

**FAIRFIELD TOWNSHIP
RESOLUTION NO. 22-59**

**RESOLUTION APPROVING AMENDED SCHOOL COMPENSATION AGREEMENT
AMONG FAIRFIELD TOWNSHIP, FAIRFIELD CITY SCHOOL DISTRICT BOARD
OF EDUCATION AND BUTLER TECHNOLOGY AND CAREER
DEVELOPMENT SCHOOLS.**

WHEREAS, the Fairfield Township Board of Trustees, the Fairfield City School District Board of Education and Butler Technology and Career Development Schools have negotiated and intend to enter into an Amended School Compensation Agreement for their mutual benefit, for the benefit of Butler County, and for the benefit of the State of Ohio; and

WHEREAS, by Resolution No. 18-154 adopted September 19, 2018, Fairfield Township entered into a School Compensation Agreement with the Fairfield City School District Board of Education; and

WHEREAS, Fairfield Township, Fairfield City School District Board of Education and Butler Technology and Career Development Schools desire to enter into an Amended School Compensation Agreement which will replace the prior School Compensation Agreement in its entirety; and

WHEREAS, the School Compensation Agreement will promote economic development in Fairfield Township, the City of Fairfield, Butler County, and the State of Ohio;

NOW, THEREFORE, BE IT RESOLVED by the Fairfield Township Board of Trustees, as follows:

Section 1. The passage of this Resolution is contingent upon the passage of the resolution authorizing approval of the JEDD.

Section 2. The Board hereby approves the Amended School Compensation Agreement attached hereto as Exhibit 1 and incorporated herein by reference and authorizes the Township Administrator to execute the Agreement.

Section 3. That it is found and determined that all formal actions of the Board concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Fairfield Township Trustees and that all deliberations of the Board that resulted in such formal actions were in meetings open to the public in compliance with all legal requirements of Section 121.22 of the Ohio Revised Code.

Section 4. This Board upon majority vote does hereby dispense with the requirement that this Resolution be read on two separate days, pursuant to Section 504.10 of the Ohio Revised Code and hereby authorizes the adoption of this Resolution upon its first reading.

Section 5. This Resolution shall take effect at the earliest date allowed by law.

Adopted: April 12, 2022

Board of Trustees

Vote of Trustees

Shannon Hartkemeyer: Shannon Hartkemeyer

Yes

Joe McAbee: Joe M-Abee

Yes

Michael Berding: M. Berding

Yes

AUTHENTICATION

This is to certify that this is a resolution which was duly passed and filed with the Fairfield Township Fiscal Officer this 12th day of April, 2022.

ATTEST:

Shelly Schultz

Shelly Schultz, Fairfield Township Fiscal Officer

APPROVED AS TO FORM:

L.E. Barbieri

Lawrence E. Barbieri, Township Law Director

SCHOOL COMPENSATION AGREEMENT

Among

BOARD OF TRUSTEES OF THE TOWNSHIP OF FAIRFIELD, OHIO

And

FAIRFIELD CITY SCHOOL DISTRICT BOARD OF EDUCATION

And

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

Dated as of April 12, 2022

THIS SCHOOL COMPENSATION AGREEMENT (the "Agreement"), made and entered into as of the 1st day of January, 2022 (the "**Effective Date**"), among the BOARD OF TRUSTEES OF THE TOWNSHIP OF FAIRFIELD, OHIO, a township and political subdivision of the State of Ohio (the "**Township**"), the FAIRFIELD CITY SCHOOL DISTRICT BOARD OF EDUCATION, a city school district and political subdivision of the State of Ohio (the "**School District**"), and the Butler Technology and Career Development Schools, an Ohio joint vocational school district (the "**JVSD**").

RECITALS:

WHEREAS, the Township, by its Resolution No. 18-154 passed September 19, 2018 (the "**Original Resolution**"), has declared that one hundred percent (100%) of the increase in the assessed value of certain parcels of real property located within the Township (each a "**Parcel**" and collectively the "**Parcels**", in all cases as more fully set forth in **Exhibit A** attached hereto and made a part hereof) subsequent to the effective date of the Original Resolution (such increase hereinafter referred to as the "**Increased Value**," as further defined *infra*) is a public purpose and is exempt from taxation subject to a parcel-by-parcel "rolling" thirty (30) year, one hundred percent (100%) (the "**TIF Exemption**"), for which the "rolling" build-out period shall be ten years, with the TIF Exemption for each Parcel commencing the earlier of (i) the first year for which there is an increase in fair market value of at least Two Million and No/100 Dollars (\$2,000,000), or (ii) tax year 2031 (either event being the "**Triggering Event**");

WHEREAS, Section 5709.74 of the Ohio Revised Code further authorizes a township to require owners of improvements subject to a tax increment financing tax exemption to make annual payments to the township 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 5709.75 of the Ohio Revised Code further requires a township 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, the Original Resolution provided for compensation to the School District and JVSD from Service Payments in an amount equal to the amounts the School District and JVSD would have received from real property taxes on the Increased Value but for the TIF Exemption.

WHEREAS, the Township and the School District have previously entered into that certain School Compensation Agreement dated September 19, 2018 in connection with the TIF Exemption (the "**Original School Compensation Agreement**");

WHEREAS, in order to provide for the financing of certain critical public infrastructure improvements benefiting the Parcels (as determined from time to time in the Township's discretion, the "**Public Infrastructure Improvements**"), the Township and the School District and

the JVSD intend to modify the school compensation arrangement with the School District and JVSD, which modified compensation arrangement is more fully set forth in this Agreement.

WHEREAS, the Board of Education of the School District (the “**School District Board**”) passed its Resolution 22-18 on March 3, 2022 (the “**School District Resolution**”) approving this Agreement; and

WHEREAS, Ohio Revised Code Sections 5709.73 and 5709.82 permit the Township and the School District and JVSD 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 Township intends to issue, or pledge Service Payments as security for the repayment of, tax increment financing bonds (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 a portion of the costs of construction of the Public Infrastructure Improvements.

WHEREAS, it is currently anticipated that the Township 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.

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

Section 1. Definitions.

“**Assessed Value**” means the Market Value of the Parcels 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 Parcels in the Tax Year in which the Original Resolution was passed.

“**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.

“**Effective Millage**” means, for any given Tax Year, the total effective millage appearing on the tax bill of any Parcel.

“**Exempted Value**” means, for any given Tax Year, the portion of the Assessed Value of a Parcel exempted from taxation pursuant to the TIF Exemption.

“Increased Value” means the incremental increase in the Assessed Value of any parcel of property over its Baseline Value. For example, if the Baseline Value of a parcel was \$100,000, and in the next Tax Year it rose to \$500,000, the Increased Value would be \$400,000.

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

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

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

“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 attributable to, for example, Tax Year 2022 are payable in calendar year 2023.

“Initial Period Service Payments” means, for any given Parcel, the Service Payments received by the Township attributable to the first ten (10) Tax Years of each Parcel following the Triggering Event for the TIF Exemption on that Parcel (e.g. if a Parcel’s Triggering Event occurs in Tax Year 2024, then the Initial Period Service Payments are those Service Payments received by the Township attributable to Service Payments due and payable for Tax Years 2024 through Tax Year 2033).

“Residual Period Service Payments” means, for any given Parcel, the Service Payments received by the Township attributable to Tax Years other than the first ten (10) Tax Years of such Parcel following the Trigger Event for the TIF Exemption on that Parcel (e.g. if a Parcel’s Triggering Event occurs in Tax Year 2024, then the Residual Period Service Payments are those Service Payments received by the Township attributable to Service Payments due and payable for Tax Years 2034 through the end of the TIF Exemption).

Section 2. **Approval of the Exemptions; Waiver of Notices; Termination of Original School Compensation Agreement; Compensation to School District and Joint Vocational School District While Exemptions 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 according to the terms of the Original Resolution.

(b) The JVSD approves the TIF Exemption for up to one hundred percent (100%) of the Increased Value to each Parcel according to the terms of the Original Resolution.

(c) The School District and the JVSD hereby waive any statutory requirement that the Township provide such entities with advance notice or notification prior to taking formal action

to adopt legislation, if any, necessary to amend the Original Resolution to effect the terms of this Agreement, including but not limited to notice requirements under ORC Sections 5709.73 and 5709.83.

(d) The Original School Compensation Agreement is hereby superseded and replaced, in its entirety, by this Agreement, as of the Effective Date, and from and after the Effective Date this Agreement shall be the sole agreement governing compensation to the School District and JVSD arising from the TIF Exemption.

(e) During any calendar year, or any portion thereof, in which the School District would have received real property tax payments derived from the Increased Value to the Parcels but for the TIF Exemption, the School District's compensation shall be:

(i) From Initial Period Service Payments received by the Township, an amount equal to the product of (i) the Initial Period Service Payments received by the Township attributable to the immediately preceding Tax Year, multiplied by (ii) **THIRTY SIX PERCENT (36%)**, multiplied by (iii) the ratio of the School District Millage divided by the Combined School Millage (the "**Initial Period School District Compensation**").

The following is an example calculation to derive Initial Period School District Compensation for an assumed calendar year 1 (all numbers are for illustration purposes only and do not correlate to actual values):

School District Millage for Tax Year 0, payable calendar year 1 = 50

JVSD Millage for Tax Year 0, payable calendar year 1 = 2.5

Initial Period Service Payments Received = \$1,000

School District Compensation = $\$1,000 * 36% * (50/52.5) = \342.86

(ii) From Residual Period Service Payments received by the Township, an amount equal to the product of (i) the Residual Period Service Payments received by the Township attributable to the immediately preceding Tax Year, multiplied by (ii) the ratio of the School District Millage divided by the Effective Millage (the "**Residual Period School District Compensation**").

The following is an example calculation to derive Residual Period School District Compensation for an assumed calendar year 11 (all numbers are for illustration purposes only and do not correlate to actual values):

School District Millage for Tax Year 11, payable calendar year 12 = 50

JVSD Millage for Tax Year 11, payable calendar year 12 = 2.5

Effective Millage = 70

Residual Period Service Payments Received = \$1,000

School District Compensation = $\$1,000 * (50/70) = \714.29

(f) During any calendar year, or any portion thereof, in which the JVSD would have received real property tax payments derived from the Increased Value to the Parcels but for the TIF Exemption, the JVSD's compensation shall be:

(i) From Initial Period Service Payments received by the Township, an amount equal to the product of (i) the Initial Period Service Payments received by the Township attributable to the immediately preceding Tax Year, multiplied by (ii) **THIRTY SIX PERCENT (36%)**, multiplied by (iii) the ratio of the JVSD Millage divided by the Combined School Millage (the "**Initial Period JVSD Compensation**").

The following is an example calculation to derive Initial Period JVSD Compensation for an assumed calendar year 1 (all numbers are for illustration purposes only and do not correlate to actual values):

School District Millage for Tax Year 0, payable calendar year 1 = 50
JVSD Millage for Tax Year 0, payable calendar year 1 = 2.5
Initial Period Service Payments Received = \$1,000
JVSD Compensation = $\$1,000 * 36% * (2.5/52.5) = \17.14

(ii) From Residual Period Service Payments received by the Township, an amount equal to the product of (i) the Residual Period Service Payments received by the Township attributable to the immediately preceding Tax Year, multiplied by (ii) the ratio of the JVSD Millage divided by the Effective Millage (the "**Residual Period JVSD Compensation**").

The following is an example calculation to derive Residual Period JVSD Compensation for an assumed calendar year 11 (all numbers are for illustration purposes only and do not correlate to actual values):

School District Millage for Tax Year 11, payable calendar year 12 = 50
JVSD Millage for Tax Year 11, payable calendar year 12 = 2.5
Effective Millage = 70
Residual Period Service Payments Received = \$1,000
JVSD Compensation = $\$1,000 * (2.5/70) = \35.71

(g) The Initial Period School District Compensation, Residual Period School District Compensation, Initial Period JVSD Compensation, and Residual Period JVSD Compensation are collectively referred to herein as the "**School Compensation**". Notwithstanding any provision herein to the contrary, the total aggregate School Compensation payable 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 Exempted Value to the Parcels had not been exempted from taxation pursuant to the TIF Exemption, and any remaining amounts shall be used as directed by the Township for any lawful purpose.

Section 3. Certification of Compensation Amount. By April 1 and October 1 of each year, commencing April 1, 2023 (and with respect to Tax Year 2022), and continuing for each year

during which the School District and JVSD would have received real property tax payments derived from the Increased Value to the Parcels but for the TIF Exemption, the chief fiscal officer of the Township (the “**Township Fiscal Officer**”) shall notify the Treasurer of the School District (the “**School Treasurer**”) in writing of the amount of the School Compensation payable to the School District and JVSD, respectively. In the event the School Treasurer believes the amount of the School Compensation payable to the School District and JVSD is incorrect, the Treasurer shall so notify the Township Fiscal Officer and they shall confer to determine the correct amount of School Compensation payable to the School District and JVSD (each a “**Reconciliation Conference**”). In the event the Township Fiscal Officer and School District are unable to agree upon the amount of School 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 School Compensation. Each calendar year or portion thereof for which this Agreement is in effect, within thirty (30) days after the receipt of payment and settlement of Service Payments from the Butler County Auditor and/or Butler County Treasurer for each half of annual real property taxes for that calendar year, the Township shall pay to the School District and JVSD, by bank check, ACH, or other mutually agreeable manner, the amount of the School Compensation from Service Payments received by the Township (as more fully described in Section 2 above). Upon mutual written agreement the parties may agree to an alternate payment schedule for the TIF Compensation. School Compensation payable by the Township hereunder shall be payable solely from Service Payments received by the Township and paid pursuant to the TIF Exemption, and from no other source

Section 5. Resolution of Disputes. In the event the School District or JVSD disputes the amount of the School Compensation as paid by the Township, 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 School Compensation to be paid hereunder. Within fifteen (15) days thereafter, the Treasurer of the School District and/or the JVSD, as applicable, and the Township Fiscal Officer of the Township shall meet to discuss and resolve the dispute. In the event the parties are unable to mutually agree on the amount of School 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 Township, as described in Section 4 hereof.

Section 6. Application of Ohio Revised Code Section 5709.82. The School District and JVSD acknowledge and agree that this Agreement provides for the only compensation to be received by the School District and JVSD from the Township (or otherwise) in connection with the TIF Exemption, 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 Township or the owners of the Parcels.

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 Township.

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:

School District: Fairfield City School District
4641 Bach Lane
Fairfield, Ohio 45014
Attn: Treasurer

JVSD: Butler Technology and Career Development
Schools
3603 Hamilton Middletown Road
Hamilton, Ohio 45011
Attn: Treasurer

Township: Fairfield Township, Ohio
6032 Morris Road
Fairfield Township, Ohio 45011
Attn: Township Fiscal Officer

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 until the last payment of School Compensation is paid in accordance with the terms hereof. 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 Township, 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. If any provision of this Agreement is held to be illegal, invalid or unenforceable, that provision is fully severable. This Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible that is and will be legal, valid and enforceable.

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. Late Payments. Except for the case where a School Compensation payment is delayed (i) pursuant to a dispute as provided in Section 5 hereof (so long as the dispute of the School Compensation payment amount is reasonable), or (ii) pursuant to a property owner's failure to pay Service Payments, any late School 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 Township, have caused this Agreement to be executed in their respective names by their duly authorized officers all as of the date hereinbefore written.

FAIRFIELD CITY SCHOOL DISTRICT BOARD OF EDUCATION

By: _____

Printed Name: _____

Title: _____

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

By: _____

Printed Name: _____

Title: _____

BOARD OF TRUSTEES OF FAIRFIELD TOWNSHIP, OHIO

By: _____

Its: Trustee

By: _____

Its: Trustee

By: _____

Its: Trustee

By Resolution No. _____ dated _____, 2022

Approved as to Form for the Township:

Lawrence Barbieri
Law Director

FISCAL OFFICER CERTIFICATES

The undersigned, fiscal officer of the Fairfield Township, Ohio, the Township under the foregoing School Compensation Agreement, hereby certifies that the moneys required to meet the obligations, if any, of the Township under that agreement during the year 2022 have been lawfully appropriated by the Board of Trustees of the Township for such purpose and are in the treasury of the Township 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: _____, 2022

EXHIBIT A

DESCRIPTION OF THE PARCELS

See Attached Descriptions for Project Site on Parcel Numbers:

A0300-007-000-031

A0300-007-000-013

A0300-007-000-023

A0300-007-000-003

A0300-007-000-032

A0300-007-000-028

A0300-007-000-029

LEGAL DESCRIPTIONS
start on the next page)