The Cincinnati City Council’s Education, Innovation & Growth and Budget & Finance Committees have scheduled a JOINT MEETING for **Tuesday, January 21, 2020, at 1:05 p.m.**, at Cincinnati City Hall, Council Chambers, Room 300, 801 Plum Street, Cincinnati, Ohio 45202, to hear a presentation, discuss, and take action on items related to renegotiation of the 1999 Agreement between CPS and the City pertaining to CPS’s approval of City incentives and to discuss and to take action on VTICA protection. The agenda will be published prior to the meeting.

**EDUCATION, INNOVATION & GROWTH COMMITTEE MEMBERS**
- P.G. SITTENFELD, CHAIR
- CHRIS SEELBACH, VICE-CHAIR
- DAVID MANN
- WENDELL YOUNG

**BUDGET & FINANCE COMMITTEE MEMBERS**
- DAVID MANN, CHAIR
- CHRIS SEELBACH, VICE-CHAIR
- P.G. SITTENFELD
- CHRISTOPHER SMITHERMAN
- WENDELL YOUNG
- GREG LANDSMAN
- TAMAYA DENNARD

Kourtney Porter
Clerk to the EIG Committee

Robert Neely
Clerk to the BF Committee
JOINT MEETING

Budget & Finance Committee
Education, Innovation & Growth Committee

P.G. Sittenfeld, EIG Chair
David Mann, BF Chair
Chris Seelbach, Vice-Chair, EIG/BF
Wendell Young, Member
Jeff Pastor, Member
Greg Landsman, Member
Tamaya Dennard, Member

Tuesday
January 21, 2020
1:05 P.M.
Council Chambers
Room 300

Kourtney Porter
Clerk to the EIG Committee

Robert Neely
Clerk to the BF Committee

PRESENTATION

Cincinnati Public Schools 1999 Agreement Review:
Jennifer Wagner & Dan Hoying, CPS
Paula Boggs Meuthing, City Solicitor

AGENDA

1-202000068  MOTION, submitted by Councilmembers Sittenfeld, Mann, Landsman,
PG 2 WE MOVE that any new PILOT agreement between the City of
Cincinnati and Cincinnati Public Schools must maintain the
City's commitment to investing in affordable housing and
neighborhoods through the 15 percent VTICA program.

2-202000069  ORDINANCE(EMERGENCY), dated 1/16/2020, submitted by Paula Boggs
PG 3 Meuthing, City Solicitor, APPROVING AND AUTHORIZING the City
Manager to execute a Tax Incentive Agreement with the Board of
Education of the City School District of the City of Cincinnati
thereby authorizing the City of Cincinnati to approve certain
real and personal property tax exemptions and credits for the
maximum periods and amounts permitted under state law and to
provide to the Board of Education of the City School District of
the City of Cincinnati certain compensation in exchange for such
authorizations and the waiver of certain other rights under
state law.
MOTION

WE MOVE that any new PILOT agreement between the City of Cincinnati and Cincinnati Public Schools must maintain the City’s commitment to investing in affordable housing and neighborhoods through the 15 percent VTICA program.

P.6. Autry                          LT

STATEMENT

Investing in our children, residents, and neighborhoods is vital to ensuring Cincinnati’s progress and the success of our families.
To: Mayor John Cranley

From: Paula Boggs Muething, City Solicitor

Subject: Emergency Ordinance – Tax Incentive Agreement with CPS

Transmitted herewith is an emergency ordinance captioned as follows:

APPROVING AND AUTHORIZING the City Manager to execute a Tax Incentive Agreement with the Board of Education of the City School District of the City of Cincinnati thereby authorizing the City of Cincinnati to approve certain real and personal property tax exemptions and credits for the maximum periods and amounts permitted under state law and to provide to the Board of Education of the City School District of the City of Cincinnati certain compensation in exchange for such authorizations and the waiver of certain other rights under state law.

PBM/WPW/(Ink)
Attachment
305434
EMERGENCY

City of Cincinnati

An Ordinance No. ______________________________________ - 2020

APPROVING AND AUTHORIZING the City Manager to execute a Tax Incentive Agreement with the Board of Education of the City School District of the City of Cincinnati thereby authorizing the City of Cincinnati to approve certain real and personal property tax exemptions and credits for the maximum periods and amounts permitted under state law and to provide to the Board of Education of the City School District of the City of Cincinnati certain compensation in exchange for such authorizations and the waiver of certain other rights under state law.

WHEREAS, municipal corporations are authorized under state law to approve certain exemptions from real and personal property taxation and to approve real property tax credits for the costs of abatement of certain nuisances; and

WHEREAS, certain state law provisions also grant to boards of education the right to approve certain terms relating to those exemptions and credits; and

WHEREAS, municipal corporations and boards of education may enter into negotiated agreements to provide for compensation to a board of education for taxes that would have been received by the board of education if not for certain property tax exemptions or credits approved by the municipal corporation and, in exchange for such compensation, state law permits a board of education to agree to and waive certain approvals and other rights granted to boards of education under state law in absence of such agreement with a municipal corporation; and

WHEREAS, the City of Cincinnati (the “City”) and the Board of Education of the City School District of the City of Cincinnati (the “Board”) previously entered into a certain Agreement, dated July 2, 1999, as amended by that First Amendment to Agreement, dated December 18, 2002, the term of which expired on December 31, 2019; and

WHEREAS, the City and Board desire to enter into a new agreement, as permitted under state law, to accommodate their mutual desire to continue to incentivize and attract growth within the City in order to improve the welfare of its citizens and to memorialize their agreements on compensation to the Board for the related authorizations and waivers, including waiver by the Board of any right that the Board may have to certain City income tax revenues under Ohio Revised Code 5709.82; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That the City Manager is hereby authorized to execute a Tax Incentive Agreement with the Board of Education of the City School District of the City of Cincinnati (“Board”), in substantially the form attached to this ordinance as Attachment A (the
“Agreement”), pursuant to which: (i) the Board authorizes the City, in accordance with applicable state law, to grant certain tax exemptions and tax credits on real and personal property up to the maximum amounts and periods permitted under applicable state law, as further described in the Agreement; (ii) the Board waives certain notice rights and any rights it may have to City income tax revenues related to a City grant of such an exemption or credit; (iii) the City agrees, in compensation for such authorization, approvals, and waivers and as more particularly set forth in the Agreement, to pay to the Board 33% of payments in lieu of taxes received by the City during the term of such exemptions or to make the granting of such exemptions contingent upon the applicable enterprise, owner, lessee, and/or developer paying to the Board an amount equal to 33% of the total amount of exempted real property taxes; and (iv) the parties agree that the term of the Agreement shall be until December 31, 2030.

Section 2. That Council authorizes the appropriate City officials to take all necessary and proper actions as they deem necessary or appropriate to fulfill the terms of this ordinance and the Agreement.

Section 3. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety, and general welfare and shall, subject to the terms of Article II, Section 6 of the Charter, be effective immediately. The reason for the emergency is the immediate need to allow the Board and the City to execute the Agreement at the earliest possible time to provide clarity on expected Board revenues under the Agreement and so that development projects contingent upon the Agreement may move forward as soon as possible for the betterment of the City's economic welfare.

Passed: __________________________, 2020

___________________________
John Cranley, Mayor

Attest: _______________________
Clerk
ATTACHMENT A
TAX INCENTIVE AGREEMENT

THIS TAX INCENTIVE AGREEMENT ("Agreement") is made and entered into effective as of [__________], 2020 ("Effective Date") between the CITY OF CINCINNATI, an Ohio municipal corporation, 801 Plum Street, Cincinnati, Ohio 45202 (the "City") and the BOARD OF EDUCATION OF THE CITY SCHOOL DISTRICT OF THE CITY OF CINCINNATI, a board of education under the laws of the state of Ohio, 2651 Burnet Avenue, Cincinnati, Ohio 45219 (the "Board").

A. The City is authorized under state law to provide for certain exemptions, in whole or in part, from real property taxation and/or personal property taxation for certain property within the boundaries of the City. The City is also authorized by state law to approve real property tax credits for costs of abatement of certain nuisances.

B. Certain statutes authorizing municipal corporations to approve exemptions from real property taxation and to approve real property tax credits for the costs of abatement of certain nuisances, also authorizes boards of education to approve certain provisions relating to those exemptions and credits.

C. State law authorizes municipal corporations and boards of education to enter into agreements that (i) provide for compensation to a board of education for taxes that would have been received by the board of education if not for certain property tax exemptions approved by the municipal corporation and (ii) permit a board of education to agree, waive, and consent to certain approvals, notice, and other rights granted to boards of education under state law in absence of such agreement with a municipal corporation.

D. In order to memorialize agreed upon compensation to the Board and waivers and consents of the Board related to certain tax exemptions and credits authorized by the City, the City and the Board previously entered into a certain Agreement, dated July 2, 1999, as amended by that First Amendment to Agreement, dated December 18, 2002 (as amended, the "Previous Agreement"); however, the term of the Previous Agreement expired on December 31, 2019.

E. As the Previous Agreement has expired, the City and the Board seek to enter into this Agreement, as permitted under state law, to accommodate their mutual desire to continue to incentivize and attract development within the City and to memorialize their agreements on compensation to the Board for the authorizations and waivers contained herein.

F. The execution of this Agreement by the City was authorized by Cincinnati City Council by Ordinance No. [__________], passed by Cincinnati City Council on [______]. The execution of this Agreement by the Board was authorized by Board Resolution [__________], dated [______].

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION I – TERM

The term of this Agreement shall commence on the Effective Date and expire on December 31, 2030, unless early terminated in accordance with the terms herein (the "Term").

The parties agree that upon expiration or termination of the Term of this Agreement: (i) Board approvals stated in this Agreement with respect to projects approved by the City prior to expiration or termination will remain in full effect, and (ii) any City obligation to make payments under Section II.C.2, below, for Applicable Projects (as defined below) authorized prior to expiration or termination of the Agreement will remain in full effect until the separate periods for those payments have expired.
SECTION II – BOARD APPROVAL OF TAX EXEMPTIONS AND TAX CREDITS; BOARD COMPENSATION

A. Applicable Projects. This Section II applies to "Applicable Projects" hereby defined as projects for which tax exemptions or tax credits are both:

1. Established, authorized, or granted by the City pursuant to Ohio Revised Code ("ORC") Chapters 725 or 1728 or pursuant to ORC Sections 715.263, 3735.671 (implementing an exemption under Section 3735.67), 5709.40-43, 5709.45, or 5709.62(C); and

2. Authorized by ordinance of the City during the Term, excepting, however, any project expressly designated by City Council of the City ("City Council") as not subject to this Agreement. (For particular projects City Council may determine to authorize tax exemptions or tax credits upon terms not requiring Board approval under the provisions of the applicable statute and designate the project as not subject to this Agreement; those projects would not be "Applicable Projects" under this Agreement).

Provided however, the Board and City acknowledge and agree that the following are not Applicable Projects under this Agreement, in as much as approval by the Board is not required for tax exemptions of up to 100 percent for these projects: (i) projects for which tax exemptions are established, authorized, or granted by the City during the Term pursuant to ORC Sections 5709.52 (newly developable or redevelopment property), 5709.84 (local railroad operation), 5709.86 (abandoned school property), or 5709.88 (improvement of environmentally remediated property); (ii) exemptions pursuant to ORC Section 3735.67 (Community Reinvestment Areas as defined in ORC Section 3735.65) in Community Reinvestment Areas established prior to July 1, 1994 (only so long as the Community Reinvestment Area is not and does not become subject to the provisions of ORC Section 3735.671 [requiring written agreements for exemptions of commercial or industrial uses]); (iii) residential uses exempted pursuant to ORC Section 3735.67 in Community Reinvestment Areas subject to the provisions of ORC Section 3735.671; or (iv) additional exemptions or credits authorized by statutes existing or that may be enacted or amending after execution of this Agreement, provided that Board approval is not required by those statutes.

B. Board Approval of Tax Exemptions and Tax Credits; Waiver of Notice. As further detailed in this Section II, for all Applicable Projects the Board approves City-authorized real and personal property tax exemption percentages and exemption periods, and real property tax credits for abatement of nuisances, up to the maximums authorized by applicable statute. Thus, with respect to each Applicable Project the Board approves exemptions from taxation and tax credits as follows:

1. Urban Renewal Projects: For projects pursuant to ORC Chapter 725, the Board approves exemptions of up to 100 percent of the assessed valuation of "improvements" as defined in Chapter 725, for up to the maximum applicable period authorized by ORC Section 725.02.

2. Nuisance Abatement Projects: The Board approves tax credits, as authorized by ORC Section 715.263, of up to 100 percent of the cost of abatement of nuisances, not limited by the amount of real property taxes due on the subject lot or parcel for a single tax year.

3. Community Urban Redevelopment Corporation Projects: For projects pursuant to ORC Chapter 1728, the Board approves exemptions of up to 100 percent of the assessed valuation of improvements made in accordance with Chapter 1728, for up to the maximum applicable period authorized by ORC Section 1728.10.

4. Community Reinvestment Area Commercial/Industrial Projects: For construction or remodeling of commercial or industrial real property located within the Community Reinvestment Areas established by City Council after July 1, 1994 (or otherwise subject to the provisions of ORC Section 3735.671), the Board approves exemptions of up to

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100 percent of the following: (i) the amount that the assessed value of an existing structure increases after remodeling began (for remodeling projects) and (ii) the assessed value of a new structure (for new construction projects). The Board approves these exemptions for periods up to the maximum applicable period authorized by ORC Section 3735.67(D).

5. Public Improvement Projects Serving Improved Private Property:
   a. For projects pursuant to ORC Section 5709.40(B), the Board approves exemptions of up to 100 percent of the assessed valuation of "improvement" (as defined in ORC Section 5709.40(A)) for up to thirty years. Pursuant to ORC Section 5709.40(G), the Board approves continuation of the exemption periods (but not in excess of thirty years) after the date on which the public infrastructure improvements (as defined in ORC Section 5709.40(A)) are paid in full from the municipal public improvement tax increment equivalent fund. The Board further approves for these projects exemption from real property taxation in a percentage (up to 100%) in excess of the incremental demand placed on the public improvements that is directly attributable to the exempted improvement.

   b. Pursuant to ORC Section 5709.40(C), incentive districts, the Board approves exemptions of up to 100 percent of the assessed valuation of "improvement" (as defined in ORC Section 5709.40(A)) for up to thirty years. Pursuant to ORC Section 5709.40(G), the Board approves continuation of the exemption periods (but not in excess of thirty years) after the date on which the public infrastructure improvements and housing renovations (as those terms are defined in ORC Section 5709.40(A)) are paid in full from the municipal public improvement tax increment equivalent fund.

6. City Property Sold or Leased for Urban Redevelopment: For projects pursuant to ORC Section 5709.41, the Board approves exemptions of up to 100 percent of the assessed valuation of "improvement" (as defined in ORC Section 5709.41) for up to thirty years.

7. Downtown Redevelopment/Innovation District: For projects pursuant to ORC Section 5709.45, the Board approves exemptions of the assessed valuation of "improvement" (as defined in ORC Section 5709.45) up to the maximum amount permitted under ORC Section 5709.45, for up to thirty years.

8. Enterprise Zone Projects: For projects pursuant to ORC Sections 5709.62(C)(1) through (C)(3), the Board approves exemptions of up to 100 percent of the assessed value of tangible personal property to the extent such exemptions may be granted under ORC Section 5709.62(C) and exemptions of up to 100 percent of the increase in the assessed valuation of real property constituting the project site, facility, or large manufacturing facility, as applicable and as may be granted under ORC Section 5709.62(C), for up to the maximum periods authorized by ORC Section 5709.62(D). Those periods may include separate exemption periods for each separate exempt real or personal property asset.

The Board makes these bindings approvals pursuant to ORC Sections 715.263, 725.02(B), 1728.10, 3735.671(A), 5709.40(D), 5709.41(C)(2), 5709.45(G), or 5709.62(D), as applicable, and the Board acknowledges that no separate (or subsequent to this Agreement) review, approval, or resolution by the Board with respect to the separate exemptions, tax credits, and agreements for Applicable Projects is required to effectuate the Board's approval. The Board waives any right it may have had to separate (or subsequent to this Agreement) review, approval, or resolution for Applicable Projects.

The Board waives any statutory requirement, including but not limited to requirements under ORC Section 5709.83, that the City provide to the Board advance notice or notification prior to (i) taking formal action to
adopt, approve, or enter into any agreement or instrument granting or approving tax exemptions and tax credits for Applicable Projects under ORC Chapters 725 or 1728 or ORC Sections 715.263, 3735.671 (implementing an exemption under Section 3735.67), 5709.40(B), 5709.40(C), 5709.41, 5709.45, or 5709.62(C) or (ii) forwarding applications for tax exemption for Applicable Projects under ORC Section 3735.67 to the Hamilton County Auditor. However, the City agrees to transmit a copy of proposed legislation for tax exemptions or tax credits to the Board (addressed to the Superintendent of Cincinnati Public Schools, [P.O. Box 5381, Cincinnati, OH 45201-5381]), concurrently with submission of the proposed legislation to City Council, and to likewise transmit to the Board (addressed to the Superintendent) a copy of applications for tax exemption for Applicable Projects under ORC Section 3735.67, concurrently with the forwarding of the applications to the Hamilton County Auditor.

C. Payments to the Board in Connection with Tax Exemptions. The City hereby agrees that for each Applicable Project (other than the exceptions stated below in Section II.D.), the City will follow one of the two alternative procedures described in the following Sections II.C.1 and II.C.2:

1. First Alternative – Agreement by Developer to Make Payments to Board: Except as provided in Section II.C.2, below, for each Applicable Project the City will condition its approval of the tax exemption on the enterprise, owner, lessee, and/or developer of each project entering into an agreement with the Board, in a form acceptable to the Board (approval not to be unreasonably withheld or delayed), as described herein. Each agreement will obligate the enterprise, owner, lessee, and/or developer to pay directly to the Board, during the exemption period, semi-annual payments (due by the due date for the payment of Hamilton County real property taxes) in a total annual amount of a specified percentage (not less than 33 percent) of the “Total Exempted Property Taxes” (as defined below) which would have been payable in that calendar year. (“Total Exempted Property Taxes” means the total of additional real property taxes and personal property taxes that would, if not for the exemption, have been levied by and distributable to all overlapping taxing subdivisions [not only those taxes levied by and distributable to the Board] on the exempt real property and personal property, as applicable.) The payment obligation may be contingent on the subject tax exemption taking effect following any necessary approvals by county or state officials. Provided however, that in the case of projects pursuant to ORC Chapter 1728, the payments to the Board for the project may be reduced by any amount distributed to the Board from any service charges in lieu of taxes required and paid under ORC Section 1728.11 or 1728.111 with respect to the project.

2. Second Alternative – Payments by Developer in Lieu of Taxes: As an alternative to its obligations under Section II.C.1, above, the City may instead for any Applicable Project:

a. Require the enterprise, owner, lessee, and/or developer to make semi-annual payments ("Payments in Lieu of Taxes") to the City (or to Hamilton County for subsequent distribution to the City) during the exemption period in a total annual amount not less than 33 percent of the Total Exempted Property Taxes with respect to the project. Such obligation must run with the land and bind subsequent owners as well. The semiannual payments shall be due by the due date for the payment of Hamilton County real property taxes. (The payment obligation may be contingent on the subject tax exemption taking effect following any necessary approvals by county or state officials); and

b. Use reasonable efforts to enforce the Payments in Lieu of Taxes obligation, and if permitted by applicable agreements, to revoke the subject tax exemption if compliance is not obtained; and

c. During the exemption period, pay to the Board (in semi-annual payments) a total annual amount equal to the lesser of the following, calculated separately for each project:
i. 33% of the Total Exempted Property Taxes for that year for the project; or

ii. A pro-rata share of the amount of Payments in Lieu of Taxes paid to the City or remitted to the City by Hamilton County, in that calendar year with respect to the project. The pro-rata share due to the Board is the percent equal to 33% divided by X, with X being the percentage of Total Exempted Property Taxes that are required to be paid as Payments in Lieu of Taxes. (For projects implemented pursuant to O.R.C Chapter 1728, the City, as an impacted city, is authorized to require Payments in Lieu of Taxes in a percentage less than 100 percent of Total Exempted Property Taxes.) For example, if, for a project, the required Payment in Lieu of Taxes is 100 percent of the Total Exempted Property Taxes, then the pro-rata share due to the Board is 33 percent (33% / 100%) of the amount received by the City. The purpose for the limitation established by this subparagraph is to allocate receipts ratably between the Board and the City in the event that Payments in Lieu of Taxes are not fully collected.

The City shall remit amounts due to the Board under this paragraph in semi-annual payments, made on or before March 31 and September 30.

Provided however, that in the case of projects pursuant to O.R.C Chapter 1728, the payments by the developer to the City and/or County, and by the City to the Board, may be reduced by any amount distributed to the Board from any service payments in lieu of taxes required and paid under O.R.C Section 1728.11 or 1728.111 with respect to the project.

The City may require Payments in Lieu of Taxes to the City in excess of 33 percent of Total Exempted Property Taxes, without increasing the City's obligation to make payments to the Board.

D. Exceptions to Section II.C. The agreements and payments specified in Section II.C., above, are not required with respect to the following projects:

1. Qualifying Housing Units Exception: Section II.C does not apply to a project or any portion thereof for construction or rehabilitation of "Qualifying Housing Units," defined in this Agreement as a project or any portion thereof for:

   a. Rehabilitation of an existing structure or structures for residential use; or

   b. New construction of housing with an average value per unit of $200,000 or less, as determined by a pre-construction appraisal prior to the City’s approval of the tax exemption. The $200,000 average value limit will increase by three percent (3%) (compounded) each January 1 during the Term hereof, with the first increase to become effective January 1, 2021. (For example, projects approved in 2021, the average value limit is $206,000, and for projects approved in 2022 the average value limit is $212,180.) If a new housing construction project is to be implemented in separate construction phases, each phase shall be evaluated separately for purposes of eligibility for this Qualifying Housing Units exception.

If an Applicable Project combines Qualifying Housing Units and non-residential uses, then the payment obligations specified in Section II.C. shall apply only to the non-residential uses, by calculating Total Exempt Property Taxes only with reference to the non-residential portions of the improvements.
(Note: The agreement and payments specified in Section II.C., above, also are not applicable to new construction or remodeling of housing exempted because of location in Community Reinvestment Areas, provided such construction is not an Applicable Project [see Section II.A.])

2. Exceptions for Tax credits for Costs of Nuisance Abatement: Section II.C. does not apply to any tax credit projects approved by the City pursuant to ORC Section 715.263.

SECTION III – WAIVING OF SHARING OF CITY INCOME TAXES (ORC SECTION 5709.82)

This Section III applies to actions taken by the City on or after January 1, 2020, which are subject to the conditional compensation provisions of ORC Section 5709.82(C) and (D). The Board agrees that this Agreement constitutes the agreement for compensation to the school district provided for in ORC Section 5709.82(C) and (D) (or under any other statute now existing, or adopted during the Term, requiring any form of sharing or allocation of municipal income taxes in connection with municipal corporation authorization of tax exemptions or tax credits), and that as authorized by those subsections the City will have no obligation to pay to the Board revenues from the City income taxes as might otherwise be required by those subsections (or other such statute) with respect to exemptions, agreements, or projects authorized by the City. The Board waives any claim to compensation pursuant to ORC Section 5709.82(C) or (D) other than the compensation expressly provided for in this Agreement. Provided however, that if during the Term City Council elects to designate a project (that would otherwise be an Applicable Project) as not subject to this Agreement—as contemplated by Section II.A.2—then that project would remain subject to the conditional income tax-sharing obligations of ORC Section 5709.82(C) and (D), if applicable under the terms of those sections; and the waiver provided in this Section III would not apply to that project.

The Board acknowledges that no separate (or subsequent to this Agreement) review, approval, negotiation, or resolution by the Board with respect to the separate exemptions, agreements, or projects that are subject to the terms of this Section III is required with respect to the agreement under this section. The Board waives any right it may have had to separate (or subsequent to this Agreement) review, approval, negotiation, or resolution.

SECTION IV – DEFAULT; NON-SEVERABILITY; TERMINATION

Material failure by the City to meet its obligations hereunder, including without limitation requiring or making such payments as specified in Section II.C, not cured by the City within the period stated below, would constitute a default by the City. Material failure by the Board to meet its obligations hereunder, including without limitation recession by the Board of its agreements as to approvals stated in Section II, waivers stated in Section III, or confirmations stated in Section VIII.B., not cured by the Board within the period stated below, would constitute a default by the Board. If either party is in default of its obligations under this Agreement, the other party, before exercising other remedies, shall first give written notice to the defaulting party to cure the default within thirty (30) days; if the default is not so cured, then in addition to any other remedies available at law or in equity, the party that gave notice may terminate this Agreement.

The provisions of this Agreement are not severable. If any material provision of this Agreement shall, to any extent, be held invalid or unenforceable by final non-appealable order of any court of competent jurisdiction, then either party may terminate this Agreement upon written notice to the other party at least thirty (30) days in advance of termination.

SECTION V – SHARED FACILITIES

The Board and City agree to work cooperatively to maximize mutual cost-savings and efficiencies through the means of shared use of facilities (such as use of school facilities for public recreational purposes, and use of City recreational facilities for school purposes), consistent with needs for primary uses.
SECTION VI – DISPUTE RESOLUTION

If requested by either party, the City and the Board will establish a three-member committee to assist in resolution of disputes which may arise concerning calculations required under this Agreement, or other issues arising under this Agreement (including but not limited to determinations as to whether a matter under this Agreement is “material”). The City will appoint one member, the Board will appoint one member, and those appointees will appoint the third member. The committee will recommend to the City and the Board resolutions of any such dispute. The committee’s recommendations will not be binding.

SECTION VII – NOTICES

Except as may otherwise be provided herein, all notices, demands, requests, and other communications under this Agreement shall be in writing and shall be either personally delivered, sent by registered or certified mail, or sent by courier, to the following addresses (or to such other address as may be designated by written notice transmitted in accordance with this provision):

1. In case of the City, to:

   City Manager, City of Cincinnati
   Room 152
   801 Plum Street
   Cincinnati, Ohio 45202

   With copies to:

   Director of Finance, City of Cincinnati
   Room 202
   801 Plum Street
   Cincinnati, Ohio 45202

   And to:

   City Solicitor, City of Cincinnati
   Room 214
   801 Plum Street
   Cincinnati, Ohio 45202

2. In case of the Board, to:

   If by mail:

   Superintendent of Schools
   Cincinnati Public Schools
   P.O. Box 5381
   Cincinnati, Ohio 45201-5384

   With a copy to:

   Treasurer, Cincinnati Public Schools
   P.O. Box 5384
   Cincinnati, Ohio 45201-5384

   If by personal delivery or by courier:

   Superintendent of Schools
   Cincinnati Public Schools
SECTION VIII – MISCELLANEOUS PROVISIONS

A. **Previous Agreement.** The terms of this Agreement shall not in any way impact, affect, or alter tax exemptions or tax credits previously authorized under the terms of the Previous Agreement. The Board waives all claims it may have with respect to any exemptions approved prior to the Effective Date (except to the extent of any City payment obligations established under the Previous Agreement relating to such prior exemptions).

B. **Confirmations.** With respect to particular projects or agreements within the scope of projects approved by the Board under this Agreement, the Board agrees: (i) if requested by the City, to provide written confirmation of the applicability of this Agreement to the project or agreement, and (ii) if requested by the City, to adopt a resolution in a form reasonably acceptable to the City confirming the Board's approval of the exemption or tax credit, approval of the agreement for the project, and waiver of any income-tax sharing requirements (Section III). The Board agrees not to unreasonably delay providing written confirmation or confirming resolution.

The City agrees, if requested by the Board, to provide from time to time written confirmation (if such be the case, or otherwise specifying with particularity any exception) that this Agreement remains in full force and effect and has not been amended or superseded. The City agrees not to unreasonably delay providing a written confirmation.

C. **Recording.** At the election of the City this Agreement may be recorded in the records of the Hamilton County Recorder, in the miscellaneous records and/or with respect to any property that is the subject of a tax exemption to which this Agreement applies (with a legal description of a subject property attached to the Agreement by the City).

D. **Entire Agreement; Not Binding Before Execution.** This Agreement contains the entire Agreement between the parties as to the matters contained herein. Any oral representations or modifications concerning this Agreement shall be of no force and effect. Notwithstanding any legislative approvals, any representations to the contrary, or other facts, the parties are not bound to the provision of this Agreement prior to the execution of this document by both parties. The parties acknowledge that this Agreement addresses only those matters expressly addressed herein and is not intended as a comprehensive and global resolution of all matters that may be in dispute between the parties.

E. **No Guarantee.** The Board and the City acknowledge that neither party makes any guarantee to the other that the party’s obligations stated in this Agreement will, if challenged in court, be determined to be valid. In the event of a challenge, the City agrees to assert and use reasonable efforts to defend the City's right to comply with all City agreements herein, and the Board agrees to assert and use reasonable efforts to defend the Board’s right to comply with all Board agreements herein. However, both the City and the Board expressly agree that a final determination by a court of competent jurisdiction (with no remaining right of appeal) as to the validity of any agreements herein will be binding upon both the City and the Board. (This does not negate or supersede the right of the Board or the City to terminate this Agreement, as provided in Section IV, if material agreements herein are so determined to be invalid or unenforceable.)

F. **Confirming or Correcting Amendments.** In the event of amendments to the Ohio statutes that are subject of this Agreement, or termination of this Agreement due to a court determination of invalidity as
provided in above paragraph E, the parties agree to cooperate and exercise reasonable efforts to attempt to amend this Agreement as necessary to conform the Agreement to the amended statutes, or to attempt to restate this Agreement to correct any matter causing a determination of invalidity, in a manner preserving the present intent and effect of this Agreement. Any such amendment or restatement of the Agreement is conditioned on a new authorization by the Board and by City Council.

G. **No Third-Party Beneficiaries.** Neither the City nor the Board shall have any liability to any third party with respect to this Agreement.

[SIGNATURES PAGES ATTACHED]
This Agreement is executed by the parties as of the Effective Date.

CITY OF CINCINNATI

By: __________________________
    Patrick A. Duhaney, City Manager

Date: ________________, 2020

Recommended by:

______________________________
Markiea Carter, Interim Director
Department of Community and Economic Development

Approved by:

______________________________
Jennifer Mackenzie, Interim Director
Department of Economic Inclusion

Approved as to Form:

______________________________
Assistant City Solicitor

Certified Date: __________________
Fund: Code: ____________________
Amount: ________________________
By: __________________________
    Karen Alder, City Finance Director

STATE OF OHIO                 )
       ) ss.
COUNTY OF HAMILTON            )

The foregoing instrument was acknowledged before this ___ day of __________, 2020, by Patrick A. Duhaney, City Manager of the City of Cincinnati, an Ohio municipal corporation, on behalf of the municipal corporation.

______________________________
Notary Public
My commission expires: ________________

CITY SIGNATURE PAGE TO TAX INCENTIVE AGREEMENT
BOARD OF EDUCATION OF THE CITY SCHOOL DISTRICT OF THE CITY OF CINCINNATI

By: _____________________________
Printed Name: _____________________________
Title: _____________________________

Date: _____________, 2020

By: _____________________________
Printed Name: _____________________________
Title: _____________________________

Date: _____________, 2020

Authorized by resolution dated _____________, 2020

STATE OF OHIO )
COUNTY OF HAMILTON ) ss.

The foregoing instrument was acknowledged before this ___ day of _____________, 2020, by
_________________________, the_________ of the Board of Education of the City School District
of the City of Cincinnati, a board of education under the laws of the state of Ohio, on behalf of the board
of education.

_________________________
Notary Public
My commission expires: ________________

STATE OF OHIO )
COUNTY OF HAMILTON ) ss.

The foregoing instrument was acknowledged before this ___ day of _____________, 2020, by
_________________________, the_________ of the Board of Education of the City School District
of the City of Cincinnati, a board of education under the laws of the state of Ohio, on behalf of the board
of education.

_________________________
Notary Public
My commission expires: ________________

BOARD SIGNATURE PAGE TO TAX INCENTIVE AGREEMENT
## Historic Abatement Data and Growth Projection

<table>
<thead>
<tr>
<th>Year</th>
<th>Commercial Abated Value</th>
<th>Annual Change</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 Tax Year</td>
<td>$1,379,572,160</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013 Tax Year</td>
<td>$1,629,562,540</td>
<td>$249,990,380</td>
<td>18%</td>
</tr>
<tr>
<td>2014 Tax Year</td>
<td>$1,644,690,180</td>
<td></td>
<td>1%</td>
</tr>
<tr>
<td>2015 Tax Year</td>
<td>$1,727,482,900</td>
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<td>5%</td>
</tr>
<tr>
<td>2016 Tax Year</td>
<td>$1,915,927,020</td>
<td></td>
<td>11%</td>
</tr>
<tr>
<td>2017 Tax Year</td>
<td>$2,506,244,620</td>
<td>$586,317,600</td>
<td>31%</td>
</tr>
<tr>
<td>2018 Tax Year</td>
<td>$2,733,224,340</td>
<td>$226,979,720</td>
<td>9%</td>
</tr>
<tr>
<td>2019 PROJECTED</td>
<td>$3,074,050,022</td>
<td></td>
<td>12%</td>
</tr>
<tr>
<td>2020 PROJECTED</td>
<td>$3,457,375,746</td>
<td></td>
<td>12%</td>
</tr>
</tbody>
</table>

*Conservative estimate, since the amount rolling off and replaced with new abatements is unknown.*

## TY2019 Service Payments Comparison - COMMERCIAL PROPERTY

**Est. Annual Increased Abated Assessment**: $380,000,000

<table>
<thead>
<tr>
<th>Millage</th>
<th>Commercial Effective Tax Rate</th>
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</thead>
<tbody>
<tr>
<td>96.4659</td>
<td>3.376%</td>
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### SD PILOT

<table>
<thead>
<tr>
<th>SD PILOT %</th>
<th>Total PILOT Received by CPS ($)</th>
<th>SD PILOT %</th>
<th>Total PILOT Received by CPS ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>26%</td>
<td>3,207,491</td>
<td>5%</td>
<td>641,498</td>
</tr>
<tr>
<td>33%</td>
<td>4,233,888</td>
<td>2%</td>
<td>4,233,888</td>
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</table>

### ESTIMATED ANNUAL INCREASE IN PILOTS

<table>
<thead>
<tr>
<th>Cincinnati Public Schools</th>
<th>Estimated PILOT Growth ($)</th>
<th>Approximate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,026,397</td>
<td></td>
<td>Year 1</td>
</tr>
<tr>
<td>$2,052,794</td>
<td></td>
<td>Year 2</td>
</tr>
<tr>
<td>$3,079,151</td>
<td></td>
<td>Year 3</td>
</tr>
<tr>
<td>$4,105,568</td>
<td></td>
<td>Year 4</td>
</tr>
<tr>
<td>$5,131,986</td>
<td></td>
<td>Year 5</td>
</tr>
<tr>
<td>$6,158,383</td>
<td></td>
<td>Year 6</td>
</tr>
<tr>
<td>$7,184,780</td>
<td></td>
<td>Year 7</td>
</tr>
<tr>
<td>$8,211,177</td>
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<td>Year 8</td>
</tr>
<tr>
<td>$9,237,574</td>
<td></td>
<td>Year 9</td>
</tr>
<tr>
<td>$10,263,971</td>
<td></td>
<td>Year 10</td>
</tr>
<tr>
<td>$56,651,842</td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>$5,645,184</td>
<td></td>
<td>Average Annual</td>
</tr>
</tbody>
</table>

**Cincinnati Public Schools**: $3,592,390