Debt – As of December 31, 2016, the City had $87,993,554 in bonds, notes, loans, and capital leases outstanding. Of this amount, $17,571,058 is due within one year.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Notes - Long-term	$4,105,445	$13,563,426	$6,495,052	$3,845,140	$10,600,497	$17,408,566
General Obligation Notes - Short-term	0	0	0	0	0	0
General Obligation Bonds	34,201,316	22,422,104	26,749,900	5,286,175	60,951,216	27,708,279
Revenue Bonds	0	0	865,000	19,597,867	865,000	19,597,867
OPWC Loan	61,600	92,400	3,453,861	2,047,894	3,515,461	2,140,294
Capital Leases	6,740,329	7,124,506	5,261,051	5,574,792	12,001,380	12,699,298
Total Outstanding Debt	$45,108,690	$43,202,436	$42,824,864	$36,351,868	$87,933,554	$79,554,304

General Obligation Notes represent unvoted general obligation bond anticipation notes payable from ad valorem property taxes.

The General Obligation Bonds outstanding are comprised of unvoted general obligation bonds of the City payable from ad valorem property taxes.

Revenue Bonds outstanding are payable from the revenues derived from the Water and Sewer funds.

The Ohio Public Works Commission Loans are paid semi-annually from the Water, Sewer and Bond Retirement funds.

The City's overall legal debt margin was $60,005,567 at December 31, 2016.

See Notes 11, 12, 13, and 14 of the Basic Financial Statements for additional information on the City's debt.

Current Financial Related Activities

Lakewood City Council voted on December 21, 2015 to approve the master agreement between the City, Lakewood Hospital Association ("LHA") and the Cleveland Clinic regarding the City-owned Lakewood Hospital. The negotiated master agreement replaces the lease that existed since 1987 between the City and LHA, and the 1996 definitive agreement between LHA and the Cleveland Clinic to operate the hospital as part of the Cleveland Clinic's health system.

The master agreement outlines the closure of the inpatient hospital and the dissolution of LHA. The assets of LHA were used for the wind down of the hospital by the Cleveland Clinic and control of the hospital-related properties reverted back to the City. The Cleveland Clinic agreed to construct a new outpatient family health center and a full emergency department on parcels purchased from the City across the street from the former hospital property. The parties also agreed to the establishment of a community health foundation using proceeds from LHA assets and supplemental funding from the Cleveland Clinic.

Note 22 – Lakewood Hospital

On February 22, 2016 per the master agreement between the City, Lakewood Hospital Association ("LHA") and the Cleveland Clinic, title was transferred by the City to the Cleveland Clinic for the medical office building located at 14601 Detroit Ave. and the parking garage located at 1422 Belle Ave. for $1,576,000. The Cleveland Clinic will demolish those buildings and build the Lakewood Family Health Center on the site expected to open in 2018.

In addition, the City received title to the "Curtis Block" (corner of Marlowe Ave. and Detroit Ave.). This property is currently under evaluation for future development. The City also took control of three additional residential properties on Belle Ave. and St Charles Ave.

The City will begin the process to reimagine an entire city block at the former hospital site across the street from the new Family Health Center in early 2017. The redevelopment of the 5.7 acres is a once-in-a-50-year opportunity that will likely become a new mixed use development with tens of millions in post construction value.

Note 23 – Tax Abatement Disclosure

The City of Lakewood has negotiated a property tax abatement agreement under Sections 3735.65 through 3735.70 of the Ohio Revised Code, establishing the boundaries of a Community Reinvestment Area.

As required by Section 3735.66 of the Ohio Revised Code, a survey of housing has been prepared for the area proposed to be included in the Community Reinvestment Area authorized by Resolution 8645-13 passed by Lakewood City Council on May 6, 2013. The survey shows the facts and conditions relating to existing housing in the Community Reinvestment Area, including among other things, evidence of deterioration and lack of new construction in substantial portions of the Area.

The abatement provides for 100 percent exemption of residential property taxes not to exceed 10 years and must meet all condition and requirements of the Multifamily High Density Zone district.

For the fiscal year ended December 31, 2016, the City abated residential property taxes totaling $148,154.

Note 24 - Subsequent Events

On April 2, 2017, The City issued $22,244,000 in various purpose income tax revenue improvement notes, series 2017 at 2.00 percent that will mature April 2, 2018. $10,644,000 of the proceeds were used to retire the outstanding 2016 various purpose improvement notes.