

EMERGENCY

City of Cincinnati

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An Ordinance No. 261

- 2025

APPROVING AND AUTHORIZING the City Manager to enter into a First Amendment to Tax Incentive Agreement with the Board of Education of the Cincinnati City School District 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 Cincinnati City School District 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 and the Board of Education of the Cincinnati City School District (the "Board") previously entered into a certain Tax Incentive Agreement, dated July 2, 1999, as amended by that certain First Amendment to Agreement, dated December 18, 2002, the term of which expired on December 31, 2019 (as amended, the "1999 Agreement"); and

WHEREAS, following the expiration of the 1999 Agreement, the City and the Board entered into a certain Tax Incentive Agreement, dated April 28, 2020, the term of which is set to expire on December 31, 2025 (the "2020 Agreement"); and

WHEREAS, the City and the Board now desire to amend the 2020 Agreement, as permitted under state law, to accommodate their mutual desire to continue to incentivize and attract growth within the City of Cincinnati 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 R.C. Section 5709.82; and

WHEREAS, pursuant to R.C. Section 5709.40(C), municipal corporations may create incentive districts and declare "improvement[s]" (as defined in R.C. Section 5709.40(A)(4)) to parcels within those districts to be a public purpose and exempt from taxation for up to thirty years; and

WHEREAS, pursuant to R.C. Section 5709.40(L)(1), municipal corporations may extend by up to fifteen additional years the life of incentive districts created by ordinances originally adopted under R.C. Section 5709.40(C) before January 1, 2006; and

WHEREAS, pursuant to the 1999 Agreement, for incentive districts created prior to the expiration thereof, the Board agreed to accept payments in lieu of taxes ("PILOTs") for 27 percent of service payments received by the City from such incentive districts; and

WHEREAS, pursuant to the 2020 Agreement, for incentive districts created after the expiration of the 1999 Agreement, the City and the Board agreed to increase the PILOTs to be paid to the Board to 33 percent of service payments received by the City from such incentive districts; and

WHEREAS, in consideration of the Board's agreement to provide for the extension of the City's eligible incentive districts for fifteen additional years pursuant to R.C. Section 5709.40(L)(1), the City and the Board desire to increase the PILOTs that the Board receives from the City's incentive districts from 27 percent to 33 percent, with such increased PILOTs to be effective beginning calendar year 2025; and

WHEREAS, the City and the Board desire to amend the 2020 Agreement to (i) extend the term of the 2020 Agreement for a period of up to five years, (ii) increase the PILOTs received by the Board from the City's incentive districts to 33 percent moving forward, and (iii) memorialize the Board's authorization of the City to extend the exemption terms of its eligible incentive districts by up to fifteen years; and

WHEREAS, Council previously established certain tax incentive policies pursuant to Ordinance No. 384-2015, passed on December 9, 2015, Ordinance No. 275-2017, passed on September 27, 2017, and Ordinance No. 24-2022, passed on February 2, 2022 (collectively and as amended, the "VTICA Policies"), which incentivize applicants for real property tax exemptions to enter into therein-described voluntary tax incentive contribution agreements, and Council hereby reaffirms its commitment to the VTICA Policies and the aim of securing resources to invest in affordable housing and neighborhood improvements; 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 enter into a First Amendment to Tax Incentive Agreement with the Board of Education of the Cincinnati City School District (the "Board"), amending that certain Tax Incentive Agreement dated April 28, 2020 (the "Agreement"), and pursuant to which: (a) the parties will agree to amend the Agreement to extend the term of the Agreement by a period up to five years; (b) the parties will agree to extend the life of eligible incentive districts established by the City pursuant to R.C. Section 5709.40(C) for fifteen years; and (c) the City will agree, in consideration of such

authorization, approvals, and waivers and as more particularly set forth in the Agreement, as amended, to pay to the Board payments in lieu of taxes ("PILOTs") equal to 33 percent of service payments received by the City from its incentive districts during the remaining term of such exemptions, with such increased PILOTs to be effective beginning calendar year 2025 (the "Amendment").

Section 2. That Council authorizes the City Manager to, prior to execution, negotiate with the Board the terms for the Amendment that are acceptable in the City Manager's discretion and consistent with the terms of this ordinance.

Section 3. 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 and the Amendment.

Section 4. 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 enter into the Amendment at the earliest possible time to provide clarity on expected Board revenues under the Agreement, as will be amended, and for the betterment and enhancement of the City and the Board at the earliest possible time.

Passed: August 6, 2025

Attest: Nicole Chaudhry
Acting Clerk

Aftab Pureval
Aftab Pureval, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO 241-2025
WAS PUBLISHED IN THE CITY BULLETIN
IN ACCORDANCE WITH THE CHARTER ON 8/19/2025
Melissa Antley
CLERK OF COUNCIL