this TIF should do well for the remaining life of the district.

Mr. Brossart then reviewed page 9 of the presentation (copy attached below), the SR 747 TIF Zone.

Referencing the detail of the SR 747 TIF Zone revenues and debt service on page 10 (copy attached below), he noted there's about 16 years left in this TIF district.

No one responded when Mr. Brossart asked if there were any questions.

Mrs. Boyko said the TIF zones are very solvent and stable, further noting that projects must meet specific criteria to be eligible for TIF funding. She also said their projections reflect revenue from actual development, thus they're very confident in their accuracy.

Mrs. Stoker said the Board receives excellent advice and recommendations from Mr. Brossart and staff, and was pleased to hear of the district's solvency.

Mrs. Boyko said the TIFs have assisted the Township's operational strategy: Beyond amenities and quality of life issues, the primary strategy is to develop infrastructure. That in turn improves property valuation, job creation, and investment. She said this commercial development generates more revenue than that realized from either agriculture or residential development. Their second strategy is to keep the investment local, giving as an example their ability to apply TIF funds for renovation of the police facility, as well as construction of fire and Communications facilities, as opposed to using levy funds. Thirdly, they have been able to use TIF funding as a permissible use for

“in-kind” road resurfacing by the Butler County Engineer’s office, making it possible to use other funds for other purposes.

Mrs. Boyko, referencing pages 13 and 14 (copies attached below), identified proposed and possible future capital improvement projects that are either earmarked for development purposes and/or about which the Board has had some previous discussion. She noted none of the projects have been approved, but would require subsequent approval by the Board. The list is for the Board to consider as possible projects in the next couple of years and their funding sources. Thereupon Mrs. Boyko began reviewing the list.

(Fiscal Officer’s note: Mr. Lang arrived, partaking of the meeting as of 5:40 p.m..)

Mrs. Boyko concluded her review of the list. She said the three TIF zones with the greatest solvency and borrowing capacity were the 747, UCB, and CBD TIF zones, and all the proposed projects fall within the debt capacity identified by Mr. Brossart in his presentation.

Mr. Wong said residents would really like to see completion of the Connections pathway on Beckett Road, under the 747 TIF, and it’s time to proceed with it.

Mrs. Boyko confirmed Mrs. Stoker’s observation that the Lakota schools are being reimbursed \$3.1 million annually from the TIF districts. Mrs. Stoker thanked Mr. Brossart for his presentation, and noted the revenue estimates were prudent, enabling them to pay their debt service. Mrs. Boyko said she and Mr. Keim have developed guidelines wherein they have two years of debt service reserve capacity in the funds.

The Trustees then expressed their observations of and appreciation for the TIF districts.

Mrs. Boyko concluded by asking the Trustees to review the list of proposed capital projects and said she would update them if any new information is received relative any of them.

Mrs. Stoker then asked for a motion to adjourn the work session at 5:47 p.m.. Mr. Lang so motioned, seconded by Mr. Wong. Discussion: none. **Motion carried unanimously.** Mrs. Stoker then noted they would recess until their regular meeting began at 6:00 p.m..

(Fiscal Officer note: The balance of this page is intentionally blank, followed by the entire TIF Work Session presentation packet consisting of a cover page followed by 15 pages. The Fiscal Officer and Trustee Board President signatures are at the end of this document. This document consists of these first 3 pages, a presentation cover page, 15 presentation pages, and the signature page for a total of 20 pages in this document.)



**FIFTH THIRD
SECURITIES**

**Update of Tax Increment Financing Zones and
Proposed Capital Improvement Plan**

**West
OHIO
Chester**

*"Where families grow...
and businesses prosper"*

Andrew Brossart

Vice President


Public Finance - Banking

December 4, 2012

Bond Rating

The following table shows the comparable investment grade ratings of the three major rating agencies:

Bond Rating Services

	 Moody's Investors Service	STANDARD & POOR'S	Fitch Ratings
Best Quality	Aaa	AAA	AAA
	Aa1	AA+	AA+
High Quality	Aa2	AA	AA
	Aa3	AA-	AA-
Upper Medium Grade	A1	A+	A+
	A2	A	A
	A3	A-	A-
Medium Grade	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-

(Lower Interest Rates) ↑

Underwriting Services



Rating Disclosure:

The quality of any bond is based on the issuer's financial ability to make interest payments and repay the loan in full at maturity. Moody's and Standard & Poor's are independent credit rating services, evaluates the creditworthiness of bonds. They research the financial health of each bond issuer and assign ratings to the bonds being offered.

Moody's rates bonds Aaa (highest quality) to C (lowest quality) and applies numerical modifiers 1, 2, and 3 in each generic rating classification from Aa through Caa. Moody's append their ratings with a 1,2, or 3 indicators to show a bond's ranking within a category. For example, Aa1 is better than Aa2, and Aa2 is better than Aa3.

Standard & Poor's & Fitch rates bond AAA (highest quality) to BBB (medium) are considered investment grade. Bonds rated BB (speculative) to D (default) are considered non-investment grade. Standard & Poor's append their ratings with a plus or minus indicator to show a bond's ranking within a category. For example, A+ is better than A, and A is better than A-.

West Chester Moody's Rating History

2001 Initial Rating	Aa3
2006 Upgrade	Aa2
2008 Upgrade	Aa1
2010 Upgrade	Aaa

2010 & 2012 Debt Refinancing

2010 Debt Refinancing:

- Refinanced 2001 & 2002 Various Purpose Bonds
- \$1,105,947 total savings
- \$724,406 Net Present Value (NPV)
- 7.11% savings
- Eliminated last two payments of 2001 Bonds

2012 Debt Refinancing:

- Refinanced 2003 Various Purpose Bonds
- \$1,653,503 total savings
- \$1,227,182 Net Present Value (NPV)
- 16.32% savings
- Eliminated last three payments of 2003 Bonds

Tylersville TIF Zone

Tylersville:

- Established 1999, Expires 2029 – 30 year TIF with School District Reimbursement
- 31 acres – Fully developed
- All developed properties paying or in process of paying PILOT
- Annual Payments:
 - TIF revenues pledged to Liberty Interchange bonds issued by the Butler County Transportation Improvement District
 - 2012 BCTID payment – \$43,682
 - 2012 Lakota Local School District payment - \$69,299
- Current Annual Net Collections - \$112,981

Central Business District (CBD) TIF Zone

CBD:

- Established 2004, Expires 2034 – 30 year TIF with School District Reimbursement
- 185 acres – 78% developed
- All developed properties paying or in process of paying PILOT
- Current Outstanding Debt - \$2,170,000
- Annual Payments:
 - 2012 Debt Service payment - \$179,585
 - 2012 Lakota Local School District payment – \$1,409,537
- Current Annual Net Collections - \$888,505
- Projected collections estimate PV borrowing capacity \$12,259,054

CBD TIF Zone

West Chester Township, Butler County, Ohio

CBD TIF Zone

Zone Established 2004

School District Reimbursement @ Formula



TIF Zone Revenues & Debt Service

TIF Year	Assessed Year	Collection Year	Estimated Collection	Actual Collections	Lakota Local School District Reimbursement	Net TIF Revenues Available	Debt Service On West Chester 75 Bonds	Excess Revenues	Debt Service Coverage Ratio
1	2004	2005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2	2005	2006	-	-	-	-	22,840	-	-
3	2006	2007	118,451	675,236	410,788	264,448	-	264,448	-
4	2007	2008	701,870	1,428,207	873,522	554,685	173,934	380,751	3.19
5	2008	2009	1,753,660	1,662,241	1,025,709	636,532	355,988	280,545	1.79
6	2009	2010	2,493,174	2,406,554	1,480,258	926,296	178,860	747,436	5.18
7	2010	2011	2,545,102	2,492,747	1,500,532	992,215	176,610	815,605	5.62
8	2011	2012	2,545,102	2,298,043	1,409,537	888,505	179,585	708,920	4.95
9	2012	2013	2,545,102	-	1,561,165	983,936	177,448	806,489	5.54
10	2013	2014	2,545,102	-	1,561,165	983,936	179,835	804,101	5.47
11	2014	2015	2,545,102	-	1,561,165	983,936	177,335	806,601	5.55
12	2015	2016	2,545,102	-	1,561,165	983,936	179,585	804,351	5.48
13	2016	2017	2,545,102	-	1,561,165	983,936	181,435	802,501	5.42
14	2017	2018	2,545,102	-	1,561,165	983,936	177,860	806,076	5.53
15	2018	2019	2,545,102	-	1,561,165	983,936	179,010	804,926	5.50
16	2019	2020	2,545,102	-	1,561,165	983,936	179,985	803,951	5.47
17	2020	2021	2,545,102	-	1,561,165	983,936	180,185	803,751	5.46
18	2021	2022	2,545,102	-	1,561,165	983,936	180,185	803,751	5.46
19	2022	2023	2,545,102	-	1,561,165	983,936	179,985	803,951	5.47
20	2023	2024	2,545,102	-	1,561,165	983,936	179,585	804,351	5.48
21	2024	2025	2,545,102	-	1,561,165	983,936	178,985	804,951	5.50
22	2025	2026	2,545,102	-	1,561,165	983,936	178,040	805,896	5.53
23	2026	2027	2,545,102	-	1,561,165	983,936	176,740	807,196	5.57
24	2027	2028	2,545,102	-	1,561,165	983,936	180,075	803,861	5.46
25	2028	2029	2,545,102	-	1,561,165	983,936	177,650	806,286	5.54
26	2029	2030	2,545,102	-	1,561,165	983,936	-	983,936	-
27	2030	2031	2,545,102	-	1,561,165	983,936	-	983,936	-
28	2031	2032	2,545,102	-	1,561,165	983,936	-	983,936	-
29	2032	2033	2,545,102	-	1,561,165	983,936	-	983,936	-
30	2033	2034	2,545,102	-	1,561,165	983,936	-	983,936	-
Total			\$ 66,149,601	\$ 10,963,028	\$ 41,045,987	\$ 25,909,282	\$ 4,131,739	\$ 21,800,383	

NPV @ 4%

\$12,259,054

Underwriting Services



Union Centre Boulevard (UCB) TIF Zone

UCB:

- Established 1990, Amended 1991, Expires 2021 – 30 year TIF no School District Reimbursement
- 2,290 acres – 80% developed
- Majority of developed properties paying or in process of paying PILOT
- Current Outstanding Debt - \$34,779,264
- Annual Debt Payments:
 - 2012 Debt Service payment - \$5,713,719
- Current Annual Net Collections - \$8,000,000
- Projected collections estimate PV borrowing capacity \$22,714,440

UCB TIF Zone

West Chester Township, Butler County, Ohio

UCB TIF Zone

Zone Established 1991

School District Reimbursement @ 0%



TIF Zone Revenues & Debt Service

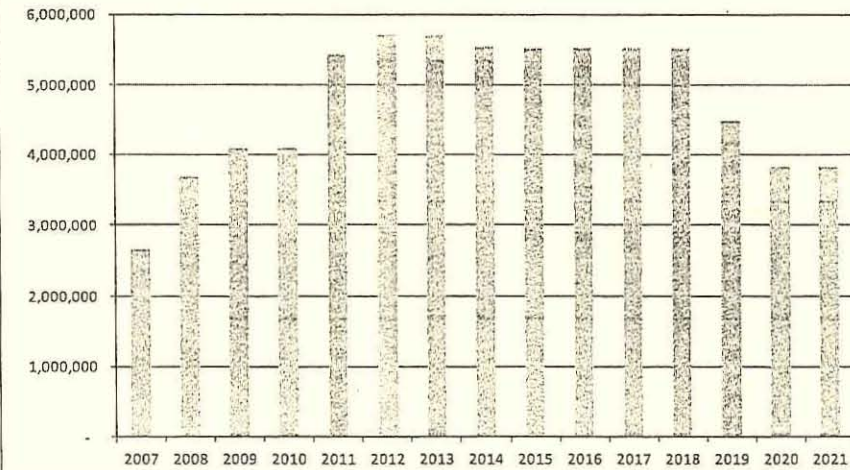
TIF Year	Assessed Year	Collection Year	Estimated Collection	Actual Collections	Lakota Local School District Reimbursement 0.00%	Net TIF Revenues Available	TOTAL DEBT SERVICE	Excess Revenues	Debt Service Coverage Ratio
1	1991	1992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2	1992	1993	-	-	-	-	-	-	-
3	1993	1994	-	-	-	-	-	-	-
4	1994	1995	-	-	-	-	-	-	-
5	1995	1996	-	-	-	-	-	-	-
6	1996	1997	-	224,311	-	224,311	-	224,311	-
7	1997	1998	-	370,606	-	370,606	-	370,606	-
8	1998	1999	-	404,145	-	404,145	-	404,145	-
9	1999	2000	-	616,164	-	616,164	-	616,164	-
10	2000	2001	-	1,607,021	-	1,607,021	666,306	940,715	2.41
11	2001	2002	-	2,347,285	-	2,347,285	1,262,958	1,084,327	1.86
12	2002	2003	-	3,197,808	-	3,197,808	1,505,499	1,769,481	2.12
13	2003	2004	-	3,017,892	-	3,017,892	1,963,477	1,591,507	1.54
14	2004	2005	2,678,000	2,607,757	-	2,607,757	1,954,547	1,189,804	1.33
15	2005	2006	4,033,558	5,204,950	-	5,204,950	2,136,590	3,787,012	2.44
16	2006	2007	4,628,109	6,277,162	-	6,277,162	2,658,908	3,618,255	2.36
17	2007	2008	5,918,041	5,704,702	-	5,704,702	3,689,799	2,014,904	1.55
18	2008	2009	7,705,893	6,933,543	-	6,933,543	4,089,543	2,844,000	1.70
19	2009	2010	8,278,107	14,314,091	-	14,314,091	4,085,443	10,228,648	3.50
20	2010	2011	8,278,107	8,932,248	-	8,932,248	5,427,948	3,504,300	1.65
21	2011	2012	8,500,000	7,929,284	-	7,929,284	5,713,719	2,215,566	1.39
22	2012	2013	8,000,000	-	-	8,000,000	5,706,464	2,293,536	1.40
23	2013	2014	8,000,000	-	-	8,000,000	5,544,769	2,455,231	1.44
24	2014	2015	8,000,000	-	-	8,000,000	5,533,405	2,466,595	1.45
25	2015	2016	8,000,000	-	-	8,000,000	5,527,223	2,472,777	1.45
26	2016	2017	8,000,000	-	-	8,000,000	5,532,674	2,467,326	1.45
27	2017	2018	8,000,000	-	-	8,000,000	5,532,893	2,467,107	1.45
28	2018	2019	8,000,000	-	-	8,000,000	4,481,297	3,518,703	1.79
29	2019	2020	8,000,000	-	-	8,000,000	3,830,333	4,169,667	2.09
30	2020	2021	8,000,000	-	-	8,000,000	3,833,708	4,166,292	2.09
Total			\$ 122,019,814	\$ 69,688,971	\$ -	\$ 141,688,971	\$ 80,677,501	\$ 62,880,979	
NPV @ 4%								\$22,714,440	

Underwriting Services

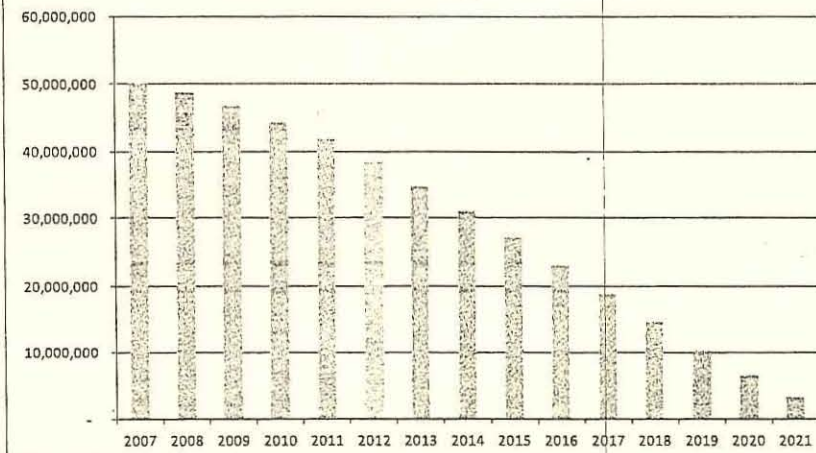


UCB Debt

Annual UCB Debt Service 2008-2021



Total UCB Outstanding Debt 2008-2021



Underwriting Services



SR 747 TIF Zone

SR 747:

- Established 1997, Amended 1998, Expires 2028 – 30 Year TIF with School District Reimbursement
- 2,574 acres – 76% developed
- Majority of developed properties paying or in process of paying PILOT
- Current Outstanding Debt – \$19,594,088
- Annual Payments:
 - 2012 Debt Service payment - \$1,509,349
 - 2012 Lakota Local School District payment - \$1,618,809
- Current Annual Net Collections \$4,221,051
- Projected collections estimate PV borrowing capacity \$30,615,049

SR 747 TIF Zone

West Chester Township, Butler County, Ohio
 State Route 747 TIF Zone
 Zone Established 1998
 School District Reimbursement @ 27.72% Maximum



TIF Zone Revenues & Debt Service

TIF Year	Assessed Year	Collection Year	Estimated Collection	Actual Collections	Lakota Local School District Reimbursement 27.72%	Net TIF Revenues Available	TOTAL DEBT SERVICE	Excess Revenues	Debt Service Coverage Ratio
1	1998	1999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2	1999	2000	-	-	-	-	-	-	-
3	2000	2001	-	354,521	98,273	256,248	-	256,248	-
4	2001	2002	-	1,106,352	292,168	814,184	227,566	586,618	3.58
5	2002	2003	-	1,813,261	428,070	1,385,191	602,918	782,273	2.30
6	2003	2004	2,200,000	2,384,579	543,767	1,840,812	925,031	915,781	1.99
7	2004	2005	2,381,223	2,527,872	700,726	1,827,146	922,096	905,050	1.98
8	2005	2006	4,070,648	4,192,473	1,162,153	2,908,495	977,668	1,930,827	2.97
9	2006	2007	4,070,907	4,782,417	1,325,686	2,745,221	1,297,296	1,447,925	2.12
10	2007	2008	4,630,944	5,836,376	1,617,843	4,218,533	2,664,430	1,554,103	1.58
11	2008	2009	5,793,184	4,912,059	1,361,623	3,550,436	2,916,847	633,589	1.22
12	2009	2010	4,200,000	5,112,414	1,417,161	3,695,253	2,615,979	1,079,273	1.41
13	2010	2011	4,200,000	6,552,803	1,816,437	4,736,366	1,357,011	3,379,355	3.49
14	2011	2012	5,000,000	5,839,861	1,618,809	4,221,051	1,509,349	2,711,702	2.80
15	2012	2013	5,500,000	-	1,524,600	3,975,400	1,513,020	2,462,380	2.63
16	2013	2014	5,500,000	-	1,524,600	3,975,400	1,129,331	2,846,069	3.52
17	2014	2015	5,500,000	-	1,524,600	3,975,400	1,125,287	2,850,113	3.53
18	2015	2016	5,500,000	-	1,524,600	3,975,400	1,120,844	2,854,556	3.55
19	2016	2017	5,500,000	-	1,524,600	3,975,400	1,130,636	2,844,764	3.52
20	2017	2018	5,500,000	-	1,524,600	3,975,400	1,127,710	2,847,690	3.53
21	2018	2019	5,500,000	-	1,524,600	3,975,400	1,127,760	2,847,640	3.53
22	2019	2020	5,500,000	-	1,524,600	3,975,400	1,181,718	2,793,682	3.36
23	2020	2021	5,500,000	-	1,524,600	3,975,400	1,174,450	2,800,950	3.38
24	2021	2022	5,500,000	-	1,524,600	3,975,400	2,325,794	1,649,606	1.71
25	2022	2023	5,500,000	-	1,524,600	3,975,400	2,330,346	1,645,054	1.71
26	2023	2024	5,500,000	-	1,524,600	3,975,400	2,342,989	1,632,411	1.70
27	2024	2025	5,500,000	-	1,524,600	3,975,400	2,341,325	1,634,075	1.70
28	2025	2026	5,500,000	-	1,524,600	3,975,400	1,416,928	2,558,473	2.81
29	2026	2027	5,500,000	-	1,524,600	3,975,400	1,418,998	2,556,403	2.80
30	2027	2028	5,500,000	-	1,524,600	3,975,400	1,517,650	2,457,750	2.62
Total			\$ 124,546,906	\$ 45,414,986	\$ 36,776,317	\$ 95,805,335	\$ 40,340,973	\$ 55,464,362	

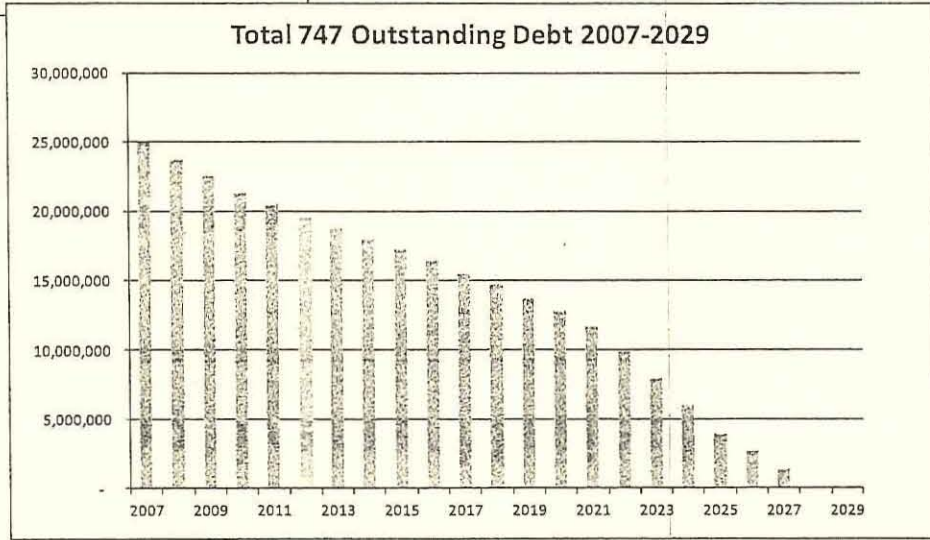
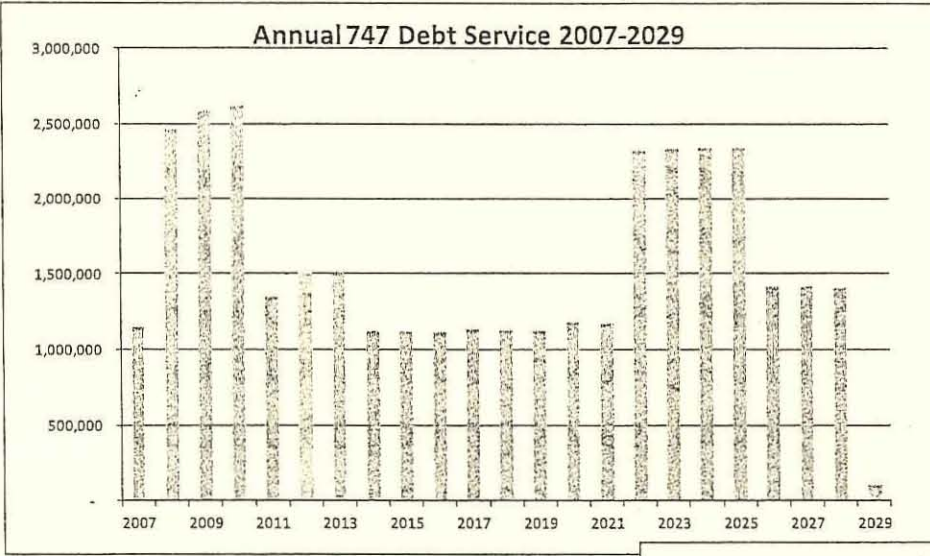
NPV @ 4%

\$30,615,049

Underwriting Services



SR 747 Debt



Underwriting Services



Possible Future Capital Improvement Projects

2013

• Improve UCB & I-75 bridge and ramps (UCB TIF)	\$6,000,000*
• Install UCB street lights I-75 to Cin-Day (UCB TIF)	\$ 300,000
• Extend Civic Centre Blvd to Allen Road (UCB TIF)	\$3,000,000*
• Irrigate and Landscape UCB Medians east (UCB TIF)	\$ 300,000
• Widen Windisch Road (UCB TIF)	\$3,000,000
• Repair irrigation UCB west (CBD TIF)	\$ 250,000
• Install streetscape Towne Centre Drive west (CBD TIF)	\$ 409,658*
• Install UCB street lights Beckett to SR 747 (747 TIF)	\$ 300,000
• Install Connections Pathway - Beckett Road (747 TIF)	\$ 300,000
• Resurface Township and County roads (various)	\$1,000,000

* Development driven

Note: Projects will require independent approvals and action by the Board of Trustees.



Possible Future Capital Improvement Projects

2014

- Widen Allen Road (CBD TIF) \$3,000,000*
- Resurface Township and County roads (various) \$1,000,000
- Construct Fire Station 76 if warranted (747 TIF) \$5,500,000
- Install Connections Pathway Conservation Corridor (747 TIF) \$1,000,000

2015

- Resurface Township and County roads (various) \$1,000,000
- Resurface WCSSC parking lot (747 TIF) \$ 610,000
- Purchase Fire Engine and Equipment for FS 76 if warranted (747 TIF) \$ 650,000

* Development driven

Note: Projects will require independent approvals and action by the Board of Trustees.



Possible Future Capital Improvement Projects

2016

- Resurface Township and County roads (various) \$1,000,000
- Improve Cincinnati-Dayton Road West Chester to I-75 (UCB TIF) \$2,000,000

2017

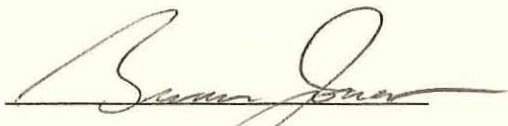
- Resurface Township and County roads (various) \$1,000,000

Note: Projects will require independent approvals and action by the Board of Trustees.

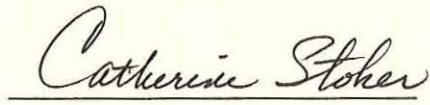
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