

SCHOOL COMPENSATION AGREEMENT

This School Compensation Agreement (this “Agreement”) is made and entered into on this ____ day of ____, 2021 (the “Effective Date”), by and between the **CITY OF COLUMBUS, OHIO** (the “City”), a city organized and existing under the laws of the State of Ohio, and the **BOARD OF EDUCATION OF THE TOLLES CAREER & TECHNICAL CENTER** (“Tolles”), a public joint vocational school district (a “JVS”) organized and existing under the laws of the State of Ohio (the City and Tolles together, the “Parties”).

RECITALS

WHEREAS, pursuant to Ordinance No. 1237-2015 passed June 8, 2015 (the “2015 Ordinance”), this Council established the non-school Old Dublin Road tax increment financing area with a 100% exemption for thirty (30) years (the “2015 TIF Exemption”), required the property owners in said TIF area to make service payments in lieu of taxes (the “Service Payments”) on exempted improvements, and established the Old Dublin Road Public Improvement Equivalent Fund (the “TIF Fund”) to receive Service Payments all as provided under Ohio Revised Code Sections 5709.40 to 5709.43 (the “TIF Statutes”); and

WHEREAS, pursuant to Ordinance No. 3168-2019 passed on December 16, 2019 (the “2019 Ordinance”), the 2015 Ordinance was subsequently amended to one-hundred percent (100%) exempt improvements on additional parcels during a separate 30-year term from the 2015 TIF Exemption (the “2019 TIF Exemption”) and required those additional Service Payments from the 2019 TIF Exemption to be deposited into the TIF Fund; and

WHEREAS, pursuant to Section 5709.42 of the TIF Statutes, moneys collected as Service Payments from the 2015 TIF Exemption and the 2019 TIF Exemption shall be distributed by the county treasurer at the same time and in the same manner as real property tax payments to be distributed to the municipal corporation and to the city, local, or exempted village school district in which the exempted improvements are located; and

WHEREAS, the school Service Payments shall be in an amount equal to the property tax payments the school district would have received from the portion of the improvements exempted from taxation had the improvements not been exempted, as directed in the ordinances establishing the tax increment financing (“TIF”); and

WHEREAS, pursuant to the 2015 Ordinance and the 2019 Ordinance, the City requested the Franklin County, Ohio Treasurer’s Office (the “County Treasurer”), at the same time and in the same manner as real property tax payments, to distribute the school Service Payments to the city, local, or exempted village school district and the JVS in which the exempted improvements are located in an amount equal to the property tax payments the school districts would have received from the portion of the improvements exempted from taxation had the improvements not been exempted; and

WHEREAS, since Section 5709.42 of the TIF Statutes does not specify if a county treasurer or the municipal corporation is the entity responsible for distributing the school Service Payments to a JVS, a county treasurer may distribute JVS Service Payments to the City for remittance to a JVS; and

WHEREAS, pursuant to Ordinance [____]-2021, the City has agreed to enter into this Agreement with Tolles to remit JVS Service Payments received by the City from the County Treasurer, on the terms hereinafter provided; and

NOW THEREFORE, in consideration of the premises and covenants contained herein, the Parties hereto agree as follows:

Section 1. Amount of JVS Service Payments. During the 2015 TIF Exemption prior to the 2020 tax year for payments made in 2021, the City received JVS Service Payments equal to four-thousand seven-hundred thirty dollars and twenty-seven cents (\$4,730.27). The Parties agree that the City shall only compensate Tolles \$4,730.27 for the JVS Service Payments in the TIF Fund equal to the JVS Service Payments described herein for the 2015 TIF Exemption (the “Compensation”).

Section 2. Timing of Payment by City. It is the intention of the City to make a one-time payment to Tolles for the Compensation. The City shall cause the payment of the Compensation to be made to Tolles within thirty (30) days of the Effective Date; provided however, Tolles has also provided either check, ACH, or wire instructions to the City in a manner acceptable to the City within fifteen (15) days of the Effective Date. Failure by Tolles to deliver these instructions shall not excuse the City from its payment obligation of the Compensation but shall only delay payment to the same extent delivery of the payment instructions was delayed.

Section 3. JVS Acknowledgments and Waivers. In consideration of the Compensation to be provided to it under this Agreement, Tolles hereby:

- (i) Acknowledges and agrees, since the City only filed the DTE-24 TIF application to exempt the parcels in the 2019 Ordinance on November 23, 2020 with the Franklin County, Ohio Auditor’s Office and the State of Ohio Department of Taxation has not yet made its final determination on said DTE-24 application, that the City has, as of the Effective Date, received no non-school or school Service Payments payable to Tolles for the 2019 TIF Exemption.
- (ii) Waives any rights to any further or additional compensation from the City for the Service Payments deposited in the TIF Fund during the 2015 TIF Exemption and 2019 TIF Exemption for tax years 2019 or prior; and
- (iii) Acknowledges and agrees that, as of the Effective Date, it has received JVS Service Payments for the first half settlement of 2020 taxes paid in calendar year 2021 for the 2015 TIF Exemption directly from the County Treasurer in the amount of six-

thousand six-hundred twenty-two dollars and forty-nine cents (\$6,622.49), and the City owes Tolles no compensation for those JVS Service Payments made in the first half of 2021.

Section 4. Amendment. This Agreement may be amended or modified by the Parties only in writing and signed by all Parties to the Agreement.

Section 5. Entire Agreement. This Agreement sets forth the entire agreement and understanding between the Parties, including without limitation all forms of compensation to be paid to the Tolles pursuant to those sections, 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.

Section 6. Default. Each Party is responsible for notifying the other of any default under this Agreement within ten (10) business days of actual knowledge of such default, and the defaulting Party shall have the opportunity to cure such default within ninety (90) calendar days after receipt of such notice ("Cure Period"). The Cure Period shall not apply with respect to any particular default to the extent the application of the Cure Period would be inconsistent with Ohio laws or if such a default is not susceptible to cure. Failure to cure a default under this Agreement within the Cure Period (or if the Cure Period is not applicable) shall constitute a breach of this Agreement.

Section 7. Notices. All payments by check or warrant, certificates, and notices, which are required to or may be given pursuant to the provisions of this Agreement, shall be sent by the United States ordinary mail, postage prepaid, and shall be deemed to have been given or delivered when so mailed to the following addresses:

If to the City: Department of Development
City of Columbus
111 N. Front Street, 8th Floor
Columbus, Ohio 43215
Attention: TIF Manager

With a copy to: City Attorney's Office
City of Columbus
90 West Broad Street, 2nd Floor
Columbus, Ohio 43215
Attention: General Counsel Section Chief

If to Tolles: Tolles Career & Technical Center
7877 U.S. Highway 42 S.
Plain City, Ohio USA 43064
Attention: Treasurer/CFO

The Parties may change its address for receiving notices and reports by giving written notice of such change to the other Party.

Section 8. Severability. The invalidity of any provision of this Agreement shall not affect the other provisions of this Agreement, and this Agreement shall be construed in all respects as if any invalid portions were omitted.

Section 9. 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.

Section 10. Extent of Covenants; Binding Effect; No Personal Liability. All covenants, stipulations, obligations and agreements of the Parties contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. Each provision of the Agreement is binding upon the officer(s) or other person(s) and any body or bodies as may from time to time have the authority under law to take the actions as may be necessary to perform all or any part of the duty required by a given provision of this Agreement. Each duty of Tolles and its bodies, officers and employees, and the City and its bodies, officers and employees undertaken pursuant to the Agreement, is established as a duty with Tolles and the City and of each such officer, employee or body having authority to perform that duty, specifically and enjoined by law resulting from an office, trust or station within the meaning of Ohio Revised Code Section 2731.01 providing for enforcement by writ of mandamus. No such covenant, stipulation, obligation or agreement shall be deemed a covenant, stipulation, obligation or agreement of any present or future member, officer, agent, or employee of any of the parties in their individual capacity.

Section 11. Governing Law and Choice of Forum. This Agreement will be governed by and construed in accordance with the laws of the State of Ohio and City of Columbus, Ohio. All claims, counterclaims, disputes and other matters in question between the City, its employees, contractors, subcontractors and agents, and Tolles, its employees, contractors, subcontractors and agents arising out of or relating to this Agreement or its breach will be decided in a court of competent jurisdiction within Franklin County, Ohio.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their respective names by their duly authorized officers or representatives, as of the date hereinabove written.

CITY OF COLUMBUS, OHIO

By: _____
Michael H. Stevens, Director
Department of Development

Approved as to Form:

Zach Klein, City Attorney

TOLLES CAREER & TECHNICAL CENTER

By: _____
Printed: _____
Title: _____
Date: _____

CITY FISCAL OFFICER'S CERTIFICATE

The City has no obligation to make payments pursuant to the foregoing Agreement except from the JVS Service Payments collected or to be collected for deposit into the Old Dublin Road Public Improvement Tax Increment Equivalent Fund pursuant to Ordinance No. 1237-2015 and Ordinance No. 3168-2019. Section [] of City Ordinance No. []-2021 appropriated those funds for expenditure in accordance with the foregoing Agreement. Accordingly, as fiscal officer for the City of Columbus, I certify that funds sufficient to meet the obligations of the City under the foregoing Agreement have been lawfully appropriated for the purposes thereof and are available in the treasury of the City, and/or upon implementation of the processes under the TIF Statutes, are in the process of collection to the credit of an appropriate fund, free from any previous encumbrance. This Certificate is given in compliance with Sections 5705.41 and 5705.44 of the Ohio Revised Code.

Dated: _____, 2021

Megan Kilgore, City Auditor
City of Columbus, Ohio