

## INTERGOVERNMENTAL REAL PROPERTY TAX ABATEMENT AGREEMENT

This Intergovernmental Real Property Tax Abatement Agreement (“Agreement”) is made and entered into between THE CITY OF DAYTON, OHIO (“City”) and the DAYTON PUBLIC SCHOOLS BOARD OF EDUCATION (“DPS”).

**WHEREAS**, City and DPS have encouraged the attraction, retention, and expansion of businesses and the acquisition and development of real property in areas established as Community Reinvestment Areas (“CRA”) under Chapter 3735 of the Ohio Revised Code (the “CRA Act”); and,

**WHEREAS**, City has established several Tax Increment Financing (“TIF”) Districts under Chapter 5709 of the Ohio Revised Code (the “TIF Act”) to encourage the attraction, retention, and expansion of businesses and the acquisition and development of real property and desires to establish additional TIF Districts from time-to-time to further encourage the attraction, retention, and expansion of businesses and the acquisition and development of real property; and,

**WHEREAS**, City and DPS desire to encourage the creation of new businesses and employment opportunities in the city; and,

**WHEREAS**, City desires to ensure that DPS will benefit from and be justly compensated for the effects of commercial CRA and TIF tax exemptions and abatements; and,

**WHEREAS**, City and DPS agree that current policy regarding commercial CRA and TIF real property tax exemptions and abatements should be superseded by the terms of this Agreement where applicable in order to provide more certainty and increase competitiveness regarding economic development incentives and accelerate development within the City.

**NOW, THEREFORE**, in consideration of the promises and covenants contained herein, the parties agree as follows:

### ARTICLE 1. APPROVAL OF EXEMPTIONS.

Subject to the conditions set forth in this Agreement including, without limitation, the remittance of applicable Annual Compensation Payments, DPS hereby consents to the following commercial real property tax exemptions and abatements granted by City:

- (a) **CRA Exemption**. One hundred percent (100%) exemption (the “CRA Exemption”) for the value of commercial building improvements constructed on real property for terms up to and including fifteen (15) years; and
- (b) **TIF Exemption**. One hundred percent (100%) exemption (the “TIF Exemption”) for the increased value of real property (land and commercial building improvements) for a term up to and including thirty (30) years (but subject to any CRA Exemption applicable to such parcel unless the City and the property owner agree otherwise).

## **ARTICLE 2. PROJECT APPROVAL.**

The City will perform due diligence examination to ensure proposed projects are viable and incentives are essential. Such due diligence includes, but is not limited to, a financial stress test, development plan overview, and overall project suitability within the City of Dayton. Eligibility also requires providing tangible, in-kind services or other benefits to DPS. The City will brief, as appropriate and allowable to maintain business confidentiality, the DPS Superintendent, and/or their designee, regarding due diligence efforts.

Following the completion of due diligence and determination by the City that the proposed project is viable and that incentives are essential, City Council shall consider an ordinance authorizing a CRA Exemption for the project and, if appropriate, an ordinance authorizing a TIF Exemption for the project. Upon approval of the CRA Exemption, the City and the property owner shall enter into an agreement in accordance with the CRA Act (the “CRA Agreement”).

## **ARTICLE 3. COMPENSATION PAYMENTS.**

The CRA Agreement shall require the property owner to remit annual compensation payments to DPS in the amount of twenty-five percent (25%) of the real property taxes that would have been charged and payable against the value of the building improvements had there been no commercial CRA exemption.

The CRA Agreement shall provide that the property owner make the annual compensation payment directly to DPS on or before October 1<sup>st</sup> of each year while such CRA Exemption is in effect. Failure to make a compensation payment, unless cured on or before October 1<sup>st</sup> shall be a material default under the CRA Agreement and grounds for termination of the CRA Exemption.

## **ARTICLE 4. GENERAL PROVISIONS.**

- A. Approval of CRA Exemption and TIF Exemption; Waiver of Notice; Waiver of Compliance with ORC Section 5709.82. In consideration of the compensation payments to be made pursuant to this Agreement, DPS hereby:
  - i. approves the CRA Exemption and TIF Exemption as granted by the City in accordance with this Agreement;
  - ii. waives any notice requirements set forth in the CRA Act, the TIF Act or Section 5715.27 of the Ohio Revised Code with respect to the CRA Exemption or the TIF Exemption;
  - iii. waives any defects or irregularities relating to the exemption from taxation of the property that is the subject of the CRA Exemption or TIF Exemption; and

- iv. acknowledges that this Agreement comprises the entirety of compensation for foregone property tax revenue to which DPS may be entitled in connection with the CRA Exemption or TIF Exemption. The treatment of any and all such compensation provided herein fully addresses the rights, obligations and responsibilities of the parties under Section 5709.82 of the Ohio Revised Code.
- B. Amendment. This Agreement may be amended or modified by the parties hereto only by a writing, executed by a duly authorized representative for each party.
- C. Entire Agreement. This Agreement sets for the entire agreement and understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements and undertakings of every kind and nature between the parties with respect to the subject matter of this Agreement.
- D. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party to this Agreement may execute this Agreement by signing any such counterpart.
- E. Effective Date. This Agreement shall commence upon execution by City and be in effect through December 31, 2028, unless otherwise extended by mutual agreement of the parties and execution of an amendment hereto.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, City and DPS, each by a duly authorized representative, have executed this Agreement as of the date first set forth below.

**DAYTON CITY SCHOOL DISTRICT**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**CITY OF DAYTON, OHIO**

---

City Manager

**APPROVED AS TO FORM  
AND CORRECTNESS:**

---

City Attorney

**APPROVED BY THE COMMISSION  
OF THE CITY OF DAYTON, OHIO:**

---

\_\_\_\_\_, 2018

Min. / Bk. \_\_\_\_\_ Pg. \_\_\_\_\_

---

Clerk of the Commission