

SCHOOL REVENUE SHARING AGREEMENT (TruePointe Project)

This School Revenue Sharing Agreement (this “**Agreement**”) is made and entered into as of [•], 2023, by and among the CITY OF HILLIARD, OHIO (the “City”), a municipal corporation organized and existing under the constitution, its Charter, and the laws of the State of Ohio with its principal offices at 3800 Municipal Way, Hilliard, Ohio 43026 and the HILLIARD CITY SCHOOL DISTRICT (the “**School District**”), a public school district with its principal offices located at 2140 Atlas Street, Columbus, Ohio 43228.

WITNESSETH:

WHEREAS, the City and Equity, LLC, an Ohio limited liability company, (the “**Developer**”), expect to enter into a Development Agreement for the development of a highly dense, mixed-use development on approximately 30 acres located to the west of Trueman Boulevard in the City of Hilliard as shown on **Exhibit A** attached hereto (the “**Project Site**”, with each separate tax parcel within the Project Site hereinafter referred to as a “**Parcel**”), including approximately 360 for-rent residential units, 115,000 square feet of class A office space, 135,000 square feet of medical office space, 40,000 square feet of retail space, a 100 key hotel, 1,350 parking spaces in structured parking facilities and related site improvements (collectively, the “**Project**”); and

WHEREAS, Ohio Revised Code Chapter 3735 authorizes the City, with the consent of its legislative authority, to grant real property tax exemptions on eligible new investments in the City; and

WHEREAS, City Council by Resolution No. 00-C-40 [certified on December 5, 2000][**City to confirm**], as amended by Resolution No. 06-R-11 on February 27, 2006 and as further amended by Resolution No. 10-R-36 on September 27, 2010 (collectively, the “**CRA Ordinance**”), creating the SOMA Community Reinvestment Area and the Director of Development of the State of Ohio determined that the aforementioned area designated in Resolution No. 00-C-40 contained the characteristics set forth in Revised Code Chapter 3735 in certification number 049-35476-01; and

WHEREAS, the City and the Developer desire to enter into a Community Reinvestment Area Agreement (the “**CRA Agreement**”) pursuant to Section 3735.671 of the Revised Code in order to grant a 15-year, 100% real property tax abatement for structure parking improvements on the Project Site (the “**CRA Exemptions**”); and

WHEREAS, pursuant to Revised Code Sections 5709.40 or 5709.41, .42, and .43 (together with related provisions of the Revised Code, the “**TIF Act**”) the Developer has requested that City Council adopt one or more ordinance that: (i) create an “incentive district” inclusive of all Parcels pursuant to Article 12.10 of the City’s Charter and establish a tax increment financing program with respect to the real property within the Project Site; (ii) declare 100% of the increase in assessed value of each Parcel subsequent to the acquisition of that property by the City (which increase in assessed value is also hereinafter referred to as the “**Improvement**” as defined in the TIF Act) to be a public purpose and exempt from real property taxation for a period of 30 years,

with the tax exemption commencing for each Parcel in the year an Improvement due to a new building appears on the tax list and duplicate for that Parcel (e.g. separate 30 year exemptions for each Parcel)(the “**TIF Exemptions**”); (iii) provide for service payments in lieu of taxes (the “**Service Payments**”) as obligations running with the land for each Parcel for the duration of the TIF Exemption; and (iv) authorize the payment from the Service Payments of certain costs of the Project and revenue sharing payments to the School District and the Tolles Career & Technical Center; and

WHEREAS, the TIF Act and Section 5709.82 of the Revised Code provides for the City and the School District to enter into agreements in order to compensate the School District for all or a portion of the real estate taxes that would have been paid to the School District if the Improvement to the Parcels had not been exempted from taxation by the CRA Exemptions and the TIF Exemptions; and

WHEREAS, on [•], 2023, the Board of Education of the School District has adopted a resolution granting its approval of this Agreement, the CRA Exemptions, the TIF Exemptions and CRA Agreement, and waived any further notice, approval or compensation requirements of Revised Code Sections 3735.671, 5709.40, 5709.41, 5709.82 and 5709.83 on the condition that the City execute and deliver this Agreement.

NOW THEREFORE, in consideration of the premises and covenants contained herein, the parties agree to the foregoing and as follows:

Section 1. School District Approval and Agreement. In consideration of the payments to be made to it under this Agreement, the School District waives all notices of, and approves each of the TIF Exemptions, the CRA Agreement and the CRA Exemptions upon the terms described herein, together with any ordinances or resolutions adopted by City Council to approve the TIF Exemptions, the CRA Agreement and the CRA Exemptions.

Section 2. Revenue Sharing Payments to School District. The parties agree that, as consideration for the School District’s agreements in Section 1, the City shall pay School District the Base Revenue Sharing Payments and the Additional Revenue Sharing Payments with respect to the TIF Exemptions, each as defined below. The School District shall not receive compensation or revenue sharing payments for taxes exempted pursuant to the CRA Exemptions. The TIF Exemptions will be subordinate to the CRA Exemptions.

(a) Base Revenue Sharing Payments. The City shall pay to the School District the following amounts from Service Payments actually received by the City from a Parcel during the term of the TIF Exemption for that Parcel as follows (the “**Base Revenue Sharing Payments**”):

- i. Commencing with the first (1st) tax year of the TIF Exemption for a Parcel, and through and including tenth (10th) tax year of the TIF Exemption for a Parcel, the City will pay to the School District twelve and one-half percent (12.5%) of the Service Payments received by the City from that Parcel that are generated from School District property tax levies applicable to that Parcel.

- ii. Commencing with the eleventh (11th) tax year of the TIF Exemption for a Parcel, and through and including twentieth (20th) tax year of the TIF Exemption for a Parcel, the City will pay to the School District sixteen and sixty-seven hundredths percent (16.67%) of the Service Payments received by the City from that Parcel that are generated from School District property tax levies applicable to that Parcel.
 - iii. Commencing with the twenty-first (21st) tax year of the TIF Exemption for a Parcel, and through and including the thirtieth (30th) tax year of the TIF Exemption for a Parcel, the City will pay to the School District twenty-five percent (25%) of the Service Payments received by the City from that Parcel that are generated from School District property tax levies applicable to that Parcel.
- (b) Additional Revenue Sharing Payments. The City shall pay to the School District certain Additional Revenue Sharing Payments during the term of the TIF Exemption for any Parcel as follows (the “**Additional Revenue Sharing Payments**”):
- i. While any Bonds are outstanding, the City will pay to the School District (or cause the Bond trustee to pay to the School District) thirty percent (30%) of any Excess Service Payments, less the portion of the Excess Service Payments required to be paid to the Tolles Career & Technical Center.
 - ii. If no Bonds are outstanding, the City will pay to the School District (or cause the Bond trustee to pay to the School District), one hundred percent (100%) of the Service Payments received by the City.
 - iii. For purposes of the Additional Revenue Sharing Payments:
 - 1) “**Bonds**” mean bonds issued by the Columbus-Franklin County Finance Authority or other public bond issuer in a principal amount not to exceed \$53,740,000.
 - 2) “**Excess Service Payments**” shall mean any Service Payments remaining in the custody of the City or the Bond trustee on each December 15 after scheduled debt service and administrative costs on the Bonds have been paid and any required reserve funds for the Bonds have been funded or replenished in accordance with the requirements of the Bond documents. Excess Service Payments not paid to the School District shall be used to redeem Bonds in accordance with the requirements of the Bond documents.

Section 3. Timing of Payments. The City shall distribute the Base Revenue Sharing Payments to the School District on or before each June 15 and December 15 of the calendar year in which the City receives Service Payments for a Parcel . The City shall distribute (or cause the Bond trustee to distribute) the Additional Revenue Sharing Payments by December 31 of each

year. The records of the City relating to the amount of any TIF Revenue Payment shall be made available to the School District for audit annually by the treasurer of the School District or by an independent auditor of the School District's choice and at its sole expense.

Section 4. Satisfaction of Revised Code 5709.82. The Base Revenue Sharing Payments and the Additional Revenue Sharing Payments satisfy the requirements of Revised Code Section 5709.82. The School District waives any and all other rights to compensation payments, income tax sharing or other payments under the Revised Code that may now or hereafter exist with respect to the TIF Exemptions or the CRA Exemptions.

Section 5. No Contest. The School District agrees that neither they nor anyone acting on its behalf shall file a complaint pursuant to Section 5715.19 of the Revised Code or otherwise seeking to increase the tax year 2022 or tax year 2023 market or assessed value of any of the Parcels from the value assigned thereto by the County Auditor.

Section 6. Sharing of Information. The City agrees to cooperate to share information with the School District as to its receipt of Service Payments upon request of the School District, subject to any restrictions imposed by law.

Section 7. Defaults. A party shall be in default of this Agreement if (a) the City fails to make any payment of the Base Revenue Sharing Payments or Additional Revenue Sharing Payments when due, and any such failure continues for thirty (30) days after receiving written notice of default from the other party; or (b) a party fails to perform any material obligation under this Agreement and such failure continues uncured for more than thirty (30) days after receiving a written notice of default from the other party. Any such default, which continues uncured beyond the thirty (30) day cure period above, shall constitute an “**Event of Default.**” Upon the occurrence of an Event of Default, beyond any applicable cure periods, and as long as the Event of Default is continuing, the other party may, at its sole option, proceed by appropriate court action to enforce the terms of this Agreement.

Section 8. Limitation of Liability. No party shall be liable for more than the sum of all payments owed by that party under this Agreement. In no event will any party be liable to another party under this Agreement for any indirect, reliance, exemplary, incidental, speculative, punitive, special, consequential or similar damages that may arise in connection with this Agreement. The maximum amount of Base Revenue Sharing Payments and Additional Revenue Sharing Payments shall not exceed the total real property taxes that the School District would have received absent the TIF Exemptions and CRA Exemptions (on a cumulative basis for the life of the TIF Exemptions and CRA Exemptions).

Section 9. 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 discussions, agreements, and undertakings of every kind between the parties with respect to the subject matter of this agreement.

Section 10. Notices. All payments and notices under this Agreement must be hand-delivered (with receipt acknowledged) or sent by the first-class U.S. mail, postage prepaid, and are deemed delivered when so delivered or mailed to the respective addresses first set forth above.

Either party may change its address for receiving payments or notices by giving written notice of such change to the other party.

Section 11. Severability of Provisions. 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 12. Amendment. This Agreement may be amended or modified by the parties only in writing, signed by both parties to this Agreement.

Section 13. Assignments. This Agreement is not transferable or assignable without the express, written approval of each party.

Section 14. 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. Electronically executed counterparts (such as DocuSign counterparts) or signatures transmitted or stored by facsimile or electronic means (such as .pdf counterparts) are deemed original signatures.

Section 15. Authorization. The undersigned represent and warrant that they are agents of their respective parties, duly authorized to execute this Agreement on behalf of said parties.

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

Remainder of Page Intentionally Left Blank

Signature Page Follows

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered on the date set forth above.

CITY OF HILLIARD, OHIO

By: _____
Mayor

Approved as to legal form:

Law Director

FINANCIAL OFFICER'S CERTIFICATE

The undersigned, Director of Finance of the City of Hilliard, Ohio (the "City"), hereby certifies that amount required to be paid by the City during fiscal year 2023 under the foregoing Agreement has been lawfully appropriated for the purpose, and is in the treasury or in process of collection to the credit of an appropriate fund, free from any outstanding obligation or encumbrance.

Director of Finance

Dated: _____, 2023

[Signature Page to School Revenue Sharing Agreement – TruePointe Project]

HILLIARD CITY SCHOOL DISTRICT

By: _____
Treasurer

By: _____
President of the Board of Education

[Signature Page to School Revenue Sharing Agreement – Truepointe Project]