



July 5, 2013

VIA E-MAIL & REGULAR MAIL

Ms. Jennifer Teal
Director of Finance
City of Gahanna
200 South Hamilton Road
Gahanna, Ohio 43230

Re: Terms of Engagement – Tax Incentive Management Services

Dear Ms. Teal:

We are pleased that the City of Gahanna (the "City") has selected Argus Growth Consultants, Ltd. ("Argus"), a wholly-owned subsidiary of Bricker & Eckler LLP (B&E), to assist the City with tax incentive management services, as more fully described under the section entitled "Scope of Services" in the proposal delivered to the City on May 20, 2013 (the "Services").

Argus' fee for performing the Services will be \$20,000 payable at completion of our engagement with the City. Julie Burkart, Senior Vice President, will have primary responsibility for the representation and will utilize the resources of Amy Gray, Vice President. Price Finley, Managing Director of Argus and partner with B&E, will provide advisory services on an as-needed basis. At the City's request, Argus will work with the Franklin County Auditor's office to resolve any discrepancies found during the course of performing the Services. Fees for this additional work will be negotiated upon request of the City and will be billable under a separate contract.

No agency, employment, joint venture or partnership has been or will be created between the City and Argus pursuant to the terms and conditions of this engagement. Inasmuch as the City is interested in Argus' end product, the City does not control the manner in which Argus performs the Services. The City is not liable for the workers' compensation or unemployment compensation payments required by Chapters 4123 and 4141 of the Revised Code, respectively. In addition, Argus assumes responsibility for tax liabilities that result from compensation paid to Argus by the City. The City will report any payment made under this contract to the Internal Revenue Service on Form 1099.

Argus will maintain its own accounts and records, including personnel, property and financial records, adequate to identify and account for all costs pertaining to the Services, and such other records to assure proper accounting for funds. These records will be made available by the City or any of its duly authorized representatives, and will be retained for three years after the City makes final payment to Argus under this engagement.

EXHIBIT A

Ms. Jennifer Teal

July 5, 2013

Page 2

The City may suspend or terminate this engagement for any reason at any time after delivery of written notice to Argus. Argus, upon receipt of notice of suspension or termination, will cease work on the suspended or terminated Services under this engagement, suspend or terminate any subcontracts relating to such suspended or terminated Services, take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report, as of the date of receipt of notice of suspension or termination, describing the status of all work under this contract, including without limitation, results accomplished, conclusions resulting there from, and such other matters as the City may require.

In the event of suspension or termination of this engagement, Argus will be entitled to compensation, upon submission of a proper invoice, for the work performed prior to receipt of notice of suspension or termination, which shall be calculated on a prorated basis based on the number of days actually transpired from the date of execution of this engagement to the date of receipt of notice of termination by Argus over the thirty (30) day contract period, plus any extraordinary out of pocket expenses incurred to that point.

The City is not required to utilize Argus' services as a condition of any engagement of B&E's legal services. Likewise, the City is not required to utilize B&E's legal services as a condition of any engagement of Argus' consulting services. Having been fully advised of the nature and extent of these relationships, and the desirability of engaging independent legal counsel to review the fairness of this engagement, the City agrees to waive any conflicts of interest that may exist, understanding that these circumstances do not limit B&E's and Argus' ability to fully and adequately perform any and all services for which they are separately engaged on behalf of the City.

The City acknowledges and agrees that the Services provided pursuant to this engagement are not legal services and that the Ohio Rules of Professional Conduct that relate to the client-lawyer relationship, including client confidentiality do not apply. These protections of the Ohio Rules of Professional Conduct are only available upon the separate engagement of legal counsel to perform specified legal services.

Argus understands that its client for purposes of this representation is the City, and not any of its individual officers, directors, or employees. If the City would wish to retain Argus' services for a particular matter on terms different from those discussed in this engagement, Argus would prepare an additional contract similar to this one; absent any other special arrangements, all other work done by Argus would be on the same terms and conditions set forth herein.

Argus reserves the right to continue to represent or to undertake to represent existing or new clients, in any matter that is not substantially related to the work performed under this engagement, even if the interests of such clients in other matters are directly adverse to the City. In order to distinguish those instances in which the City consents to Argus' representation of such other clients

Ms. Jennifer Teal
July 5, 2013
Page 3

from those instances in which the City consent is not given, the City agrees, as a condition to this engagement, that during the period of this engagement Argus will not be precluded from representing clients who may have interests adverse to the City so long as (1) such adverse matter is not substantially related to the work performed under this engagement, (2) representation of the other client does not involve the use, to the disadvantage of the City, of any of the City's confidential information that has been obtained as a result of Argus' representation of the City, and (3) Argus reasonably believes that it will nonetheless be able to competently and diligently serve both the City on this matter and the other client on the different matter. By executing the engagement, the City is waiving any right to object to such representation now or in the future.

As noted above, Argus' role with respect to work under this engagement will be limited to the Services stated in this engagement. This engagement limits the scope of Argus' representation to those matters. Argus specifically reserves the right to withdraw from representation under this engagement if Argus feels that it cannot properly represent the City's interests. Likewise, should Argus at any time during the representation, even after the conflicts check, determine that representation of the City's interests would conflict with Argus' previous representation and/or previous relationship with other clients relative to work under this engagement, Argus does reserve the right, after discussion with the City, and at Argus' sole discretion, to withdraw from representation of the City's interests.

If the foregoing terms of this engagement are acceptable to you, please so indicate by returning the enclosed copy of this letter signed by an appropriate officer, retaining the original for your files. We look forward to working with you.

ARGUS GROWTH CONSULTANTS, LTD.

By: _____

Price D. Finley, Managing Director

Accepted and Approved:

CITY OF GAHANNA

By: _____

Title: _____

Date: _____



Your Partner in Economic Development Phase 1a

Proposal prepared exclusively for:

The City of Gahanna for Tax Incentive Management Services

Introduction

On behalf of Argus Growth Consultants, Ltd. ("Argus"), we are pleased to provide you with this Proposal to provide tax incentive management services to the City of Gahanna (the "City") in connection with several tax increment financings (the "TIFs") created by the City that are currently generating revenue to provide funds for public improvement projects and to promote economic growth. In this Proposal, we will touch upon (i) the rationale for engaging Argus, (ii) the experience of the members of Argus who will be providing the scope of services contemplated by this Proposal, (iii) the scope of services contemplated, and (iv) a proposed fee structure for our services.

Rationale for Engaging Argus

Argus was specifically formed to assist governmental entities and developers with a variety of economic development issues, including providing an assortment of services relating to tax increment financings. Because of our extensive knowledge of, and experience with, prepare TIF projections and administering collections of payments in lieu of taxes, we believe Argus is uniquely qualified to provide the City with the services described herein. In fact, Argus has experience with providing similar services to other governmental entities.

The following is a summary of Argus' relevant experience with tax increment financings:

City of Columbus – TIF Administrator

From 2006 through June 2009, Argus served as the TIF Administrator for the City of Columbus ("Columbus"). Columbus is one of the most prolific users of TIF financing in Ohio. In this capacity, Argus was responsible for monitoring over 50 TIFs, including providing analysis to ensure proper service payments were collected, assisting city administration with analyzing the feasibility of additional TIFs proposed by developers, and preparing and filing annual reports with the Ohio Department of Development. Due to budgetary constraints Columbus did not extend the contract beyond June 30, 2009, but Argus continues to provide services on an "as needed" basis.

Warren County Port Authority

Argus has served as Administrator with respect to the Warren County Port Authority's Special Obligation Development Revenue Bonds, Series 2008A (Corridor 75 Park Project) since 2008. As Administrator, Argus performs a variety of duties, including the administration of service payments and special assessments, delinquency management and continuing disclosure services.

Cleveland-Cuyahoga County Port Authority

Argus was named Administrator for two existing bond issues of the Cleveland-Cuyahoga County Port Authority (the "Cleveland Port")- the University Square Project (University Heights) and CityView Project (Garfield Heights). These financings involve bonds backed by TIF and special assessment revenues. As Administrator, Argus provides a full range of administrative support services that will include the annual calculation of any special assessment levy to be charged on a property within the TIF district.

City of Powell

The City of Powell ("Powell") engaged Argus to perform an audit of all the parcels located in a newly created downtown TIF. The Powell's goal was to verify that the process for collecting and receiving PILOTs from the county was working properly, so they could have confidence going forward that it would receive the needed funds for future debt service. Argus compiled a spreadsheet of all the parcels and calculated the PILOTs that should have been received. Argus concluded that Powell did not receive an accurate amount of PILOTs due to them and was also able to determine the cause of the discrepancy. Argus presented the findings to Powell and the county and assisted them with correcting the issue. As a result, Powell received a significant increase in the amount of PILOTs collected.

City of Sharonville

In 2009 the City of Sharonville ("Sharonville") hired Argus to confirm that payments in lieu of taxes were being properly collected by the county auditor and that sufficient payments were being distributed to Sharonville with respect to a TIF implemented by Sharonville. Argus built a database of all parcels in the TIF (over 250 parcels) and determined the base for each parcel. From this information, Argus determined the incremental value for each parcel for the previous three years, independently calculated the payments in lieu of taxes that should have been collected in each year, and compared these amounts to the payments received by Sharonville. Argus' analysis did show various discrepancies, which were brought to the attention of the county auditor. Sharonville was able to work with Argus and the auditor to reach an agreement regarding past settlements.

Hilliard City School District

The City of Hilliard has created 35 TIFs which involve the Hilliard City School District ("Hilliard Schools"). A majority of the TIFs are non-school TIFs, meaning Hilliard Schools is entitled to

receive, from the county auditor, the portion of the payments in lieu of taxes collected that Hilliard Schools would have received had no exemption been granted. On some TIFs, Hilliard Schools is to receive a predetermined compensation payment from the city. In 2009 the school district engaged Argus to review each of the TIFs and determine whether Hilliard Schools was receiving proper payments in lieu of taxes from the county auditor or the appropriate compensation payments from the city. Argus reviewed each compensation agreement and TIF and calculated the payments to be received by Hilliard Schools. Argus' analysis did show that Hilliard Schools has been receiving accurate payments from both the county and the city on each TIF.

Lakota Local School District

The Lakota Local School District ("Lakota Schools") is party to a variety of TIFs created by Westchester Township, Liberty Township and Butler County. In 2009 the school district hired Argus to review their TIFs with Westchester Township. According to agreements with the township, Lakota Schools is to calculate the payments it is owed under each TIF and bill the township for payment. Argus' work on these TIFs was twofold; first, to confirm that correct payments in lieu of taxes were made by the county to the township, and two, to verify that Lakota Schools was billing the township appropriately. Using historical property values, Argus was able to calculate the payments in lieu of taxes that the township should have received going back several years to the inception of each TIF. Argus then reviewed each compensation agreement between the School District and the township allowing us to ascertain the correct formulas needed to calculate the compensation payments owed to the School District. Lakota Schools worked with the township to resolve the differences. Upon completion of the analysis of the Westchester Township TIFs, Argus was engaged by Lakota Schools to analyze both the Liberty Township and Butler County TIFs.

The Argus Team

In serving the City, Argus will use a team approach to meeting the City's needs. We have assembled a team that has a thorough understanding of tax incentive programs and possesses the technical expertise to perform the Scope of Services outlined in this Proposal.

Leading this team will be **Julie A. Burkart**, Senior Vice President of Argus. As a Senior Vice President of Argus and Senior Public Finance Specialist with Bricker & Eckler LLP, Ms. Burkart has extensive experience in working with a variety of issuers on economic development issues. In addition, prior to joining Argus, Ms. Burkart was the debt administrator for City of Columbus Auditor Hugh Dorrian. In this capacity, Ms. Burkart was responsible for the administrative functions relating to debt issuances and the review and auditing of economic development incentives granted by the City, including TIFs, enterprise zones and community reinvestment areas. While with the City Auditor's office, Ms. Burkart represented the City Auditor at the annual TIRC meetings. Prior to working at the City of Columbus, Ms. Burkart worked at the Columbus public finance office of A.G. Edwards & Sons, Inc. (now Stifel, Nicolaus & Company, Inc.). As Vice President of Investment Banking, Ms. Burkart was intimately involved in many tax increment financing projects, including two prominent projects in the central Ohio area (Easton

and Polaris). Her involvement included preparing a variety of TIF "pro formas" to ascertain the financial feasibility of TIF revenues covering debt service payments on bonds issued by the City of Columbus.

The team will also include **Amy J. Gray**, Vice President of Argus. In addition to her work on all the Argus projects heretofore mentioned in this Proposal, Ms. Gray is actively involved with providing continuing disclosure services for the clients of Bricker and Eckler LLP. Prior to joining the Argus team in 1999, Ms. Gray worked for the City of Columbus, Recreation and Parks Department as a development associate responsible for corporate sponsorship and fundraising for the department. Before her employment with the City of Columbus, Ms. Gray was the first full-time executive director for the Greater Powell Area Chamber of Commerce. In this role, her duties included cultivating relationships with local businesses in order to assist with business retention efforts within the community.

Price D. Finley, Managing Director of Argus and partner with Bricker & Eckler LLP, will provide advisory services on an as-needed basis.

Resumes of these individuals are included at the end of this Proposal.

Scope of Services

Argus' Scope of Services will afford the City an overall picture of the health of the current revenue-producing TIFs. In addition, we will review all applicable compensation agreements associated with the TIFs and determine the most effective manner for the City to make the necessary calculations going forward. Finally, Argus will provide the City with a step-by-step policy that can be followed when creating and administering new TIFs to ensure the most effective use of this valuable economic development tool.

Review Existing TIFs

1. Develop a separate spreadsheet for each TIF, which will include specific information for each parcel within the TIF (the "TIF Database").
2. Research Franklin County Auditor's website to obtain the applicable tax information for each parcel in the TIF.
3. Calculate the base value of each parcel and the total base value of the TIF.
4. Calculate annual incremental value since inception of the TIF.
5. Determine annual payments in lieu of taxes that should have distributed to the City.
6. Compare our data with actual amount of payments in lieu of taxes received by the City.
7. Review our findings with the City.

Examine School Compensation Agreements

1. Review current school compensation agreement for each applicable TIF.
2. Apply school compensation formulas to determine the amount that should have been paid to the school district on an annual basis.
3. Compare calculated payments to the actual payments made to the school district.
4. Review our findings with City.
5. Include the school compensation formulas in the TIF Database so that future payments can be easily calculated.

Develop a TIF Policy

1. Meet with City personnel to determine TIF goals, objectives and strategies.
2. Draft a TIF policy to make apparent and explicit to City staff and potential developers the information required, and the conditions that must be met, for a particular project to receive TIF assistance from the City. The policy may include:
 - TIF goals and objectives.
 - Financial requirements for both City and developer (public investment vs. private investment).
 - Acceptable methods of TIF funding (general obligation vs. revenue financing by City).
 - School compensation and income tax sharing constraints.
 - Roles and responsibilities of City departments and personnel when evaluating, creating and administering a TIF.
 - List of required documents to be received and kept on file at the City when creating and administering a TIF.
 - A list of annual requirements (State reporting, TIRC).
3. Work with City personnel on an on-going basis to continually evaluate the effectiveness of the TIF policy and revise if necessary.

Develop Tools for On-going Tracking of TIFs

Upon completion of the Scope of Services, Argus will provide the City with the complete TIF Database described herein. This all-inclusive database will provide historical information that

should be updated by the City on an ongoing basis to ensure the appropriate amount of PILOTs are being collected and that the school district is being appropriately paid under the individual compensation agreements. The historical information can also be helpful in preparing projections of future PILOTs and calculating the City's borrowing capacity from such revenues. Argus has the expertise to prepare these projections and analyses and would and be happy to provide these services to the City in the future if needed.

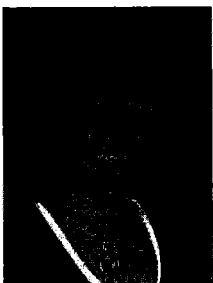
Fee Proposal

Argus is proposing to perform the above services for a fixed fee contract of \$20,000.00 payable at completion of the engagement. The fixed fee arrangement allows the City to call upon us as needed throughout the process without having to worry about the "clock ticking" and the fees accruing at a high level. Your financial liability is known going into the engagement. Our fees include all normal out-of-pocket expenses. Any extraordinary expenses (none anticipated) will be approved by the City before the expense is incurred.

At the City's request, Argus will work with the City and the Franklin County Auditor's office to resolve any discrepancies found during our review of the tax records. Fees for this additional work will be negotiated upon request of the City and will be billable under a separate contract.

Conclusion

We hope that we have provided sufficient information for you to make a decision regarding the value of retaining Argus to provide tax incentive management services on the City's TIFs. More details about Argus may be found at www.argusgrowth.com. If you need additional information, we are available at your convenience.



JULIE A. BURKART
SR. VICE PRESIDENT

Julie Burkart is Sr. Vice President of Argus Growth Consultants, Ltd. and has held that position since the fall of 2006. Ms. Burkart has been employed in various positions throughout the public finance arena including working for bond attorneys, underwriters, and issuers. Ms. Burkart is also the Senior Public Finance Specialist in Bricker & Eckler's Bond, Structured & Public Finance group. She assists the attorneys in this area and concentrates her practice in rebate analysis, TIF and special assessment numerical analysis, as well as bond issuance documentation and closing.

REPRESENTATIVE EXPERIENCE

- Assist with preparation of financing documents for new money and refunding bond issues
- Act as a rebate analyst for public sector industry group
- Provide analysis of the impact of TIFs, Special Assessments, CEDAs, JEDDs and Community Authorities with respect to development, tax and financing options
- Serve as administrator on several Ohio port authority bond financings

Assistant Auditor, City of Columbus

- Participated in all aspects of the City's issuance of bonds and notes including general obligation, revenue, special assessment and tax increment financings
- Managed one of two debt tracking systems to ensure timely payment of debt service on all City obligations
- Gained a broad understanding of municipal debt issuances from an issuer's perspective

Vice President of Investment Banking, A.G. Edwards & Sons, Inc.

- Participated in all aspects of financing transactions including the preparation of rating agency presentations, legal documentation review, structuring financing alternatives and coordinating the pricing and closing of issues
- Drafted presentations and proposals to assist in the solicitation of clients
- Acquired extensive knowledge in the structuring and marketing of municipal securities

COMMUNITY AND PROFESSIONAL ACTIVITIES

- Member, National Association of Bond Lawyers
- Member, Ohio Women in Public Finance
- Member, former Treasurer, Clintonville Community Band

EDUCATION

- Capital University Law School, Certified Legal Assistant Program (Certification, 1989)
- The Ohio State University (B.S., *cum laude*, 1987)

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Columbus Office
100 South Third Street
Columbus, Ohio 43215
www.argusgrowth.com





AMY J. GRAY

VICE PRESIDENT

Amy Gray, Vice President of Argus Growth Consultants, Ltd., has been with the company since its inception in 1999. As a team member of Argus, she has had the opportunity to assist several local communities in their efforts to formulate useful economic development programs with specific objectives and strategies for obtaining their goals. As part of this process, Amy has conducted stakeholder interviews; facilitated public meetings; analyzed land use and potential market niches; and presented findings to public officials. She also has assisted clients in determining which economic development resources are appropriate for their community and aided in the creation and implementation of these tools.

Amy also specializes in management of tax increment financing (TIF) districts and community development authorities. As part of these responsibilities, she thoroughly analyzes existing TIF districts to determine whether they are functioning properly and proposes solutions for any issues that are uncovered. Amy has worked with numerous county auditors to ensure the correct collection and distribution of TIF funds. Amy assists community development authorities with required annual reports and budgets and with certifications of community development charges.

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100 South Third Street
Columbus, Ohio 43215
www.argusgrowth.com

REPRESENTATIVE EXPERIENCE

- Development associate, Columbus Recreation and Parks Department
- Executive director, Greater Powell Area Chamber of Commerce
- Planning consultant, Maumee Valley Planning Organization
- Intern, House of Representatives, Legislative Service Commission

COMMUNITY AND PROFESSIONAL ACTIVITIES

- Member, Board of Directors, Downtown Sertoma Club

EDUCATION

- Bowling Green State University (B.A., 1994; M.A., 1996)
- Member, Phi Beta Kappa
- Member, Pi Sigma Alpha
- Member, Golden Key



PRICE D. FINLEY

MANAGING DIRECTOR

Price Finley serves as Managing Director of Argus Growth Consultants, Ltd. and is a partner with Argus' affiliate, the law firm of Bricker & Eckler LLP. His work experience includes bond financing and economic development finance. Price has helped communities and developers negotiate development and incentive agreements and has assisted local governments and underwriters structure tax increment financings (TIFs), new community authorities (CDAs), and special assessment programs (SADs and SIDs). He has also assisted with the formation, structuring, financing, and governance of port authorities, community development authorities, joint economic development districts (JEDDs and JEDZs), cooperative economic development agreements (CEDAs), community improvement corporations (CICs), regional planning commissions, and enterprise zone (EZ) and community reinvestment area (CRA) abatement programs.

PUBLIC & COMMUNITY SERVICE

- Member, Council of Development Finance Agencies
- Member, International Economic Development Council
- Member, International Council of Shopping Centers
- Member, National Association of Bond Lawyers
- Member, Ohio Development Association
- Member, Upper Arlington Rotary Club
- Member, Board of Directors, Columbus Children's Theater

PRESENTATIONS & PUBLISHED WORKS

- "TIDs Serve as Powerful and Flexible Vehicle for Transportation Infrastructure Improvement in Ohio" – *Ohio Municipal Service*, January/February 2009
- "Improving Communities with Community Improvement Corporations" – *Ohio Municipal Service*, May/June 2006
- "Cooperative Economic Development Made Easy with JEDDs and CEDAs" – *Ohio Municipal Service*, July/August 2004
- "New Community Districts Provide Opportunities to Finance Infrastructure Improvements" – *Ohio Municipal Service*, January/February 2004
- "Fiduciary Duties of Public Board Members" – *Ohio Municipal Service*, September/October 2003
- "Don't Let Your 'TIF' Cause a 'TIFF'" – *Ohio Municipal Service*, July/August 2003
- "Lease-Purchase Arrangements Provide Creative Options for Capital Asset Financing" – *Ohio Municipal Service*, January/February 2003

EDUCATION

- Capital University (B.A., *magna cum laude*, 1986)
- The Ohio State University (M.B.A., 1989, emphasis in Finance)
- The Ohio State University (J.D., 1990)

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