

THE COLONY DEVELOPMENT AGREEMENT



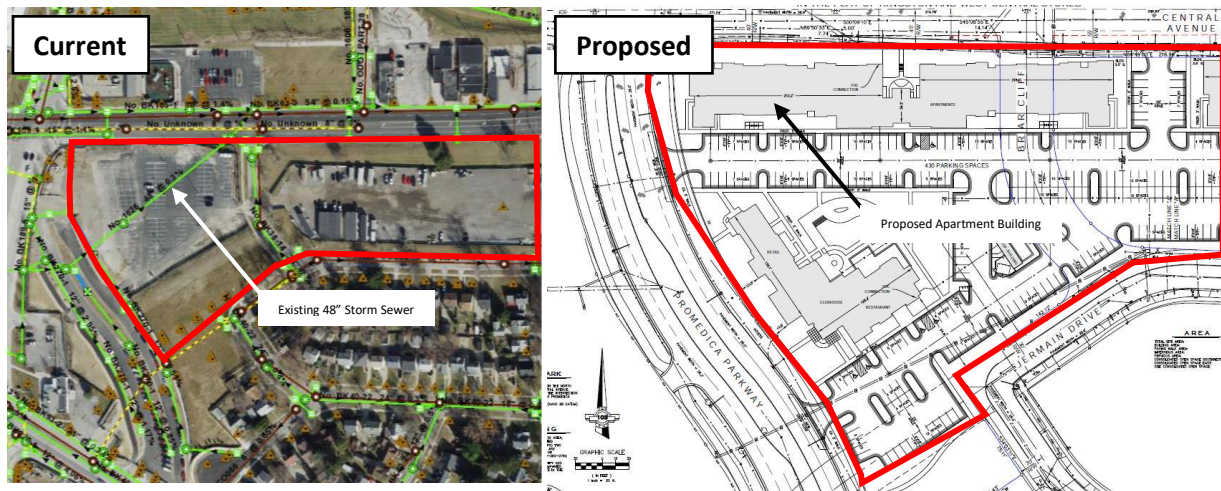
About the Project:

- \$50MM investment
- 300 construction jobs
- 86 permanent jobs
- 262 new market rate apartment units
- 120-room Home2 Suites by Hilton hotel
- Construction is set to begin Q3/Q4 2020

Return on Investment:

- New property tax revenue generated from \$50MM investment.
- New income tax revenue generated from jobs created for the project (construction, hotel, restaurant and apartment uses).
- New hotel-motel tax generated from Home2 Suites Hotel by Hilton.
- New sales tax generated from construction materials, Home2Suites Hotel and The Old Bag of Nails Pub.
- New permit, inspection and building plan fees generated through the Division of Building Inspection for the project.
- Redevelopment of 10 acres of vacant underutilized property into a new high quality mixed use development.
- Catalytic impact on peripheral development and investment opportunities.
- Appropriately sized storm sewer to improve drainage in the Bowen Ditch watershed.
- Improved redundancy, fire flow capability and water quality from the new looped water main.

Development Agreement Summary:



- Upsizing of Storm Sewer
 - In order for the Colony apartment project to proceed to construction, an existing 48-inch public storm sewer must be relocated because permanent structures cannot be constructed over public utilities.
 - Pursuant to the City's Comprehensive Ditch Plan, the existing 48" storm sewer is significantly undersized for the watershed in which it serves. The plan recommends the entire pipe be upsized. Although Bowen ditch has not been improved downstream, the upsizing of this section of storm sewer now will provide detention in the undersized system, which could help minimize flooding in the Colony neighborhood.
 - Since the Colony development project requires the relocation of the existing storm sewer, this is the ideal time to proactively upsize this section of pipe and not have to tear up the same infrastructure again in the future.
 - The developer will pay \$700,000 to relocate the pipe. The City will pay \$749,840 to upsize the pipe from a 48-inch to a 72-inch. The City's expense will be paid for using the Storm Sewer Enterprise Fund. No money from the Capital Improvement Fund will be used for this project.
 - Relocating the pipe without upsizing could be detrimental to areas upstream that are prone to flooding.
- Water Line Loop
 - The loop reestablishes, and reinforces, the connection between the 12-inch diameter water main in Central Avenue and the neighborhood south of The Colony development. The connection is intended to ensure that fire protection to the neighborhood is not negatively impacted by the development.
 - In general, looping water mains is considered good engineering practice to improve redundancy, fire flow capability, and water quality.
 - The waterline project will be paid for using the 2 Percent Water Utility Fund, which was established to assist economic development projects, such as the Colony development, that require the installation or relocation of public utilities. No money from the Capital Improvement Fund will be used for this project.

- Community Reinvestment Area Real Property Tax Exemption
 - Pursuant to Ordinance 63 passed by Toledo City Council on February 5, 2019, the West Toledo Community Reinvestment Area was created to offer real property tax exemptions to investment projects.
 - The City will grant the hotel and apartment tax parcels a 100 percent real property tax exemption on the increase in taxable value that results from the development project for 15 years. The property owner is required to make service payment to Toledo Public Schools for the term of the incentive.

- Other Items:
 - Fee waiver for right-of-way vacations
 - 3 sanitary saps for the Residential Development parcel and 1 sanitary tap for the Commercial Development parcel
 - Assist in coordinating conversations between developer and ODOT for an off-site detention pond facility.
 - Assist in coordinating conversations between developer and private utility companies for relocation of lines for project.