

**EXHIBIT B  
ORDINANCE 63-2024**

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**SCHOOL COMPENSATION AGREEMENT**

Among

**CITY OF SPRINGDALE, OHIO**

And

**PRINCETON CITY SCHOOL DISTRICT**

And

**GREAT OAKS INSTITUTE OF TECHNOLOGY AND CAREER DEVELOPMENT**

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Dated December \_\_, 2024

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**THIS SCHOOL COMPENSATION AGREEMENT (the “Agreement”)**, made and entered into this \_\_\_<sup>st</sup> day of December, 2024, among the CITY OF SPRINGDALE, OHIO, a municipal corporation and political subdivision of the State of Ohio (the “**City**”), the PRINCETON CITY SCHOOL DISTRICT, Hamilton County Ohio, a city school district and political subdivision of the State of Ohio (the “**School District**”), and the GREAT OAKS INSTITUTE OF TECHNOLOGY AND CAREER DEVELOPMENT, an Ohio joint vocational school district (the “**JVSD**”).

RECITALS:

WHEREAS, Sections 5709.40 et seq. of the Ohio Revised Code authorizes cities to grant tax increment financing real property tax exemptions for improvements declared to be for a public purpose, which exemptions exempt from taxation the increase in the value of parcels of property commencing with the Tax Year in which an increase in value of that parcel attributable to new construction or renovation first appears on the tax list and duplicate of real and public utility property and that begins after the effective date of the ordinance approving such exemption (such increase in value of the exempted parcels being the “**Increased Value**”); and

WHEREAS, Section 5709.42 of the Ohio Revised Code further authorizes a municipal corporation to require owners of improvements subject to a tax increment financing tax exemption to make annual payments to the municipal corporation in lieu of taxes (“**Service Payments**”), which payments are approximately equivalent to the amount of real property tax which would be payable on the increase in the value of the parcel of property but for the exemption from taxation; and

WHEREAS, Section 5709.43 of the Ohio Revised Code further requires a municipal corporation receiving payments in lieu of taxes to create a public improvement tax increment equivalent fund for deposit of the entire amount of such payments, to be used to pay the costs of public infrastructure improvements benefiting the parcels subject to the tax increment financing tax exemption and, if provided, to make payments to school districts impacted by exemption from taxation; and

WHEREAS, pursuant to separate letters, each dated December 4, 2024, the City notified the School District and the JVSD of its intent to grant an exemption (the “**TIF Exemption**”), as authorized by Section 5709.40, Ohio Revised Code, for improvements to certain real property located within the boundaries of the City, the School District and the JVSD (such property, as more fully described in Exhibit A attached hereto and made a part hereof, being referred to hereinafter as the “**Exempted Property**” with each parcel comprising the Exempted Property as currently or subsequently configured being referred to individually as a “**Parcel**”); and

WHEREAS, the Board of Education of the School District (the “**School District Board**”) passed a resolution on December \_\_, 2024 (the “**School District Resolution**”) approving the TIF Exemption on the condition that the parties hereto enter into this Agreement and waiving any remaining notice requirements related to the TIF Exemption under Sections 5709.40, 5709.83 and 5715.27 of the Ohio Revised Code; and

WHEREAS, the Board of Education of the JVSD (the “**JVSD Board**”) passed a resolution on July 11, 2012 (its Resolution No. 012-109) waiving any remaining notice requirements related to the TIF Exemption under Sections 5709.41, 5709.83 and 5715.27 of the Ohio Revised Code; and

WHEREAS, the City has, pursuant to an Ordinance of the City Council of the City adopted on December 18, 2024 (the “**TIF Ordinance**”),<sup>1</sup>, granted the TIF Exemption and authorized the execution of this Agreement; and

WHEREAS, Ohio Revised Code Sections 5709.40 and 5709.82 permit the City and the School District Board and JVSD Board to enter into this Agreement in order to compensate the School District and JVSD for property taxes lost as a result of the TIF Exemption; and

WHEREAS, the City intends to issue, or pledge Service Payments as security for the repayment of, tax increment financing bonds or notes (such bonds or notes, together with any bonds or notes issued to currently or advance refund such bonds or notes, being the “**TIF Obligations**”), the proceeds of which will be used to pay for public infrastructure improvements (as more fully described in the TIF Ordinance) benefitting the Parcels (the “**Project**”).

WHEREAS, it is currently anticipated that the City will enter into a Cooperative Agreement with an Ohio port authority formed under Ohio Revised Code Chapter 4582 (the “**Port Authority**”) pursuant to which the Port Authority would issue the initial TIF Obligations.

WHEREAS, the City also intends to grant the Project a fifteen (15) year, 50% real property tax abatement pursuant to the City’s community reinvestment area program codified under the City’s Ordinance No. 45-2018 (the “**CRA Abatement**”), but in accordance with Ohio Revised Code Section 3735.671(A)(2), the City Council of the City has estimated that the amount of taxes charged and payable on the Project that will not be exempted from taxation under the CRA Abatement will equal or exceed twenty-five percent of the amount of taxes that would have been charged and payable that year upon the real property had that property not been exempted from taxation pursuant to the CRA Abatement.

WHEREAS, as a result of the foregoing estimates, and further pursuant to Ohio Revised Code Section 3735.671(A)(2), an agreement of the School District is not required for the City to approve the CRA Abatement.

WHEREAS, the City intends to pass a priority ordinance under Ohio Revised Code Section 5709.911 pursuant to which the CRA Abatement will take precedence over the TIF Exemption.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter described, the School District, the JVSD, and the City covenant, agree and bind themselves as follows:

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<sup>1</sup> Subject to change based on date of final passage of TIF Ordinance by the City of Springdale.

**Section 1. Definitions.**

“**Applicable Percentage**” means, for the first fifteen (15) Tax Years of the TIF Exemption, twenty-seven percent (27%), and for subsequent fifteen (15) Tax Years of the TIF Exemption, sixty-one and one-half percent (61.5%).

“**Market Value**” means the true (market) value of real property in Hamilton County as determined by the Hamilton County Auditor from time to time.

“**Abated Value**” means the Market Value of the Exempted Property for any given Tax Year that is exempt or abated under the CRA Abatement, multiplied by the Assessment Rate.

“**Assessed Value**” means the Market Value of the Exempted Property for any given Tax Year multiplied by the Assessment Rate.

“**Assessment Rate**” means the tax assessment rate established by the Ohio tax commissioner in accordance with ORC Section 5715.01(B), as in effect from time to time, and 35% as of the date of this Agreement.

“**Baseline Value**” means the Assessed Value of the Exempted Property in the Tax Year that the City adopts the TIF Ordinance (anticipated to be the Assessed Value of the Exempted Property for Tax Year 2024).

“**School District Millage**” means, for any given Tax Year, the total effective millage appearing on the tax bill of any parcel constituting Exempted Property that is attributable to the School District in such Tax Year.

“**JVSD Millage**” means, for any given Tax Year, the total effective millage appearing on the tax bill of any parcel constituting Exempted Property that is attributable to the JVSD in such Tax Year.

“**Combined School Millage**” means, for any given Tax Year, the sum of the School District Millage for such Tax Year and the JVSD Millage for such Tax Year.

“**Relieved Assessed Value**” means, for any given Tax Year, the Assessed Value less the Abated Value.

“**Tax Year**” means January 1 through December 31 of any given calendar year. For the avoidance of doubt, it is acknowledged that taxes are paid in arrears in the State of Ohio and therefore taxes and Service Payments attributable to, for example, Tax Year 2025 are payable in calendar year 2026.

**Section 2. Approval of the TIF Exemption; Compensation to School District and Joint Vocational School District While TIF Exemption in Effect.**

(a) As provided in the School District Resolution, the School District approves the TIF Exemption for up to one hundred percent (100%) of the Increased Value to each Parcel included in the Exempted Property for the Exemption Period (as hereinafter defined) applicable thereto. The Increased Value to any Parcel of the Exempted Property will be exempted from taxation for a thirty (30) year period commencing with the tax Year in which Increased Value of that Parcel attributable to new construction or renovation first appears on the tax list and duplicate of real and public utility property and that begins after the effective date of the TIF Ordinance (the “**Commencement Date**”) and ending as to such Parcel on the thirtieth (30th) anniversary of such Commencement Date or earlier if required by law (the “**Exemption Period**”).

(b) During any calendar year, or any portion thereof, in which the School District would have received property tax payments derived from the Increased Value to the Parcels included in the Exempted Property but for the TIF Exemption, the School District’s compensation shall be an amount equal to the product of (i) the Applicable Percentage of the School District Millage for the immediately preceding Tax Year divided by 1,000, multiplied by (ii) the Relieved Assessed Value of the Parcels included in the Exempted Property for the immediately preceding Tax Year exclusive of the Baseline Value attributable to such Parcel (the “**School TIF Compensation**”).

The following is an example calculation to derive School TIF Compensation for an assumed calendar year 2028 (all numbers are for illustration purposes only and do not correlate to actual values):

School District Millage for Tax Year 2027, payable calendar year 2028 = 50  
Market Value of Parcels Tax Year 2027 = \$12  
Assessed Value of the Parcels Tax Year 2027= \$4.20  
Abated Value of the Parcels Tax Year 2027 = \$1.00  
Baseline Value of the Parcels Tax Year 2027 = \$.70  
Relieved Assessed Value of the Parcels Tax Year 2027 = \$3.20  
School TIF Compensation =  $[27\% * (50 / 1000)] * (3.20 - .70) = \$.03375$

(c) During any year, or any portion thereof, in which the JVSD would have received property tax payments derived from the Increased Value to the Parcels included in the Exempted Property but for the TIF Exemption, the JVSD’s compensation shall be an amount equal to the product of (i) the Applicable Percentage of the JVSD Millage for the immediately preceding Tax Year divided by 1,000, multiplied by (2) the Relieved Assessed Value of the Parcels included in the Exempted Property for the immediately preceding Tax Year exclusive of the Baseline Value attributable to such Parcel (the “**JVSD TIF Compensation**”), and together with the School TIF Compensation, the “**Compensation**”).

The following is an example calculation to derive JVSD TIF Compensation for an assumed calendar year 2028 (all numbers are for illustration purposes only and do not correlate to actual values):

JVSD Millage for Tax Year 2027, payable calendar year 2028 = 2.5  
Market Value of Parcels Tax Year 2027 = \$12  
Assessed Value of the Parcels Tax Year 2027 = \$4.2  
Abated Value of the Parcels Tax Year 2027 = \$1.00  
Baseline Value of the Parcels Tax Year 2027 = \$.70  
Relieved Assessed Value of the Parcels Tax Year 2027 = \$3.20  
JVSD TIF Compensation =  $[27\% * (2.5 / 1000)] * (3.20 - .70) = \$.0016875$

(d) Notwithstanding any provision herein to the contrary, the total aggregate Compensation payable by the City to the School District or the JVSD during the term of this Agreement shall not exceed the total amount of taxes which would have been payable to the School District or the JVSD if the Increased Value to the Parcels included in the Exempted Property had not been exempted from taxation.

**Section 3. Certification of Compensation Amount.** By January 20 and July 20 of each year, commencing with the first tax year during which the School District and JVSD would have received property tax payments derived from the Increased Value portion of the Exempted Property (the “**Exempt Portion**”) but for the TIF Exemption, the Finance Director of the City shall notify the Treasurer of the School District (the “**School Treasurer**”) in writing of the amount of the Compensation payable to the School District and JVSD, respectively. In the event the School Treasurer believes the amount of the Compensation payable to the School District and JVSD is incorrect, the Treasurer shall so notify the Finance Director and they shall confer to determine the correct amount of Compensation payable to the School District and JVSD (each a “**Reconciliation Conference**”). In the event the Finance Director and School District are unable to agree upon the amount of Compensation payable to the School District and JVSD after a Reconciliation Conference is held, either party may invoke the Resolution of Disputes process pursuant to Section 5 of this Agreement.

**Section 4. Payment of Compensation.**

(a) Within twenty-one (21) days after the City receives Service Payments with respect to the Exempted Property, but no later than twenty-one (21) days after final settlement is received from the County Auditor, the City shall pay the Service Payments it has received to the trustee for the TIF Obligations. Payments of Compensation shall be made semi-annually for the Service Payments distributed to the City not later than June 30 and December 31 of each year (with the June 30 payment corresponding to the Compensation due from the first half tax distribution made to the City, and the December 31 payment corresponding to the second half tax distribution). Notwithstanding the foregoing, the City may, in its sole discretion, elect to make payments of Compensation directly to the School District and JVSD. Any remaining amounts remaining after payment of Compensation then due and payable shall be retained by the City for any lawful purpose, including but not limited to the City’s pledge of Service Payments to the repayment of the TIF Obligations.

(b) Unless Compensation is paid directly by the City as provided in (a) above, the City covenants that it will require the Trustee, or cause the Port Authority to require the Trustee, to pay any required Compensation to the School District and the JVSD in accordance with the terms of this Agreement from Service Payments deposited with the trustee. Notwithstanding the foregoing, in the event the TIF Obligations have been paid in full, then at the times the City would have otherwise made payments to the trustee for such obligations as stated above, the City will make payments of Compensation due to the School District and JVSD directly to such entities, by bank or cashier's check or other mutually agreeable manner, in the amount of their respective Compensation subject to the terms of Section 2 hereof.

(c) Under all circumstances, Compensation shall be payable solely from Service Payments received by the City and from no other source.

**Section 5. Resolution of Disputes.** In the event the School District or JVSD disputes the amount of the Compensation as paid by the City, the School District or JVSD, as applicable, shall certify the basis for the dispute and the amount that it claims is the correct amount of Compensation to be paid hereunder. Within fifteen (15) days thereafter, the Treasurer of the School District and/or the JVSD, as applicable, and the Finance Director of the City shall meet to discuss and resolve the dispute. In the event the parties are unable to mutually agree on the amount of Compensation, the parties may proceed to take such actions at law or in equity as are appropriate and available to them to resolve the dispute. Notwithstanding the foregoing, the School District and JVSD will not be entitled to any remuneration under this Agreement or from any such actions from sources other than Service Payments received by the City.

**Section 6. Application of Ohio Revised Code Section 5709.82.** The School District and JVSD acknowledge and agrees that this Agreement provides for the only compensation to be received by the School District and JVSD from the City in connection with real property tax exemptions granted pursuant to the TIF Ordinance and the CRA Abatement, and the compensation provided for herein is in lieu of any other compensation that may be provided for in Section 5709.82 of the Ohio Revised Code or elsewhere. The School District and JVSD will not seek or be entitled to any other compensation from the City or the owners of the Exempted Property.

**Section 7. Statutory Amendments.** In the event of amendments to the Ohio statutes that are the subject of this Agreement, or termination of this Agreement due to a court determination of invalidity, 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 this Agreement is conditioned on new authorization by the legislative authorities of the School Board and the City.

**Section 8. Notices.** All notices, designations, certificates, requests or other communications under this Agreement shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid addressed to the following addresses:

Princeton City School District:            Princeton City School District  
3900 Cottingham Dr.  
Cincinnati, Ohio 45246  
Attn: Treasurer

Great Oaks Institute of Technology  
& Career Development:            Great Oaks Institute of Technology & Career  
Development  
110 Great Oaks Dr.  
Cincinnati, OH 45241  
Attn: Treasurer

Springdale, Ohio:                            City of Springdale, Ohio  
Municipal Building  
11700 Springfield Pike  
Springdale, Ohio 45246  
Attn: Finance Director

**Section 9. Duration of Agreement; Amendment.** This Agreement shall become effective on the date that it is executed and delivered and shall remain in effect for such period as any tax exemptions pursuant to Section 5709.40 through 5709.43 of the Ohio Revised Code are in effect with respect to the Exempted Property. This Agreement may be amended only by mutual agreement of the parties hereto. No amendment to this Agreement shall be effective unless it is contained in a written document approved through legal process and signed on behalf of all parties hereto by duly authorized representatives.

**Section 10. Waiver.** No waiver by the School District, the City, or the JVSD of the performance of any terms or provision hereof shall constitute, or be construed as, a continuing waiver of performance of the same or any other term or provision hereof.

**Section 11. Merger; Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter contained herein and merges and supersedes all prior discussion, agreements, and undertakings of every kind of nature between the parties with respect to the subject matter of this Agreement.

**Section 12. Binding Nature.** This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

**Section 13. Severability.** Should any portion of this Agreement be declared by a court of competent jurisdiction to be unconstitutional, invalid or otherwise unlawful, such decision shall not effect the entire agreement but only that part declared to be unconstitutional, invalid or



illegal and this Agreement shall be construed in all respects as if any invalid portions were omitted.

**Section 14. Counterparts; Captions.** This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same Agreement. Captions have been provided herein for the convenience of the reader and shall not affect the construction of this Agreement

**Section 15. Recitals.** The Recitals to this Agreement are incorporated herein by reference.

**Section 16. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio.

**Section 17. Recording of Exemption.** The City agrees to file, or cause to be filed, at the appropriate time notice of the TIF Exemption of the Exempted Property and the requirement of property owners to make Service Payments with the Hamilton County Recorder in accordance with Section 5709.911(C) of the Ohio Revised Code.

**Section 18. Late Payments.** Except for the case where a Compensation payment is delayed pursuant to a dispute as provided in Section 5 hereof (so long as the dispute of the Compensation payment amount is reasonable) or pursuant to a property owner's failure to pay Service Payments, any late Compensation payments shall bear interest at the then current rate established under Sections 323.121(B)(a) and 5703.47 of the Ohio Revised Code, as the same may be amended from time to time, or any successor provisions thereto, as the same may be amended from time to time.

*[Signatures follow on the next page.]*

IN WITNESS WHEREOF, the School District, the JVSD, and the City, have caused this Agreement to be executed in their respective names by their duly authorized officers all as of the date hereinbefore written.

**PRINCETON CITY SCHOOL DISTRICT**

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**GREAT OAKS INSTITUTE OF TECHNOLOGY &  
CAREER DEVELOPMENT**

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CITY OF SPRINGDALE, OHIO**

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Approved as to Form for the City:**

\_\_\_\_\_  
Joseph J. Braun  
Law Director

**EXHIBIT A**

**DESCRIPTION OF THE "EXEMPTED PROPERTY"**

**FISCAL OFFICER CERTIFICATES**

The undersigned, Finance Director of the City of Springdale, Ohio, the City under the foregoing School Compensation Agreement, hereby certifies that the moneys required to meet the obligations, if any, of the City under that agreement during the year 2024 have been lawfully appropriated by the City Council of the City for such purpose and are in the treasury of the City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

\_\_\_\_\_

Dated: \_\_\_\_\_, 2024

The undersigned, fiscal officer of the Board of Education of the Princeton City School District, hereby certifies that the moneys required to meet the obligations, if any, of the Princeton City School District during the year 2024 under the foregoing School Compensation Agreement have been lawfully appropriated by the Board of Education of the school district for such purpose and are in the treasury of the Princeton City School District or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

\_\_\_\_\_

Dated: \_\_\_\_\_, 2024

The undersigned, fiscal officer of the Board of Education of the Great Oaks Institute of Technology and Career Development, hereby certifies that the moneys required to meet the obligations, if any, of the Great Oaks Institute of Technology and Career Development during the year 2024 under the foregoing School Compensation Agreement have been lawfully appropriated by the Board of Education of the joint vocational school district for such purpose and are in the treasury of the Great Oaks Institute of Technology and Career Development or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

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Dated: \_\_\_\_\_, 2024