

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE CITY OF ONTARIO  
AND  
Richland Community Development Group**

This Memorandum of Understanding ("MOU") memorializes the expanded collaboration in 2025 between the City of Ontario and the Richland Community Development Group (RCDG) to pursue economic development support, in addition to the existing partnership with the City of Ontario, for the specific items below for approximately 32 hours a month of team support and is effective from January 1, 2025 through December 31, 2025. Accordingly, the Parties hereby agree to the following:

1. The City of Ontario will provide RCDG an additional \$2,500 monthly, paid quarterly beginning on the first day of the first quarter worked together, for the fulfillment of the following expanded economic development duties. This will be accomplished by executing the following goals, with expansion possible as agreed upon by both parties in advance of changes:
  - A. Assist with the set-up and planning of a Community Improvement Corporation per Ohio Revised Code 1724, filing for non-profit status to be a "designated agency" for the City.
  - B. Assist in organizing the board for the CIC and creating and adopting a code of regulations.
  - C. Assist with informing City Council and newly formed CIC board about the opportunities and responsibilities of a CIC.
  - D. Provide additional economic development guidance and support for key projects and community engagement.
  - D. Help identify key priorities in City's new comprehensive plan community and recommend how to implement community and economic development initiatives.
2. RCDG and the City of Ontario will establish a set of agreed upon expectations which will guide the evaluation of the success of the expanded partnership.
3. Neither of the Parties is to disclose; directly or indirectly, any confidential information received from the other Party to any third Party without approval, unless required by law.
4. This agreement shall commence January 1, 2025, and shall expire December 31, 2025.
5. This MOU is intended as merely an understanding of agreement as it currently exists between the parties. It is not intended as a contract and contains no legally enforceable promises. Consequently, either party may choose to end the arrangement as described above at any time.

The parties will attempt to work through any potential challenges that may arise. If it is determined that the arrangement be severed, the initiating party shall provide a 30-day notice. Should the arrangement be severed, both parties agree to provide access to the other Party's data created or altered during the time of the agreement and to unwind the relationship over a 60-day period.

Compliance with Law

1. Each Party hereby represents that it is not aware of any pending legislation that would impede its ability to enter into this MOU.
2. The Parties shall at all times during the term of this MOU remain in material compliance with all applicable laws and regulations. Nothing in this agreement shall be interpreted as being in conflict with Federal, State, or Local laws, and, in the event this agreement is found to violate the law in part, that part shall be stricken with the rest of the agreement proceeding as intended.

Agreed and Accepted:

Richland Community Development Group

By: .....

Print Name: .....

Title: .....

Date: .....

The City of Ontario

By:

Print Name: .....

Title: .....

Date: .....

A **Community Improvement Corporation (CIC)** offers several key benefits to a municipality by serving as a flexible and strategic partner in economic development and community revitalization efforts. Here's a summary of the major advantages:

## 1. Enhanced Economic Development Capabilities

- **Attracting Investment:** CICs can work to attract new businesses, retain existing ones, and promote job creation within the community by acting as a dedicated economic development entity.
- **Public-Private Partnerships:** They facilitate **public-private partnerships**, helping the municipality partner with private investors and developers to fund and manage community improvement projects.
- **Issuing Bonds and Financing:** CICs can issue bonds or pursue other funding mechanisms that municipalities might not have direct access to, enabling larger development projects.

## 2. Property Acquisition and Redevelopment

- **Real Estate Management:** CICs can acquire, manage, redevelop, or dispose of blighted, abandoned, or underutilized properties in ways that promote community revitalization. They often have more flexibility than municipalities in managing real estate transactions.
- **Land Banking:** CICs can act as a **land bank**, holding properties temporarily to ensure they are developed strategically, rather than simply selling to the highest bidder.

## 3. Streamlined Development Process

- **Faster and More Agile:** CICs can act with greater speed and flexibility than government entities, making them more responsive to the needs of businesses, developers, and community projects.
- **Focused Expertise:** CICs bring specialized knowledge in areas such as urban redevelopment, economic strategy, and real estate that might not be as readily available within municipal government.

## 4. Tax Advantages and Funding Access

- **Grant and Funding Eligibility:** CICs, especially those with **501(c)(3)** status, can access grants, philanthropic donations, and other forms of funding that municipalities often cannot. This can fund development projects without tapping into taxpayer resources.
- **Tax Incentives:** CICs can facilitate tax incentive programs such as tax increment financing (TIF) districts or property tax abatements to encourage private investment in community development projects.

## 5. Blight Elimination and Community Revitalization

- **Addressing Urban Decay:** CICs play a critical role in revitalizing blighted or economically depressed areas by acquiring dilapidated properties and transforming them into productive assets, such as affordable housing, retail, or public spaces.
- **Improving Quality of Life:** Through targeted redevelopment efforts, CICs contribute to enhancing the overall quality of life for residents by fostering safer, more vibrant neighborhoods and increasing access to amenities.

## 6. Increased Local Control

- **Localized Decision-Making:** CICs give the municipality more control over development decisions and ensure that projects align with the long-term vision and goals of the community.
- **Tailored Economic Strategies:** The CIC can focus on specific local needs, such as workforce development or infrastructure improvements, allowing for a customized approach to community challenges.

## 7. Job Creation and Workforce Development

- **Boosting Employment:** By focusing on economic growth and attracting new businesses, CICs help create jobs and develop a stronger local economy.
- **Workforce Training:** Some CICs also collaborate on programs to enhance workforce skills, addressing the employment needs of businesses while helping local residents gain employment.

## 8. Reduced Financial Risk for Municipalities

- **Risk Mitigation:** CICs can absorb some of the financial risk involved in development projects, reducing the direct exposure of the municipality. They can engage in more entrepreneurial activities while protecting public funds.

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### Summary of Key Benefits to a Municipality:

1. **Promotes economic development** and job creation by attracting businesses and investors.
2. **Facilitates property acquisition and redevelopment**, addressing blight and revitalizing underutilized areas.
3. **Streamlines the development process**, acting more quickly and flexibly than local governments.
4. **Access to funding and tax incentives** that municipalities cannot directly leverage.
5. **Supports community revitalization** by improving neighborhoods and enhancing the quality of life.
6. **Offers local control** over strategic development and economic growth.
7. **Reduces financial risks** for municipalities by taking on development responsibilities.

By leveraging the power of a CIC, municipalities can advance their economic goals, create more vibrant communities, and strategically manage resources for long-term growth.

# CIC Powers

**Broad powers authorized under ORC Section 1724.02.  
Most Important Include:**

- Borrow money for any purpose of the CIC.
- Provide loans to individuals or businesses.
- Buy, lease, sell real or personal property.
- Acquire the good will, business rights, real or personal property, and assets of an individual or business.
- Charge fees to political subdivisions for services.
- Enter into contracts with federal, state and local governments
- Apply for and administer grants.
- Do all acts necessary or convenient to carry out statutory powers.

Economic Development

Here is a list of the common fees involved in setting up a **Community Improvement Corporation (CIC)** in Ohio. These include both **state-required fees** and optional fees for obtaining tax-exempt status or handling other legal requirements.

### 1. Articles of Incorporation Filing Fee (Ohio Secretary of State)

- **Cost:** \$99
- **Purpose:** This fee is required to file the Articles of Incorporation with the **Ohio Secretary of State** to legally establish the CIC as a nonprofit corporation.
- **Filing Method:** Online or by mail.

### 2. Employer Identification Number (EIN) Application Fee

- **Cost:** Free
- **Purpose:** Required for tax purposes and to open a bank account. You can apply for an EIN online through the **IRS website** at no charge.

### 3. Federal Tax-Exempt Status Application Fee (IRS Form 1023)

If your CIC plans to apply for **501(c)(3) tax-exempt status**, you will need to file one of the following forms with the **IRS**:

- **Form 1023-EZ (for small nonprofits):**
  - **Cost:** \$275 (non-refundable)
  - **Eligibility:** For organizations with projected annual gross receipts of **\$50,000 or less** and total assets under **\$250,000**.
- **Form 1023 (Standard Application):**
  - **Cost:** \$600 (non-refundable)
  - **Eligibility:** For organizations that do not qualify for Form 1023-EZ, typically with larger projected gross receipts or assets.

### 4. Ohio Attorney General's Charitable Registration Fee

- **Cost:**
  - **\$0** for nonprofits that do not raise more than \$25,000 annually and have no paid employees.
  - **\$50 to \$200**, depending on the total revenue of the organization if fundraising exceeds \$25,000 annually.
- **Purpose:** Nonprofits, including CICs, that solicit donations must register annually with the **Ohio Attorney General's Office** under Ohio's charitable law. This ensures compliance with Ohio's charitable solicitation regulations.

### 5. Local Government Fees (if applicable)

- **Cost:** Varies
- **Purpose:** Some municipalities may charge fees for local registrations, permits, or other administrative requirements that the CIC might need to follow, particularly if engaging in property development, zoning changes, or other local matters.

### 6. Legal and Professional Fees (Optional but Recommended)

- **Cost:** Varies (commonly \$500 to \$3,000 or more, depending on complexity)
- **Purpose:** Many CICs hire an attorney to assist with drafting legal documents (Articles of Incorporation, Bylaws, Agency Agreements), filing for tax-exempt status, and ensuring compliance with Ohio laws. Fees will vary based on the attorney's rates and the scope of services.

#### 7. Annual Report Filing Fee (Ohio Secretary of State)

- **Cost:** \$25 (annually)
- **Purpose:** Ohio law requires nonprofit corporations to file an annual report to keep the corporation in good standing with the Secretary of State.

#### 8. Audit or Financial Review Costs (if required)

- **Cost:** Varies (typically \$1,000 to \$5,000 or more, depending on the size of the organization)
- **Purpose:** If the CIC handles public funds, it may be subject to an annual audit by the **Ohio Auditor of State**. CICs that receive significant amounts of public money or grants may be required to undergo audits to ensure proper use of funds.

#### 9. Bank Account Setup Fees

- **Cost:** Varies (some banks may charge small fees, while many nonprofit accounts may be free)
- **Purpose:** Opening a business bank account for your CIC is necessary to separate its finances from those of individual board members or founders. Banks may charge small fees for checks or services.

#### Summary of Key Fees:

1. **Articles of Incorporation Filing Fee:** \$99
2. **EIN (IRS):** Free
3. **501(c)(3) Application Fee (IRS):**
  - Form 1023-EZ: \$275
  - Form 1023: \$600
4. **Ohio Attorney General Charitable Registration Fee:** \$0 to \$200
5. **Local Government Fees (if applicable):** Varies
6. **Legal/Professional Fees (Optional):** Varies (\$500 to \$3,000+)
7. **Annual Report Filing Fee (Ohio Secretary of State):** \$25 annually
8. **Audit/Financial Review Costs (if required):** Varies
9. **Bank Account Setup Fees:** Varies (often free)

#### Total Estimated Initial Costs (if applying for 501(c)(3) status):

- **Low Range:** \$99 (filing) + \$275 (Form 1023-EZ) = **\$374**
- **High Range:** \$99 (filing) + \$600 (Form 1023) + possible legal fees = **\$1,000 to \$4,000+**