# TOLEDO CITY SCHOOL DISTRICT

# Administrative Policy for Tax Abatement, Management and Compliance Monitoring

**Adopted: November 29, 2022**

## TABLE OF CONTENTS


Purpose and Scope ..... 3

Definitions ..... 4

Background ..... 5

Program Types and Parameters ..... 7

The District ..... 11

Team Members and Their Respective Responsibilities ..... 11

Selection of External Service Providers ..... 15

Compliance ..... 16

Reporting ..... 17

Accounting Issues ..... 17

Tax Calculations ..... 19

Internal Control ..... 20

Ethical Standards ..... 20

Training and Education ..... 21

Amendments to Policy ..... 21

Policy Adoption ..... 21

Exhibit A: Employee Certification ..... 22

Exhibit B: External Advisor(s) Certification ..... 23

Exhibit C: Finance Committee Review and Approval Certification ..... 24

Exhibit D: Toledo City School District Payment Agreement ..... 25

Exhibit E: Board Policy DIG Tax Abatement/School Donation Agreement ..... 28

Exhibit F: Auditor of State Bulletin 2017-001 GASB 77 Disclosure ..... 29

Exhibit G: Finance Committee Update Report ..... 34

Exhibit H: Cross References ..... 35

## PURPOSE AND SCOPE

This Administrative Policy for Tax Abatement, Management and Compliance Monitoring (the Administrative Policy or Policy) of the Toledo City School District (the District) is intended to establish and document suggested practices, to provide helpful background information, guidance and a functional reference tool to be used by the District and its officials in connection with its involvement in the economic development process with both the City of Toledo, Ohio (the City) and Lucas County, Ohio (the County) to promote transparency, efficiency and consistency as personnel changes occur. However, it is **not** intended to serve to limit the lawful authority and discretion of the Board of Education or District officials in carrying out their respective duties. This Administrative Policy has been adopted by, and may only be changed by, the Treasurer, with the approval of the Board of Education or the Finance Committee described under **Team Members and Their Respective Responsibilities**.

The District engages in tax abatements as appropriate and in accordance with the Ohio Enterprise Zone Program that authorizes cities and counties to designate areas as Enterprise Zones (EZ's), Community Reinvestment Areas (CRA's) and Tax Increment Financings (TIF's) and to execute agreements with certain enterprises for the purpose of establishing , expanding, renovating or occupying facilities and hiring new employees and preserving jobs within said zones for specified local tax incentives granted by the City or County.

The District works closely with the City and/or County in the tax abatement process to promote local economic development, employment creation, growth and retention, enhance the local economy, enhance blighted areas of the City or County, increase enrollment in the District, and attract businesses from outside the community while being good stewards of public funds. The District has developed a standardized School Payment Agreement for abated companies ensuring the receipt of revenues from new construction and facility renovations.

This Administrative Policy provides information concerning the types of abatements granted by the City or County that may be made by the District in accordance with related legal requirements and limitations. It also sets forth certain standard practices and policies to be followed by the District to complement those legal provisions and promote effective, prudent and efficient processes and management.

Sections 3735 and 5709 of the Ohio Revised Code provide (and limit) the authority of the District in the tax abatement process and prescribe the procedures required to be followed by the Board of Education and the District in engaging in such activities.

Effective management of the tax abatement process is recognized as an essential part of good overall fiscal management. The policies and suggested practices set forth herein are intended to promote prudent and professional decision-making responsive to the public trust and help to maximize the District's overall revenue stream from real estate tax dollars. In that design and management, the Treasurer will take into consideration the Government Finance Officers Association guidelines, the Auditor of the State of Ohio guidelines and other relevant best practices.

## DEFINITIONS

As used in the Toledo City School District's Administrative Policy for Tax Abatement, Management and Compliance Monitoring and more generally in connection with the tax abatement program of the District, the following words and terms with initial capital letters shall have the following meanings:

"Abatement Team" means the Board of Education, the Chairperson of the Board's Finance Committee, the Vice Chairperson of the Board's Finance Committee, the Superintendent, the Treasurer, the Treasurer's staff, and the District's legal counsel.

"Board" means Toledo Board of Education, Toledo City School District.

"ACFR" means Annual Comprehensive Financial Report of the District

"City" means City of Toledo, Ohio.

"County" means Lucas County, Ohio.

"CRA" means Community Reinvestment Area.

"District" means Toledo City School District.

"EMMA" means Electronic Municipal Market Access

"EZ" means Enterprise Zone.

"External Service Provider" means an advisor that specializes in the tax abatement process for the State of Ohio.

"Finance Committee" means a sub-committee of the Board consisting of the Chair and Co-Chair of the committee (both of which are Board members), the Superintendent, and the Treasurer.

"GASB" means Governmental Accounting Standards Board

"IDC" means Industrial Development Committee.

"PILOT" means payment in lieu of taxes.

"Property Owner" means the owner of the parcel being exempted from tax, whether residential or commercial and industrial.

"State" means State of Ohio.

"Tax Abatement Program" means holistically all processes, procedures, policies, regulations and laws that the District follows in implementing and monitoring tax exemptions with the City and/or County. Also referred to herein as the "Program"

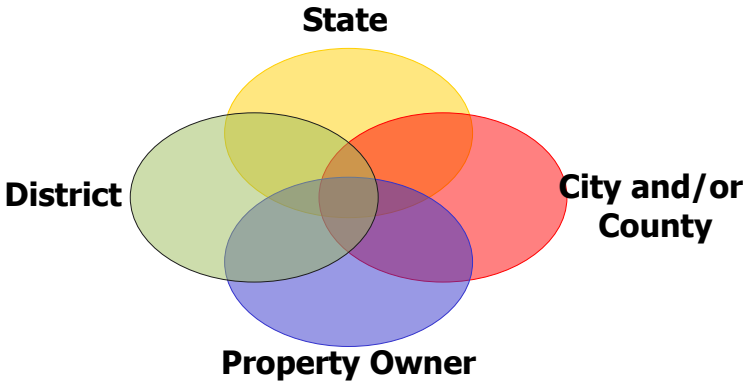
"TIF" means Tax Increment Financing.

"TIRC" means Tax Incentive Review Committee.

## BACKGROUND

In this section we will discuss the participants in the Tax Exemption process and give a brief history of the District's involvement in the process.

### The Participants in the Process




### District Participants

- Board of Education
- Fianance Committee
- Superintendent
- Treasurer and Staff
- Legal Counsel

### The History of the Process

Prior to 1995, School Districts in general did not have a voice in the tax abatement process regarding School Payment Agreements and receipt of Payment in Lieu of Tax Contributions. Both the City and the County could approve abatements granting 100% exemption without the approval of the District's Board of Education. These abatements are commonly known as Pre 1994 and had the following characteristics:

- Notice to the District from the City and/or County was required prior to the tax exemption application to the Lucas County Auditor. The District could comment on the application and the City and /or County would consider those comments.
- The City and/or County would require an agreement with the District if the project was anticipated to generate more than $1,000,000 of new employee payroll.

- District approval not required to grant the abatement.
- 100% of the value of the improvements would be abated.

In March of 1995, as a result of a 1994 law known as Senate Bill 19, the District entered into a Tax Exemption Revenue Sharing Agreement with both the City of Toledo and Washington Local School district addressing Payment in Lieu of Taxes (PILOTS) and its participation in revenue sharing agreements for 100% abated properties. Board Resolution 60-95 was adopted by the Board of Education regarding the Ohio Enterprise Zone Program and the creation of exempted zones within the City of Toledo. The District would receive (PILOTS) of either 45% or 35% depending on the zone or subzone where the parcel was located. The PILOT payment to the District was calculated at the full City millage rate with no state foundation charge off.

In June 2005, Senate Bill 66 was passed requiring annual abatement activity and PILOT receipts to be reported to the State of Ohio by the District. PILOT receipts by the District would then reduce the state foundation receipts accordingly.

In June 2006, House Bill 530 was passed as a corrections bill to Senate Bill 66 clarifying various abatement issues.

In October 2006, the Board of Education of the District passed Board Resolution 50-2007 providing for the withdrawal of the District from the 1995 Tax Exemption Revenue Sharing Agreement with the City of Toledo due to changes in the law governing the treatment of tax exempt property. The resolution also provided the District the ability to negotiate future revenue sharing agreements with the City and the Company on a project-by-project basis.

In April 2007, the Board of Education of the District passed Board Resolution 111-2007 authorizing the President of the Board, the Superintendent, and the Treasurer to negotiate and enter into agreements with the City of Toledo and/or Lucas County and the affected property owners concerning payments to the District in Community Reinvestment Areas (CRAs), Enterprise Zones (EZs) and Tax Increment Financing Areas (TIFs). An exemption of tax of 100% would, in any of these designated areas, require a PILOT payment to the District at a level of no less than sixty-seven and one half percent (67.50%) of the taxes that otherwise would have been received by the District had the project proceeded without exemption, calculated at the District millage rate in effect at the time the property owner applies for the tax exemption. This standardized School District Payment Agreement of 67.50% for each project would eliminate the need to present each individual project to the Board of Education for its approval and would also waive the necessity of the City of Toledo to give advance notice of applications for tax exemption to the District.

In April 2015, the Board of Education of the District passed Board Resolution 304-2015 enhancing and clarifying issues addressed in Board Resolution 111-2007 and addressing changes in tax exemption laws and internal District practices since 2007.

Changes addressed in Resolution 304-2015 not previously in place include the following items:

1. The District millage rate will change annually in the calculation of PILOTS.
2. Tax Calculations for each project will be done annually.

3. The taxable value as established by the Lucas County Auditor's Office shall be used in the annual tax calculations, provided that in no event shall the taxable value be less than the value established at the time the project was 100% completed.
4. The agreement shall include such other terms and conditions the President, the Superintendent and the Treasurer deem to be in the best interest of the District including, but not limited to, a provision requiring any reimbursement of tax revenue upon the failure to make scheduled PILOT payments to be subject to a lien and have the priority of a tax lien under the laws of Ohio.
5. Any terms negotiated beyond the scope of the standardized School District Payment Agreement would require additional Board of Education approval through a separate resolution.

**The Current Status of the Program**

Please refer to the following Exhibits which, in conjunction with these Administrative Policies for Tax Abatement, Management and Compliance Monitoring, currently govern the practices of the District in the tax abatement process.

- Exhibit E: Board Policy DIG Tax Abatement/School Donation Agreement
- Exhibit D: Toledo City School District Payment Agreement
- Exhibit F: Auditor of State Bulletin 2017-001 GASB 77 Disclosure

## PROGRAM TYPES AND PARAMETERS

**Pre 1994**

Prior to 1994, School Districts in general did not have a voice in the tax abatement process regarding School Payment Agreements and receipt of Payment in Lieu of Tax Contributions. Both the City and the County could approve abatements granting 100% exemption without the approval of the District's Board of Education. These abatements are commonly known as Pre 1994 and had the following characteristics:

- Notice to the District from the City and/or County was required prior to the tax exemption application to the Lucas County Auditor. The District could comment on the application and the City and /or County would consider those comments.
- The City and/or County would require an agreement with the District if the project was anticipated to generate more than $1,000,000 of new employee payroll.
- District approval not required to grant the abatement.
- 100% of the value of the improvements would be abated.

**Post 1994**

There are several tax abatement program types filed with the City and the County (i) the Community Reinvestment Area (CRA), (ii) the Enterprise Zone (EZ) program, and (iii) the Tax Increment Financing (TIF). Each program type will be explained below along a disclosure of the Section of the Ohio Revised Code that provides a broader explanation and parameters for each program type. The District's approved parameters for each program type will be then be discussed.

## Community Reinvestment Area (CRA)

A Community Reinvestment Area (CRA) provides tax abatement to promote new construction or rehabilitation of residential, commercial or industrial structures. The objective of the City and/or County CRA Program is to promote investment to properties in neighborhoods that have experienced decline resulting from disinvestment and blight.

In order to assist and encourage property owners undertaking improvement projects within designated areas of City and/or County tax abatement will be granted on the increase in property valuation resulting from the improvements. Any project receiving tax abatement is subject to Living Wage requirements. Additionally, projects involving multi- family (4+ units other than condominiums) or commercial/ industrial improvements that generate new payroll of $1,000,000 or more in any year of the abatement will require payments to the District.

Approved projects receive tax abatement on the increase in their property's tax valuation for a specified time period. The tax abatement period begins the calendar year after (i) certification is forwarded to the County Auditor's Office, and (ii) a change in the property's tax valuation has occurred due to the new improvements.

In general the following Sections of the Ohio Revised Code provide the legal constraints and requirements for CRAs

| | | |
|---|---|---|
| **Community Reinvestment Area (CRA) Abatements** | County<br><br>Municipality | 3735.65-3735.70<br><br>5709.82<br>5709.83<br>5709.85 |

Section 3735.67 of the Ohio Revised Code addresses in detail the applying for tax exemption process. The excerpt below from 3735.67 is a broad overview of a CRA:

> *"(A)* ***The owner of real property located in a community reinvestment area*** *and eligible for exemption from taxation under a resolution adopted pursuant to section 3735.66 of the Revised Code* ***may file an application for an exemption from real property taxation of a percentage of the assessed valuation of a new structure, or of the increased assessed valuation of an existing structure after remodeling began****, if the new structure or remodeling is completed after the effective date of the resolution adopted pursuant to section 3735.66 of the Revised Code.* ***The application shall be filed with the housing officer designated for the community reinvestment area in which the property is located****. If any part of the new structure or remodeled structure that would be exempted is of real property to be used for* ***commercial or industrial purposes, the legislative authority and the owner of the property shall enter into a written agreement pursuant to section 3735.671 of the Revised Code prior to commencement of construction or remodeling; if such an agreement is subject to approval by the board of education of the District within the territory of which the property is or will be located, the agreement shall not be formally approved***

***by the legislative authority until the board of education approves the agreement in the manner prescribed by that section.***

The CRA Parameters agreed to between the City and/or County and the Property Owner as documented in the District's School District Payment Agreement (refer to Exhibit D) allow for 100% tax exemption on commercial/industrial new improvements or new construction for a maximum term of 12 years for renovations and a maximum term of 15 years for new construction. In return, the commercial/industrial property owner will compensate the District 67.50% of the taxes that the District would have otherwise received. Any tax exemption terms negotiated beyond the terms described above will require approval through the adoption of a separate Board Resolution.

CRA zones designated tax-exempt prior to 1994 are called Pre-1994 abatements and are exempted 100% with no compensation to the District; provided, however, that the City will require an agreement with the District if the project is anticipated to generate more than $1,000,000 of new employee payroll.

**Enterprise Zone (EZ) program**

The Ohio Enterprise Zone Program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio.

Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program can provide tax exemptions for a portion of the value of new real and personal property investment when the investment is made in conjunction with a project that includes job creation. Existing land values and existing building values are not eligible (except as noted within rare circumstances).

Local communities may offer tax incentives for non-retail projects that are establishing or expanding operations in the State of Ohio. Real property investments are eligible for tax incentives, as well as personal property investments for those entities that continue to pay personal property tax.

The zone's geographic area is identified by the local communities involved in the creation of the zone. Once a zone is defined, the local legislative authority participating in the creation must petition the director of the Development Services Agency. The director must then certify the area for it to become an active Enterprise Zone.

Tax incentives are negotiated at the local level, and an enterprise zone agreement must be in place before the project begins. Businesses interested in pursuing these incentives begin by contacting the City and/or County's local Enterprise Zone Manager.

In general the following Sections of the Ohio Revised Code provide the legal constraints and requirements for EZs.

| | | |
|---|---|---|
| **Enterprise Zone (EZ) Abatements** | County<br><br><br>Municipality | 5709.61-5709.72<br>5709.82<br>5709.83<br>5709.85 |

Additional information pertaining to EZs can be found at his link to **The State of Ohio Development Services Agency's Ohio Enterprise Program.** Below is an excerpt from the Ohio Enterprise Program describing allowable tax incentive terms.

*"The Enterprise Zone law permits municipalities to offer the following incentives:*

*Exemption of real and/or personal property assessed values of up to 75% for up to 10 years or an average of 60% over the term of the agreement on new investments in buildings, machinery/equipment and inventory and improvements to existing land and buildings for a specific project.*

*The Enterprise Zone law permits unincorporated areas to offer the following incentives:*

*Exemption of real and/or personal property assessed values of up to 60% for up to 10 years or an average of 50% over the term of the agreement on new investments in buildings, machinery/equipment and inventory and improvements to existing land and buildings for a specific project.*

*Maximum exemption levels may be exceeded with approval by the affected board of education. These approved thresholds may be up to 100 % exemption for up to 15 years."*

The EZ Parameters agreed to between the City and/or County and the Property Owner as documented in the District's School District Payment Agreement (refer to Exhibit D) allow for 100% tax exemption on the new improvements or new construction for a maximum term of 12 years for renovations and a maximum term of 15 years for new construction. In return, the property owner will compensate the District 67.50% of the taxes that the District would have otherwise received. Any tax exemption terms negotiated beyond the terms described above require approval through the adoption of a separate Board Resolution.

The City and/or County can abate tax up to 75% for ten years without the approval of the District.

## Tax Increment Financings (TIF)

Tax increment financing (TIF) is a public financing method that is used as a subsidy for redevelopment, infrastructure, and other community-improvement projects in many communities, including the City and County. The original intent of a TIF program is to stimulate private investment in a blighted area that has been designated to be in need of economic revitalization. Through the use of TIF, municipalities typically divert future property tax revenue increases from a defined area or district toward an economic development project or public improvement project in the community.

TIFs provided a method to generate revenue to develop needed infrastructure to serve parcels to be developed and exempted those parcels from taxation. While taxes were exempted, the property owner still paid an equivalent amount in payments in-lieu of taxes (PILOT). These PILOT payments were not

distributed as were regular tax collections but were diverted to a separate fund and used to invest in needed infrastructure to service the new development and to make debt payments for the infrastructure.

In general the following Sections of the Ohio Revised Code provide the legal constraints and requirements for TIFs.

| | | |
|---|---|---|
| **Tax Increment Financing (TIF)** | County<br><br>Municipality<br><br>Township | 307.081; 307.082; 5709.77-5709.82<br><br>5709.40-5709.43<br><br>5709.73-5709.75 |

The TIF Parameters agreed to between the City and/or County and the Property Owner as documented in the District's School District Payment Agreement (refer to Exhibit D) allow for 100% tax exemption on the new improvements or new construction for a maximum term of 30 years for new construction. In return, the District will be compensated 67.50% of the taxes that the District would have otherwise received. Any tax exemption terms negotiated beyond the terms described above require approval through the adoption of a separate Board Resolution.

The City and/or County can abate tax up to 75% for ten years without the approval of the District.

## THE DISTRICT

The District is one of over 600 city, local and exempted village school districts in the State of Ohio and one of eight in Lucas County, providing public education to students in grades K through 12. The District's territory borders on Lake Erie and encompasses approximately 70% of the City of Toledo, 66% of Spencer Township, 8% of Harding Township and a portion (less than 1.0%) of the Village of Ottawa Hills.

The Board of Education is a body politic and corporate charged with the responsibility of managing and controlling affairs of the District and is governed by the general laws of the State of Ohio. The Board is comprised of five members elected for overlapping four-calendar-year terms. The Superintendent of Schools (the Superintendent), appointed by the Board for a maximum term of five years, is the executive officer of the District and has responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. The Treasurer, appointed by the Board, is the fiscal officer of the Board and the District.

## TEAM MEMBERS AND THEIR RESPECTIVE RESPONSIBILITIES

The Abatement Team (Team) of the District will consist of the Board of Education, the Chairperson of the Board's Finance Committee, the Vice Chairperson of the Board's Finance Committee, the Superintendent, the Treasurer, the Treasurer's staff, and the District's legal counsel.

### Board of Education and Board Members

The Board of Education generally will be responsible for the following:

- Adoption of resolutions related to the tax abatement program.
- Authorizing the actions by the President of the Board, the Superintendent and the Treasurer to enter into School District Payments Agreements for each project.
- Approving tax exemptions beyond the scope of the standardized School District Payment Agreement.
- Liaison with the public, the Finance Committee, the Superintendent and the Treasurer.

The President of the Board will be authorized and required to sign, on behalf of the District and in his or her official capacity, all School District Payments Agreements between the District and the Property Owner.

**Finance Committee**

The District shall have a Finance Committee (the "Finance Committee") consisting of a Chairperson and a Vice Chairperson (both of whom shall be members of the Board), the Superintendent and the Treasurer.

The Finance Committee shall be responsible for the following in the tax abatement process:

- Approval of this Administrative Policy and any amendments hereto as shall be evidenced by their signatures on **Exhibit C** attached hereto.
- Recommending to the Board for its consideration and adoption the resolution(s) for each proposed tax exemption beyond the scope of the School District Payment Agreement.
- Recommending to the Board for its consideration and adoption the resolution(s) amending the overall tax abatement program.
- The Chairperson (or his or her designee), the Superintendent and the Treasurer will participate in the negotiations for tax exemption beyond the scope of the School District Payment Agreement.
- Liaison with the Board of Education.

**Superintendent of Schools**

The Superintendent shall be responsible for the following in the tax abatement process:

- Approval of this Administrative Policy and any amendments hereto as shall be evidenced by his or her signature on **Exhibit C** attached hereto.
- Signing, on behalf of the District and in his or her official capacity, the School District Payment Agreement for each project.
- Participate, where necessary, in the negotiation process for tax exemptions beyond the scope of the School District Payment Agreement.
- Liaison with the Board of Education and the Treasurer.

**Treasurer**

The Treasurer is the fiscal officer for the Board of Education and the District and, as such, charged with the certain statutory duties in connection with the tax abatement process and compliance issues.

The Treasurer's specific responsibilities in the tax abatement process will include:

- Approval of this Administrative Policy as evidenced by his or her signature on **Exhibit C** attached hereto.
- Supervising and overseeing the participation of the District at Industrial Development Committee meetings.
- Supervising and overseeing the participation of the District at Tax Incentive Review Committee meetings.
- Signing, on behalf of the District and in his or her official capacity, the School District Payment Agreement for each project.
- Selecting legal counsel to represent the interests of the District.
- Selection and management of any outside advisors on tax exemptions.
- Coordinating the negotiations of tax exemptions beyond the scope of the School District Payment Agreement.
- Coordinating the activities of the Team members.
- Decisions concerning tax exemptions taken to the Finance Committee and Board of Education.
- Formulating and managing the District's tax abatement program and strategies.
- Establishing and maintaining procedures and internal control systems for the efficient operation of the District's tax abatement program.
- Supervising his or her staff and any other District employees engaged in tax abatement program and processes.
- Presenting information regarding tax abatement at Finance Committee and Board meetings.
- Causing necessary Board resolutions relating to the tax abatement program to be prepared and presenting those resolutions to the Finance Committee and the Board.
- Update the Finance Committee and the Board on the status of the tax abatement program as required.
- Developing and obtaining approval of necessary and appropriate amendments to this Administrative Policy.
- Liaison with his or her staff, the Finance Committee, the Superintendent, the Board of Education and external Tax Abatement Team members.

The Treasurer may, at any time, call a meeting of the Finance Committee to seek approval for matters beyond the scope of the Administrative Policy.

**Treasurer's Staff**

Members of the Treasurer's staff designated as members of the Team will include, but need not be limited to, the Assistant Treasurer and the Director of Treasury Management.

Each member of the Treasurer's staff designated as a member of the District's Tax Abatement Team shall be responsible for the following:

- Signing **Exhibit A** to this Administrative Policy certifying his or her awareness and understanding of the same.
- Assisting the Board and the Treasurer in ensuring compliance with Board approved policies and resolutions, applicable local, state and federal statutes and this Administrative Policy.
- Assisting the Treasurer in coordinating the tax abatement program and other related processes and the activities of the Team members.
- Assisting the Treasurer in maintaining necessary records.
- Assisting the Treasurer in preparing any requests for proposals for selection of external Team members, advisors and agents.
- Making recommendations to the Treasurer as necessary.
- Prepare and submit for signature all School District Payment Agreements.
- Prepare annual tax calculations for each project and communicate those calculations to the City and/or County for review before invoicing the property owner.
- Coordinate the collection of all project receipts and send the City and/or County a copy of each check received from the property owner.
- Maintaining, developing and providing data required for casting a vote at Tax Incentive Review Committee meetings.
- Maintaining, developing and providing data to the City and/or County regarding School District Payments received.
- Prepare and submit reports to the appropriate parties to be included in the District's ACFR, Official Statements and Continuing Disclosure Filings.
- Monitoring receipt of PILOTs to assure compliance of each abated project.
- Assisting the Treasurer in negotiations for tax exemption requests beyond the scope of the School District Payment Agreement parameters.
- Liaison with the Treasurer and other Team members.
- Attend Tax Incentive Review Committee meetings as required.
- Liaison with legal counsel on tax abatement issues.

**Legal Counsel**

It is the practice of the District to employ legal services in connection with the tax abatement program of the District. It is imperative that the relationship established with legal counsel be at the sole discretion of the Treasurer.

Legal Counsel shall:

- Prepare all necessary tax abatement resolutions to be submitted to the Board for adoption.
- Prepare all the required agreements to be entered into by the District in connection with the tax abatement process.
- Provide legal assistance and advice to the District in connection with the tax abatement process and proposed projects as necessary.
- Attend and participate in Board, Finance Committee and other District meetings, as requested.
- Attend and participate, as requested, in meetings with the City and/or County related to tax abatement projects.
- Provide other legal assistance and advice as necessary.
- Assist and advise the Board, the Treasurer and other District officials in complying with all local, state and federal statutes, regulatory agencies and authorities concerning the Tax Abatement program.
- Render legal opinions, as appropriate.
- Liaison with the Treasurer and his/her staff and other Team members as required.

## SELECTION OF EXTERNAL SERVICE PROVIDERS

The external service providers (tax abatement advisor) will be selected through a competitive request for proposal (RFP) process. The Treasurer shall have authority, at his or her discretion, to (i) dissolve any and all existing Team member relationships from time to time, (ii) replace any member of the Team through an additional RFP process, (iii) re-negotiate fees and compensation for services, and (iv) determine and select all other third-party providers necessary to the Tax Abatement Program.

When selecting external service providers, the Treasurer will utilize a competitive RFP process to determine the most qualified provider incorporating the Best Practice guidelines established by the Government Finance Officers Association (GFOA).

The selection and hiring of external service providers will be made in consideration of the following factors:

- Experience of the provider with Ohio school district tax abatement generally.
- Knowledge and experience of the provider's staff assigned to the District.
- Proper staffing of provider's firm to accommodate existing workload along with the District's needs.
- Provider's analytical capability and access to current market information.
- Familiarity of the provider with Ohio tax abatement and tax exemption laws.
- Familiarity of the provider with relevant federal tax abatement and tax exemption laws, regulations, rules, etc.
- Familiarity of the provider with the City of Toledo and Lucas County economic development practices and regulations.
- Demonstrated ability of the provider to evaluate and complete the tasks in a timely manner.

- Conflicts of interest among legal counsel, the City, the County and other Tax Abatement Team members.
- Utilization of a systematic rating process in reviewing and evaluating all providers.
- Interviewing potential providers during the evaluation process.
- References supplied by the provider.
- Knowledge and experience of the provider with the tax abatement process.
- Creativity of the provider with regard to negotiations, project structure and District compensation arrangements.
- Provider's knowledge of local political and economic issues.
- Provider's availability to attend District and other meetings, as required.
- Scope of services desired by the District.
- The length of the engagement with the provider.
- Assurance of the provider's standing with federal, state and local regulatory authorities, their standards and policies.
- Provider's disclosure of any pending investigation, disciplinary actions or enforcement of penalties and fines over an established time frame.
- Willingness of the provider to acknowledge awareness and understanding of this Administrative Policy by signing **Exhibit B**,
- Complete disclosure of provider's proposed fee structure, and the total cost to the District for services provided.

The selection of any and all external service providers will be approved by resolution by the Board of Education. All approved service providers will be required to provide full and complete disclosure relative to any and all agreements or events that would compromise the provider's ability to provide independent advice and act in the best interest of the District.

RFPs issued, responses gathered, evaluations and rankings of the provider's responses will be kept on file in the Office of the Treasurer for audit purposes and future reference. The Treasurer of the District can choose to select one or more new external service providers at any time through the use of the RFP process.

## COMPLIANCE

### Generally

The Treasurer and Treasurer's Staff will monitor all of its outstanding abatements not less than annually and ensure compliance with all covenants and applicable state and federal laws, regulations and rules. Any concerns or findings will be reported to the Board of Education through the Finance Committee.

For each property owner abated, the following will be in place and on file with the City and/or County and/or the District:

- An application for tax exemption submitted by the property owner to the City or County.
- City and/or County legislation approving the abatement.
- City and or County tax abatement agreement.

- School District Payment Agreement (to be included as an exhibit to the City or County tax abatement agreement).
- District Board Resolution – if required.
- Auditor's Real Estate Information System (AREIS) Summary Report.
- A Project Tracking Excel Spreadsheet maintained by the District.

The Treasurer and/or his staff shall attend all Tax Incentive Review Committee (TIRC) meetings conducted by the City and/or County to represent the District and cast a vote on behalf of the District to either continue or terminate any existing tax abatements. Reasons for termination would include, but not be limited to:

1. Failure to make agreement upon payments to the District.
2. Failure of Property Owner to make the agreed upon investment in the property.
3. Failure of the Property Owner to employ the agreed upon employment levels.

***It should be noted that if the property owner goes out of business or sells the property, the tax abatement agreements in place follow the parcel and not the owner.***

## REPORTING

After each Tax Incentive Review Committee, the Treasurer will report the current status of the tax abatement program to the Finance Committee. The report is required twice a year; once in April after the March Lucas County Tax Incentive Review Committee, and once in October after the September City of Toledo Tax Incentive Review Committee. The report should include information that represents a holistic overview of the tax abatement program including, but not limited to, information included in the Finance Committee Update Report in **Exhibit G.**

Each fiscal year GASB 77 reporting will be prepared and submitted to the appropriate members of the Treasurer's staff for inclusion in the District's ACFR, or to bond counsel for the preparation of Official Statements (as needed) and the Annual Information Filing with EMMA. GASB 77 reporting will be conformance with Auditor of State Bulletin 2017-001 in **Exhibit F** and the standards established in GASB 77.

The standardized School District Payment Agreement **(Exhibit D**) templates will be accessible for public review through the District's Board Docs Library. The Finance Committee Update Reports **(Exhibit G**) will be available to the public through the appropriate Finance Committee meeting on Board Docs.

## ACCOUNTING ISSUES

**PILOT Revenues Received From CRAs and EZs:**

PILOT revenues received from all CRAs and EZs will be credited to the General Fund (001) of the District in the 1190 Uniform School Accounting System (USAS) receipt code. The District has defined the Subject of 000140 and the General Fund Special Cost Center of XAA0 for all PILOT receipts.

The following Uniform School Accounting System (USAS) codes will be used:

- Transaction Indicator: 03
- Receipt Code: 1190
- Subject: 000140
- Location: 050
- Special Cost Center: XAA0

For example, the current 30 digit code for PILOT revenues pertaining to CRAs and EZs is 001-031190-30000-XAA0-000140-050-00-000.

**PILOT Revenues Received From TIFs:**

PILOT revenues received from TIFs will be credited to the General Fund (001), Bond Retirement Fund (002), Permanent Improvement Fund (003) and the Maintenance Fund (034) of the District in the accordance with the settlement sheet provided by the Lucas County Auditor's Office for each PILOT settlement.

The following Uniform School Accounting System (USAS) codes will be used:

- Transaction Indicator: 03
- Receipt Code: 1190
- Subject: 000140
- Location: 050
- Special Cost Center
  - Fund 001: XAA0
  - Fund 002: 0200
  - Fund 003: 1000
  - Fund 034: SFC0

For example, the current 30 digit code for PILOT revenues from TIFs are:

- 001-031190-30000-XAA0-000140-050-00-000
- 002-031190-30000-0200-000140-050-00-000
- 003-031190-30000-1000-000140-050-00-000
- 034-031190-30000-SFC0-000140-050-00-000

**Revenues Received from Board of Revision (BORs) – Settlement Agreements:**

From time to time, the District's legal counsel negotiates settlement agreements with property owners for Board of Revision filings. These agreements are outside of the tax abatement process and procedures and the revenues should not be co-mingled with revenues from PILOT receipts.

Revenues received from BORs will be credited to the General Fund (001), Bond Retirement Fund (002), Permanent Improvement Fund (003) and the Maintenance Fund (034) of the District on a prorated basis in the accordance the proportional percentage to total calculated from the most recent Real Estate

Settlement Sheets provided by the Lucas County Auditor's Office for the District's collection of all real estate taxes.

The following Uniform School Accounting System (USAS) codes will be used:

- Transaction Indicator: 03
- Receipt Code: 1190
- Subject: 300101
- Location: 050
- Special Cost Center
  - Fund 001: XAA0
  - Fund 002: 0200
  - Fund 003: 1000
  - Fund 034: SFC0

For example, the current 30 digit code for BOR revenues are:

- 001-031190-30000-XAA0-300101-050-00-000
- 002-031190-30000-0200-300101-050-00-000
- 003-031190-30000-1000-300101-050-00-000
- 034-031190-30000-SFC0-300101-050-00-000

## TAX CALCULATIONS

Each calendar year, not later than January, the Treasurer's staff will complete tax calculations on each parcel within the District that is exempted from tax that participates in the abatement Program. These calculations will then be compared to the calculation prepared by the City or County before invoicing the Property Owner of the parcel(s). A majority of the invoicing is done by the City or County, but in select cases, the District invoices the Property Owner. Who invoices whom is denoted in the excel spreadsheet (Abatement Schedule) updated by the Treasurer's Staff.

The Abatement Schedule is also used to do the annual tax calculations for the parcels involved in the District's abatement program and has a School District Payment Agreement. Each year, the assessed value of all parcels are looked up on the Lucas County Auditor's Website through AREIS. The current District effective millage rate is then applied to calculate the tax due. The tax due is then multiplied by the District abatement incentive of 67.50% to obtain the amount of the PILOT due. The following calculation example assumes one million of value reported by the AREIS system.

| | |
|---|---|
| 100% Value from AREIS | $ 1,000,000 ** |
| Times: Assessed Value Rate | 35% |
| Taxable Value - Assessed | $ 350,000 |
| Times: District Effective Millage Rate | 61.690922 ** |
| | $21,591,882.70 |
| Divided by: | 1000 |
| School District Tax Due | $ 21,591.82 |
| Times: Abatement Incentive Percentage | 67.50% |

PILOT PAYMENT DUE $ 14,574.48

*** Varies each calendar year*

The Tax Abatement Schedule in excel is a holistic spreadsheet for the entire abatement Program including, but not limited to, the following information:

- A tab for each Property Owner (Company) with all the pertinent details related to that abatement. I.E. Contact Information, Incentive terms, Parcel Numbers, City Ordinance Numbers, Board Resolution Numbers, Annual Tax Calculations, etc.
- A Summary Tab used to report projected and actual collections of PILOT Receipts by Fiscal Year.
- A GASB 77 Tab used to calculate and report the necessary GASB information.
- A Tracking Tab used to report to the City or County on how collections are proceeding.
- A Finance Committee Update Report Tab to produce the required reports to Finance meetings.
- A Tax Rate Tab to track current and historic City and County tax rates and District effective millage.
- An Invoicing Tab to assist in preparation of annual invoices the District is required to send.
- An Alpha Listing Tab of all Property Owners that the District expects to receive PILOT revenue from. This list is used by the Treasury Specialist to ensure a copy of the check is made and sent to the City or County to serve as Receipt of Payment for the Property Owner.

## INTERNAL CONTROL

The Treasurer shall establish a process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies, procedures and tax abatement laws. The internal controls established will be designed to prevent and control loss of District funds arising from fraud, employee error, misrepresentations by third parties, and imprudent actions by any personnel. The internal controls should address separation of duties, delegation of authority, and written documentation. The Treasurer, at his or her discretion, may contract with an independent firm to conduct a complete review of the District's tax abatement program and processes.

## ETHICAL STANDARDS

The District and all persons involved in District borrowings are to act in accordance with all applicable sections of the Ohio Revised Code, all applicable federal statutes, any modification to those laws, and any legal opinions rendered by the District's counsel. The District and such persons are also to act within all approved District policies, Board Resolutions, and these Administrative Polices, and any amendments made to those policies or resolutions.

Without limiting the generality of the foregoing, persons involved in the District’s tax abatement processes shall refrain from personal business activity that could conflict with the proper execution and management of District policies and procedures, or that could impair their ability to make impartial decisions. Further, no employee involved in the District’s processes shall use the authority or color of office to secure anything of value or the promise or the offer of anything of value that would create an

improper influence upon the public official or employee with respect to that person's duties and responsibilities.

District employees, as required, will comply fully with the reporting and disclosure requirements of Ohio Revised Code Chapter 102 regarding ethics filings.

## TRAINING AND EDUCATION

All District participants in the District tax abatement process shall also receive periodic training in related topics through courses and seminars offered by the State of Ohio, the Ohio Association of School Business Officials, and the Government Finance Officers Association, any subchapter of those organizations or any other professional organization. The Board shall provide the necessary fiscal support to obtain and maintain any required licenses and certifications for all such participants and appropriate periodic training and development required to perform their job responsibilities.

## AMENDMENTS TO POLICY

This Administrative Policy supersedes any existing policies and will be enforced in conjunction with any and all resolutions and policies adopted by the Board of Education and any agreements with outside entities, or any other binding agreements of the District. The policies and procedures set forth herein and in the Exhibits hereto shall be binding upon and shall inure to the benefit of the District and all participants and its and their respective successors. Any amendments made hereafter must be made in writing by the Treasurer, with the approval of the Board of Education or the Finance Committee.

This Administrative Policy and any amendments will be forwarded to all members of the tax abatement Team, the District's legal counsel and any external advisor(s) with which the District conducts business. It will be the practice of the District to share this Policy and any amendments with any entity as required by law and to maintain the necessary internal control procedures to ensure safety of District assets. All tax exemption practices will be audited by an independent outside party on an annual basis to ensure compliance with all policies and procedures set forth herein and in the Exhibits hereto.

This Administrative Policy shall be reviewed, updated and presented for approval as needed.

Unforeseen circumstances may from time to time produce situations beyond the scope of this Administrative Policy. The Treasurer, with prior authorization of the Board Members on Finance Committee, may take action on circumstances beyond the scope of this Policy. This Policy will then be amended to reflect those actions.

## POLICY ADOPTION

This Administrative Policy has been approved by the Treasurer and the Finance Committee as of November 29, 2022.

Ryan Stechschulte

**Ryan S. Stechschulte**
**Treasurer, Board of Education**
**Toledo City School District**

**EXHIBIT A**
**Toledo City School District**
**Administrative Policy for Tax Abatement, Management and Compliance Monitoring**

## EMPLOYEE CERTIFICATION

I hereby certify that I have read and understand the Administrative Policy for Tax Abatement**,** Management and Compliance Monitoring of the Toledo City School District dated as of November 29, 2022. I also certify that I am familiar with the Sections of the Ohio Revised Code, which govern the tax abatement process for political subdivisions. Transactions made on behalf of the Treasurer of the Toledo City School District will be directed towards meeting the standards of the aforementioned.

The undersigned pledge due diligence in informing the Treasurer of foreseeable risks associated with all financial transactions connected to the management of the District's tax abatement program and in conducting its tax abatement practices.

Assistant Treasurer
Joseph Corfman

Director of Treasury Management
W. Paul Overman, Jr.

Dated: November 29, 2022

**Note**: Signed Employee Certification forms will be updated with personnel changes and kept on file in the Treasurer's Division.

**EXHIBIT B**
**Toledo City School District**
**Administrative Policy for Tax Abatement, Management and Compliance Monitoring**

**External Advisor(s) CERTIFICATION**

**CERTIFICATION OF READING, UNDERSTANDING AND ACCEPTANCE**

The undersigned, _____, hereby certifies that (i) it has received and reviewed the Administrative Policy for Tax Abatement**,** Management and Compliance Monitoring of the Toledo City School District dated as of November 29, 2022, and the relevant provisions of the Revised Code, (ii) it accepts and agrees to comply with that Policy and those provisions in its dealings with the District, (iii) it understands that binding arbitration provisions are not permitted and that any nonbinding arbitration provisions governing its relationship with the School District must be expressly approved by the Board of Education, (iv) the officer executing this Certification is authorized to do so on behalf of the undersigned, and (v) all personnel of this firm dealing with the District's account have been informed of this certification and the requirements contained herein.

This firm pledges due diligence in informing the District of the foreseeable risks associated with all financial transactions connected to this firm.

Firm: _____

By Signature: _____

Printed Name: _____

Title: _____

Address: _____

_____

Phone: _____

Fax: _____

Email: _____

Date: _____

**Note**: Signed External Advisor(s) Certifications with all entities which the District transacts business will be updated with personnel changes and kept on file in the Treasurer's Division.

**EXHIBIT C**
**Toledo City School District**
**Administrative Policy for Tax Abatement, Management and Compliance Monitoring**

**FINANCE COMMITTEE REVIEW AND APPROVAL**

We, the undersigned, as members of the Finance Committee, do hereby acknowledge that the aforementioned Administrative Policy for Tax Abatement**,** Management and Compliance Monitoring dated as of November 29, 2022, has been reviewed and approved by the Finance Committee.

Bob Vasquez

_____
Bob Vasquez, Chairperson of Committee on Borrowing

Chris Varwig

_____
Chris Varwig, Vice-Chairperson of Committee on Borrowing

Romules Durant

_____
Dr. Romules Durant, Superintendent

Ryan S Stechschulte

_____
Ryan S. Stechschulte, Treasurer

Dated: November 29, 2022

**Note**: Signed Finance Committee Review forms will be kept on file in the Treasurer's Division. The policy will be presented for review and approval as membership of the Finance Committee changes.

**EXHIBIT D**
**Toledo City School District**
**Administrative Policy for Tax Abatement, Management and Compliance Monitoring**

## SCHOOL DISTRICT PAYMENT AGREEMENT

**EXHIBIT C of the City of Toledo Abatement Agreement**

**SCHOOL DISTRICT PAYMENT AGREEMENT**
**Attachment to City of Toledo Agreement for**
**Enterprise Zones (EZ's), Community Reinvestment Areas (CRA's)**
**And Tax Increment Financings (TIF's)**

This Agreement (the "AGREEMENT") is made and entered into this ____ day of _____, _____ by and between **XYZ Company**, (the "COMPANY"), and the Toledo City School District (the "DISTRICT").

WHEREAS, pursuant to Sections 3735.671 & 5709.82 of the Ohio Revised Code and all applicable provisions of Ohio law, the City of Toledo (the "CITY") has proposed to enter into an Economic Development Agreement (to which this School District Payment Agreement will be attached heretofore as an Exhibit), under which the CITY approves a real and/or where applicable a personal property tax exemption of **100% for fifteen (15)** years for eligible new construction of non-residential property ("PROJECT") to be undertaken by the COMPANY as described in Exhibit A attached hereto; and

WHEREAS, to ensure that the DISTRICT will benefit from the PROJECT to be undertaken by the COMPANY, the CITY has requested and the COMPANY has agreed to make certain payments as discussed below to the DISTRICT; and

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

Section 1. The COMPANY hereby agrees to make **Fifteen (15)** annual payments to the DISTRICT in an amount equal to:

An amount calculated each year in January based on (i) a value equal to the prior calendar year's taxable value of the PROJECT as established by the Lucas County Auditor's Office, provided, however, that in no event shall such value be less than the value established by the Lucas County Auditor's Office at the time the PROJECT was 100% completed; (ii) the amount of tax dollars that the DISTRICT would have received as a result of this PROJECT if the exemption were not granted, at a rate of no less than **67.50%**, calculated using the School District's current calendar year's millage rate as established by the Lucas County Auditor's Office; and (iii) calculated as if the DISTRICT were a non-guaranteed district, regardless of its status. The payment amount will be calculated annually and invoiced to the COMPANY. Payment of invoices (billed in arrears) shall be due on or before February 28th of each year.

The COMPANY shall provide to the DISTRICT a copy of any real property exemption form filed with the County Auditor promptly following the filing thereof. Copies of reports shall also be sent to the appropriate parties at the City of Toledo, Department of Development.

The first payment, calculated in January following the calendar year in which the parcel is exempted by the Lucas County Auditor's Office, is due on or before February 28th. Any late payments under this Agreement shall bear interest at the rate of 10% per annum until such payments are made.

Section 2. This AGREEMENT shall inure to the benefit of and shall be binding in accordance with its terms upon the DISTRICT and the COMPANY and their respective permitted successors and assigns. This AGREEMENT may not be assigned by the COMPANY without the prior written consent of the DISTRICT, except to any successor entity as a result of a consolidation or merger, which consent will not be unreasonably withheld.

Section 3. This AGREEMENT as an attachment to the Enterprise Zone (EZ) and/or Community Reinvestment (CRA) and/or Tax Increment Financing Agreement required by the CITY sets forth the ENTIRE AGREEMENT and understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements, undertakings of every kind and nature between the parties with respect to the subject matter of this AGREEMENT. If the CITY does not approve the COMPANY's Tax Exemption Application, then the COMPANY will not be obligated to make the annual tax payments to the DISTRICT as set forth in Section 1.

Section 4. 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.

IN WITNESSETH WHEREOF, the parties hereto have caused this AGREEMENT to be executed as of the date set forth.

| COMPANY | DISTRICT |
|---|---|
| **XYZ Company** | **Toledo City School District** |
| By:_____ | By:_____<br>Title: Superintendent |
| _____<br>Printed Name | By: _____<br>Title: Treasurer |
| _____<br>Title | By: _____<br>Title: President of the Board |
| Date: _____ | Date:_____ |

**SCHOOL DISTRICT PAYMENT AGREEMENT**
**EXHIBIT A**

**(Project Description)**

**Company:** _____
**Company Contact:** _____
**Contact Phone Number:** _____
**Contact Email Address:** _____
**Company Address:** _____
_____

**Estimated 100% Value**
**Real Property Improvements:** $ _____
**New Machinery & Equipment:** $ _____
**Inventory, Furniture & Fixtures:** $ _____
**Total Improvements:** $ _____

**New Construction OR** **15 Years**
**Renovations to Existing Property** **12 Years**

**Term of Abatement:** ___Years
**Percentage Abated:** 100%

**Payment to School Percentage:** 67.50% of Taxes absent the Exemption: Calculated At the District Effective Millage Rate on an annual basis

**Type:**
___ Community Reinvestment Area (CRA)
___ Enterprise Zone (EZ)
___ Tax Increment Financing (TIF)

If CRA – Which Zone (North Toledo, North West, South Toledo, South West, East Toledo, Central West, BUMA, Reynolds Corner or Hawthorne Hills):
_____

**Comments / Project Description:**

# EXHIBIT E
# Toledo City School District
# Administrative Policy for Tax Abatement, Management and Compliance Monitoring
# BOARD POLICY

| | |
|---|---|
| Book | BOARD POLICY MANUAL |
| Section | Section D: Fiscal Management |
| Title | Tax Abatement/School Donation |
| Code | DIG |
| Status | Active |
| Legal | ORC 5709.61<br>ORC 5709.62<br>ORC 5709.63<br>ORC 5709.64<br>ORC 5709.65<br>ORC 5709.66<br>ORC 5709.67<br>ORC 5709.68<br>ORC 5709.69<br>ORC 3735.671<br>ORC 5709.85 |
| Adopted | August 18, 2009 |
| Last Revised | November 29, 2022 |
| Last Reviewed | November 3, 2022 |

The Ohio Enterprise Zone Act authorizes cities and counties to designate areas as Enterprise Zones (EZ's), Community Reinvestment Areas (CRA's) and Tax Increment Financings (TIF's) and to execute agreements with certain enterprises for the purpose of establishing, expanding, renovating or occupying facilities and hiring new employees and preserving jobs within said zones in exchange for specified local tax incentives granted by the city or the county.

The Treasurer/designee is responsible to attend Industrial Development Committee (IDC) meetings held by the City of Toledo and Lucas County to review and approve new tax abatements with local businesses. After approval for abatement, the Treasurer/designee is also responsible for accounting for all revenue received from the approved company in the form of Contributions in Lieu of Taxes and to report those results to the City of Toledo's or Lucas County's Tax Incentive Review Committee (TIRC) as requested. The TIRC(s) will review all tax abatements every calendar year and make recommendations to the City of Toledo's City Council and/or Lucas County Commissioners on the continuation of those incentives. The TIRC will submit a comprehensive annual report to the State of Ohio in accordance with the Ohio Revised Code.

The Treasurer, Superintendent and Board President are authorized to enter in School District Payment Agreements outlining the terms of the abatement and the revenue to be received by the District.

A separate agreement will be executed for each company requesting tax abatement and formalized with a School District Payment Agreement signed by a representative of the abated company, the Treasurer, Superintendent and Board President.

All School District Payment Agreements will be negotiated to hold the District fiscally harmless had the abatement been granted under applicable laws without the permission of the District.

All actions of the District will be compliance with all applicable Local, State and Federal laws, Board Resolutions, Board Policies and the District's Administrative Policy for Tax Abatement, Management and Compliance Monitoring.

**EXHIBIT F**
**Toledo City School District**
**Administrative Policy for Tax Abatement, Management and Compliance Monitoring**
**Auditor of State Bulletin 2017-001 GASB 77 Disclosure**

Dave Yost · Auditor of State

**Bulletin 2017-001**

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**Auditor of State**
**Bulletin**

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**Date Issued:** **February 14, 2017**

**To:** **All Fiscal Officers and Independent Public Accountants**

**From:** **Dave Yost, Auditor of State**

**Subject:** **Governmental Accounting Boards Statement 77, Tax Abatement Disclosures**

## Summary

*Note:* The following is only an overview. Governments preparing financial statements under generally accepted accounting principles (GAAP) or another comprehensive basis of accounting (OCBOA) and their independent auditors are responsible for understanding of this Statement sufficiently to apply it to their financial statements and audit it, respectively. [1] Examples included in this bulletin are not all inclusive. Consult your legal counsel for applicability of tax abatement programs.

**Background Information**

The Governmental Accounting Standards Board (GASB) Statement No. 77, "Tax Abatement Disclosures," provides a definition of tax abatements which is for financial reporting purposes only and identifies required note disclosure related to tax abatements.

Local governments employ a variety of programs and policies that reduce the taxes an individual or entity otherwise would owe, with the intent of encouraging certain actions, such as constructing housing in a particular neighborhood or relocating/retaining businesses. The goal of GASB Statement No. 77 is to make tax abatement transactions more transparent, and to provide financial statement users with the information necessary to assess how tax abatements affect financial position and results of operations, including the future ability to raise resources and meet financial obligations.

The GASB issues an implementation guide (IG) each year to supplement the guidance found in the GASB pronouncements. The IG is organized in a question and answer format. This bulletin references specific questions related to tax abatement disclosures from the 2016-1 IG.

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1 You can view the entire statement at www.gasb.org.

This Statement applies to financial statements for reporting periods beginning after December 15, 2015. The Statement's provisions need not be applied to immaterial items. Governments should begin planning now to determine how to compile the information needed for these disclosures.

**Tax Abatement Definition**

For purposes of GASB Statement No 77, the definition of a tax abatement is as follows:

> A reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. (GASB 77, paragraph 4)

This definition is important in distinguishing abatements from; for example, tax deductions, exemptions or credits, which often relate to a taxpayer's *past* actions such as deducting charitable donations made during the preceding year.

The transaction's substance, not its form or title, is a key factor in determining whether the transaction meets the above definition of a tax abatement.

Since this definition is fundamental to implementing GASB Statement No. 77, following is a discussion of the key elements of the definition:

***Existence of an Agreement*** GASB 77 tax abatements result from an identifiable agreement between a government and a specific individual or entity. This agreement should have two components:

- Promise by the government to reduce taxes
- Promise from the individual or entity to subsequently perform a certain beneficial action

The agreement may be in writing or may be implicitly understood by the government and the individual or entity. (See GASB 77 paragraph B9 and B10)

***Individual or Entity*** GASB 77 tax abatements have agreements with individuals or entities. If there are no individuals or entities required to perform an action that contributes to economic development or otherwise benefits the government or its citizens, the transaction does not meet the GASB 77 definition. (See IG 4.77)

***Forgo Tax Revenue*** the GASB 77 definition is specific to tax revenue, including property, income, sales or other taxes levied by the local government. However, if there is a tax abatement agreement at the State level to forgo certain tax money, the local government would not disclose information about the tax abatement agreement if the local government revenue that is reduced is shared revenue, which is not considered to be taxes revenue to the local government. (See IG 4.80)

***Agreement Precedes Reduction*** GASB 77 requires the agreement precede the performance of the required action by the individual or entity. If the action is performed prior to the agreement, the transaction does not meet the GASB 77 definition. (See GASB 77 Paragraph B11)

**Taxes Abated by Another Government**

Governments can enter into agreements which abate their own taxes; however, a government's taxes can also be abated as a result of agreements that are entered into by another government. Both types of abatements require note disclosure, if they meet the GASB 77 definition.

**Note Disclosure**

As noted above, this standard requires note disclosure about tax abatements. It does not require recognizing abatements in the financial statements. The following discussion provides an overview of the disclosure principles and requirements. The specific principles and requirements are addressed in paragraphs 5 through 10 of GASB Statement No. 77. These disclosures encompass tax abatements resulting from both (a) the reporting government's agreements and (b) other governments' agreements, if they reduce the reporting government's tax revenues.

Disclosures for tax abatements may be provided individually or may be aggregated. If tax abatements are disclosed individually, the disclosure should include a brief description of the quantitative threshold the government used to determine which agreements to disclose individually.

Disclosure should commence in the period in which a tax abatement agreement is entered into and continue until the tax abatement agreement expires, except in cases where the government made commitments other than to reduce taxes as part of the tax abatement agreement. In these instances, disclosures should be made until the government has fulfilled the commitment.

This Statement requires governments that enter into agreements for the abatement of taxes to include the following in their note disclosures (see paragraph 7 of GASB 77 for more specific information):

- Brief descriptive information, including the name and purpose of the abatement, the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients;

- The gross dollar amount of taxes abated during the period;

- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement; and,

- Amounts received or receivable from other governments in association with the foregone tax revenue.

Disclosure information for tax abatements resulting from agreements entered into by the reporting government should be organized by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments which result in the reduction of the tax revenues of the reporting government should be organized in the reporting government's disclosures by the government that entered into the tax abatements agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement

agreements, a reporting government should disclose (see paragraph 8 of GASB 77 for more specific information):

- The names of the governments that entered into the agreements and the specific taxes being abated;
- The gross dollar amount of taxes abated during the period; and,
- Amounts received or receivable from other governments in association with the foregone tax revenue.

If information is omitted because it is legally prohibited from being disclosed, include a description of the general nature of the omitted information and the specific source of the legal prohibition.

**Potential GASB 77 Tax Abatement Programs and Sources of Information**

Although not an exhaustive list, some of the more common programs with the *potential* for GASB 77 tax abatements include:

- Community Reinvestment Areas (CRAs)
- Enterprise Zone Agreements
- Tax Increment Financing Agreement (TIFs)
- Income Tax

Most TIFs will not meet the GASB 77 definition of a tax abatement. In most TIFs, the property owner is still making compensation payments in the same amount as the property tax, so the revenue is not forgone, it is; however, redirected and restricted as to use. However, TIFs should still be reviewed as there is still the potential for a TIF to meet the definition.

In order to accumulate the necessary information for the GASB 77 note disclosure for taxes abated by the local government, first identify the tax abatement programs offered by the local government and review the corresponding agreements to identify the ones meeting the GASB 77 definition. In order to determine the amount of property taxes abated, look at the appropriate property tax information. The Form C utilized for CRA annual reporting may provide some tax information. Also, the County Auditor's office may be able to provide additional information. If the government abates income taxes, the local government's records should be the best source of information.

In order to accumulate the necessary information for the GASB 77 note disclosure for taxes abated by another government, first, contact the local governments with the ability to abate your taxes to determine what information they can provide. Also, the County Auditor's office may be able to provide some information.

**Audit Considerations - Evaluating Disclosure Misstatements**

While a government's management is responsible for the contents of the financial report, an independent auditor's primary responsibility is to report on whether the basic financial statements, including the notes thereto, are presented fairly in accordance with the financial reporting framework. GASB codification
2300.108 indicates notes to the financial statements provide necessary disclosure of material items, the omission of which would cause the financial statements to be misleading.

> As noted in GASB No. 77, the disclosure requirements "improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition."

Auditors opine not only on amounts but also on assertions related to disclosures. Auditors should use their professional judgment when evaluating a tax abatement disclosure misstatement or omission considering quantitative (such as the gross reduction in tax revenues that results from the agreement) and qualitative factors (such as identified in the preceding paragraph) related to the disclosure misstatements or omissions.

Auditors should document their evaluation and conclusions in their working papers.

**Applicability to Non-GAAP Entities**

Governments that prepare OCBOA financial statement (i.e. GAAP look-alike) will need to include the GASB 77 disclosures in their financial statements. Governments not *statutorily* required to prepare GAAP financial statements that prepare regulatory basis financial statements (i.e. AOS basis) will not need to include the GASB 77 disclosures in their financial statements but may include disclosures, if management chooses. However, governments *statutorily* required to prepare GAAP statements that choose to prepare regulatory financial statements instead, will need to make the GASB 77 disclosures in their notes to the financial statements.

**Resources Available on the Auditor of State's Website**

The Auditor of State's Office has a FAQ document related to GASB 77's implementation available on our website at http://www.ohioauditor.gov/references/gasb77.html. This document will be updated as further information becomes available.

**Questions**

If you have any questions regarding the information presented in the Bulletin, please contact Local Government Services at the Auditor of State's Office at (800) 345-2519. Questions from IPAs should be directed to the AOS Center for Audit Excellence at (800) 282-0370.

# EXHIBIT G
# Administrative Policy for Tax Abatement, Management and Compliance Monitoring
# FINANCE COMMITTEE UPDATE REPORT

**Toledo Public Schools**
**Tax Abatement Program Summary**
**Finance Committee Update**

**March 31, 2022**

**of Toledo PILOT Programs**

| | In Process | Active | Compliant | Non-Compliant | Amount Owed |
|---|---|---|---|---|---|
| Enterprise Zone (EZ) Agreements | 0 | 0 | 0 | 0 | $0.00 |
| Community Reinvestment (CRA) Area Agreements | 10 | 26 | 25 | 1 | $93,751.00 |
| Tax Increment Financing (TIF) Agreements | 2 | 9 | 9 | 0 | $0.00 |
| ***Last Tax Incentive Review Committee (TIRC) Meeting September 30, 2021*** | **12** | **35** | **34** | **1** | **$93,751.00** |

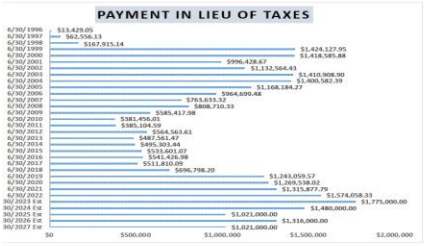
**as County PILOT Programs**

| | In Process | Active | Compliant | Non-Compliant | Amount Owed |
|---|---|---|---|---|---|
| Enterprise Zone (EZ) Agreements | 0 | 0 | 0 | 0 | $0.00 |
| Community Reinvestment (CRA) Area Agreements | 0 | 6 | 6 | 0 | $0.00 |
| Tax Increment Financing (TIF) Agreements | 0 | 0 | 0 | 0 | $0.00 |
| ***Last Tax Incentive Review Committee (TIRC) Meeting March 31, 2022*** | **0** | **6** | **6** | **0** | **$0.00** |
| **al** | **12** | **41** | **40** | **1** | **$93,751.00** |

**OT Receipts**

| | Estimated | Collected |
|---|---|---|
| 06/30/2027 Est | $1,021,000.00 | |
| 06/30/2026 Est | $1,316,000.00 | |
| 06/30/2025 Est | $1,021,000.00 | |
| 06/30/2024 Est | $1,480,000.00 | |
| 06/30/2023 Est | **$1,775,000.00** | **$221,092.77** |
| 6/30/2022 | $1,574,058.33 | |
| 6/30/2021 | $1,315,877.79 | |
| 6/30/2020 | $1,269,538.02 | |
| 6/30/2019 | $1,243,059.57 | |
| 6/30/2018 | $696,798.20 | |
| 6/30/2017 | $511,810.09 | |
| 6/30/2016 | $541,426.98 | |
| 6/30/2015 | $533,601.07 | |
| 6/30/2014 | $495,303.44 | |
| 6/30/2013 | $487,561.47 | |
| 6/30/2012 | $564,563.61 | |
| 6/30/2011 | $385,104.59 | |
| 6/30/2010 | $381,456.01 | |
| 6/30/2009 | $585,417.98 | |
| 6/30/2008 | $808,710.33 | |
| 6/30/2007 | $763,633.32 | |
| 6/30/2006 | $964,699.48 | |
| 6/30/2005 | $1,168,184.27 | |
| 6/30/2004 | $1,400,582.39 | |
| 6/30/2003 | $1,410,908.90 | |
| 6/30/2002 | $1,132,564.43 | |
| 6/30/2001 | $996,428.67 | |
| 6/30/2000 | $1,418,585.88 | |
| 6/30/1999 | $1,424,127.95 | |
| 6/30/1998 | $167,915.14 | |
| 6/30/1997 | $62,556.13 | |
| 6/30/1996 | $13,429.05 | $22,317,903.09 |
| Thru FYE2022 | **$22,317,903.09** | **$22,538,995.86** |

**Non-Compliant**
**St Hedwig Senior Housing LLC** $93,751.00




**of Abated Companies**

| Name of Company | Parcel ID # | Program Type | Municipality | Terms | Expires |
|---|---|---|---|---|---|
| **Active Agreements** | | | | | |
| 419 North Reynolds Road LLC (aka Orthotic Center) | 02-72342 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 45.00% | Jan-22 |
| Reynold & Hill Plaza LLC (EIDI Family Properties) | 20-15452 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 45.00% | Jan-22 |
| Harrison Street Real Estate Capital | 20-85935 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 67.50% | Jan-34 |
| Northwest Ohio Properties, LTD | 20-54312 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 67.50% | Jan-23 |
| Z and R Holding LLC (LBT/Berner Trucking) | 18-11220 | Community Reinvestment Area | City of Toledo | 100% / 12 Yr / 67.50% | Jan-23 |
| New Harrison Marina Inc | 11-06945 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 67.50% | Jan-24 |
| Riverside Marina (aka H. Hansen Industries, Inc.) | 11-09918 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 67.50% | Jan-24 |
| Bain Brothers Investment Co LTD (Jim Baine & Sons Paving Contactors Inc.) | 10-22832 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 67.50% | Jan-24 |
| The University of Toledo Foundation | 04-16005 | Community Reinvestment Area | City of Toledo | 100% / 12 Yr / 67.50% | Jan-23 |
| Southgate Woods 2011 LLC | 20-90842 | Community Reinvestment Area | City of Toledo | 100% / 12Yr / 67.50% | Jan-23 |
| Birmingham Investments LLC | 12-09929 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 67.50% | Jan-24 |
| PAGNorth3007 LLC | 18-87377 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 67.50% | Jan-28 |
| Lighthouse Landing, LLC | 18-00021 | Community Reinvestment Area | City of Toledo | 100% / 12 Yr / 67.50% | Jan-26 |
| Cranes Landing LLC | 11-00015 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 00.00% | Feb-28 |
| Toledo Urban Foundation Inc | 02-00050 | Community Reinvestment Area | City of Toledo | 100% / 15Yr / 67.50% | Jan-31 |
| Maumee Valley Movers Incorporated | 02-00122 | Community Reinvestment Area | City of Toledo | 100% / 12 Yr / 67.50% | Jan-30 |
| Promedica Downtown Campus Landlord LLC | 12-00019 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 67.50% | Jan-33 |
| IBC Incorporated | 18-00037 | Community Reinvestment Area | City of Toledo | 100% / 12Yr / 0.00% : Pre1994 | Jan-30 |
| Valley Bridge Senior Housing Limited Partnership | 20-00039 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 67.50% | Jan-34 |
| FSC BGL Toledo Ohio LLC | 18-00048 | Community Reinvestment Area | City of Toledo | 100% / 12 Yr / 67.50% | Jan-32 |
| The International Union of Operating Engineers - Local 18 | 20-00046 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 67.50% | Jan-36 |
| Thomas Carter Properties LLC | 07-00081 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 67.50% | Jan-36 |
| St Hedwig Senior Housing LLC | 16-00039 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 67.50% | Jan-35 |
| Olympic Real Estate Group LLC | 07-70262 | Community Reinvestment Area | City of Toledo | 100% / 12 Yr / 67.50% | Jan-32 |
| Larchmont Apartments LLC | Multiple (See Listing) | Community Reinvestment Area | City of Toledo | 100% / 12 Yr / 67.50% | Jan-33 |
| Toledo Innovation Center Landlord LLC /BW Industries / Promedica | Not Yet Determined | Community Reinvestment Area | City of Toledo | 100% / 12 Yr / Payment Schedule | Jan-35 |
| Brookwood Properties, LLC 2010 | Multiple (See Listing) | Community Reinvestment Area | Lucas County : Spencer Township | 100% / 15Yr / 0.00% : Pre1994 | Jan-23 |
| Brookwood Properties, LLC 2011 | 60-21182 | Community Reinvestment Area | Lucas County : Spencer Township | 100% / 15Yr / 0.00% : Pre1994 | Jan-26 |
| Brookwood Properties, LLC 2016 | 60-01822 | Community Reinvestment Area | Lucas County : Spencer Township | 100% / 15Yr / 0.00% : Pre1994 | Jan-30 |
| Brookwood Properties, LLC 2019 | 60-01824 | Community Reinvestment Area | Lucas County : Spencer Township | 100% / 15Yr / 0.00% : Pre1994 | Jan-34 |
| Brookwood Properties, LLC 2022 | 60-21185 | Community Reinvestment Area | Lucas County : Spencer Township | 100% / 15Yr / 0.00% : Pre1994 | Jan-37 |
| Clarios LLC formerly Johnson Controls, Inc (AG-Battery) 2013 | 60-20763 | Community Reinvestment Area | Lucas County : Spencer Township | 100% / 15Yr / 0.00% : Pre-1994 | Feb-28 |
| Daimler Chrysler Corporation | 04-67529 & 04-67530 | Tax Increment Financing | City of Toledo | 100% / 30 Yr / 25% | Jan-36 |
| Owens Corning Corporation | Multiple | Tax Increment Financing Continuance | City of Toledo | 100% / 8 Yr / 67.50% | Jan-25 |
| Hawthorn Hills TIF - Amazon | 07-00083 | CRA within a Tax Increment Financing | City of Toledo | 100% / 30 Yr / 67.50% | Feb-50 |
| Marina District Municipal Public Improvement TIF Fund | Multiple (See Listing) | Tax Increment Financing | City of Toledo | 100% / 30 Yr / 67.50% | Mar-50 |
| Toledo-Lucas County Port Authority - Dana Holding Co. - Overland Park | 18-00030 & 18-00042 | CRA within a Tax Increment Financing | City of Toledo | 100% / 30 Yr / 25% (15Yr) 50% (15 Yr) | Oct-48 |
| Toledo-Lucas County Port Authority - Detroit Manufacturing Systems - Overland Park | 18-00043 | CRA within a Tax Increment Financing | City of Toledo | 100% / 30 Yr / 25% (15Yr) 50% (15 Yr) | Oct-48 |
| Toledo-Lucas County Port Authority - Overland Park - Faurecia | 18-00049 | CRA within a Tax Increment Financing | City of Toledo | 100% / 30 Yr / 25% (15Yr) 50% (15 Yr) | Oct-48 |
| Toledo-Lucas County Port Authority - Overland Park - All Phase Electric | 12-40596 | CRA within a Tax Increment Financing | City of Toledo | 100% / 30 Yr / 25% (15Yr) 50% (15 Yr) | Oct-48 |
| Toledo-Lucas County Port Authority - IronUnits LLC - Cliffs | Multiple (See Listing) | Tax Increment Financing | City of Toledo | 100% / 30 Yr / 25% | Jan-49 |
| | **41** | | | | |
| **Pending Agreements** | | | | | |
| City Center Tax Increment Financing | Multiple (See Listing) | Tax Increment Financing | City of Toledo | 100% / 30 Yr / 67.50% | Mar-50 |
| Texleather Tax Increment Financing | 0 | Tax Increment Financing | City of Toledo | 100% / 30 Yr / 67.50% | Feb-50 |
| Rldi REIO, LLC | Not Yet Determined | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 67.50% | Jan-34 |
| Colony Concord Hotel LLC | Not Yet Determined | Community Reinvestment Area | West Toledo | 100% / 15 Yr / $10,241.24 | Jan-36 |
| Toledo Colony Apartments LLC | Not Yet Determined | Community Reinvestment Area | West Toledo | 100% / 15 Yr / $280,198.06 | Jan-36 |
| Phoenix Toledo Industrial Investors LLC #2 (1313 Campbell) | Not Yet Determined | Community Reinvestment Area | City of Toledo | 100% / 12 Yr / 67.50% | Jan-32 |
| Maumee River Estates LLC | Not Yet Determined | Community Reinvestment Area | City of Toledo | 100% / 12 Yr / 67.50% | Jan-32 |
| Toledo Police Federal Credit Union | 07-70391 | Community Reinvestment Area | City of Toledo | 100% / 15 Yr / 67.50% | Jan-36 |
| Genie Shamoun | Not Yet Determined | Community Reinvestment Area | City of Toledo | 100% / 12 Yr / 67.50% | Jan-34 |
| Toledo Metropolitan Development, LLC - 902 N. Superior | Not Yet Determined | Community Reinvestment Area | City of Toledo | 100% / 12 Yr / 67.50% | Jan-34 |
| Toledo Metropolitan Development, LLC - 915 N. Summit | Not Yet Determined | Community Reinvestment Area | City of Toledo | 100% / 12 Yr / 67.50% | Jan-34 |
| JamLand2 LLC | Not Yet Determined | Community Reinvestment Area | City of Toledo | 100% / 12 Yr / 67.50% | Jan-35 |
| | **12** | | | | |

**temic Abatement Statistics**

**City of Toledo Abated Parcels - All Taxing Districts**
**TIRC Meeting**
**September 30, 2021**

| | | Total # of Parcels | Total Taxes Due | Total Taxes Paid | Total Taxes Un-Paid | Maximmum Ending Year |
|---|---|---|---|---|---|---|
| **Exempt Parcels** | | | | | | |
| | CRA's | 1,277 | $159,372.01 | $150,777.01 | $8,595.00 | 2035 |
| | TIF's | 28 | $166,405.90 | $166,005.82 | $400.08 | 2036 |
| | EZ's | 3 | $7,306.28 | $7,306.28 | $0.00 | 2023 |
| | **Total** | 1,308 | $333,084.19 | $324,089.11 | $8,995.08 | |
| **Taxable Parcels** | | | | | | |
| | CRA's | 1,277 | $4,164,887.57 | $3,397,295.48 | $767,592.09 | 2035 |
| | TIF's | 28 | $10,381,954.39 | $10,219,763.36 | $162,191.03 | 2036 |
| | EZ's | 3 | $462,092.20 | $462,092.20 | $0.00 | 2023 |
| | **Total** | 1,308 | $15,008,934.16 | $14,079,151.04 | $929,783.12 | |

**Lucas County Abated Parcels - All Taxing Districts**
**TIRC Meeting**
**March 31, 2022**

| | | Total # of Parcels | Total Taxes Due | Total Taxes Paid | Total Taxes Un-Paid | Maximmum Ending Year |
|---|---|---|---|---|---|---|
| **Exempt Parcels** | | | | | | |
| | CRA's | 63 | $31,874.91 | $31,816.35 | $58.56 | 2036 |
| | TIF's | 30 | $11,720.09 | $9,192.77 | $2,527.32 | 2048 |
| | EZ's | 11 | $2,897.35 | $3,198.19 | -$300.84 | 2032 |
| | **Total** | 104 | $46,492.35 | $44,207.31 | $2,285.04 | |
| **Taxable Parcels** | | | | | | |
| | CRA's | 63 | $797,937.96 | $801,228.69 | -$3,290.73 | 2036 |
| | TIF's | 30 | $2,150,050.48 | $2,191,826.17 | -$41,775.69 | 2048 |
| | EZ's | 11 | $147,962.06 | $144,524.36 | $3,437.70 | 2032 |
| | **Total** | 104 | $3,095,950.50 | $3,137,579.22 | -$41,628.72 | |

**Total Abated Parcels - All Taxing Districts**

| | | Total # of Parcels | Total Taxes Due | Total Taxes Paid | Total Taxes Un-Paid | Maximmum Ending Year |
|---|---|---|---|---|---|---|
| **Exempt Parcels** | | | | | | |
| | CRA's | 1,340 | $191,246.92 | $182,593.36 | $8,653.56 | 2036 |
| | TIF's | 58 | $178,125.99 | $175,198.59 | $2,927.40 | 2048 |
| | EZ's | 14 | $10,203.63 | $10,504.47 | -$300.84 | 2032 |
| | **Total** | 1,412 | $379,576.54 | $368,296.42 | $11,280.12 | |
| **Taxable Parcels** | | | | | | |
| | CRA's | 1,340 | $4,962,825.53 | $4,198,524.17 | $764,301.36 | 2036 |
| | TIF's | 58 | $12,532,004.87 | $12,411,589.53 | $120,415.34 | 2048 |
| | EZ's | 14 | $610,054.26 | $606,616.56 | $3,437.70 | 2032 |
| | **Total** | 1,412 | $18,104,884.66 | $17,216,730.26 | $888,154.40 | |

**EXHIBIT H**
**Toledo City School District**
**Administrative Policy for Tax Abatement, Management and Compliance Monitoring**

## CROSS REFERENCES

### Legal References

- Ohio Revised Code 307.081
- Ohio Revised Code 3735.65-3735.70.
- Ohio Revised Code 5709.40-5709.43
- Ohio Revised Code 5709.61 Definitions.
- Ohio Revised Code 5709.62 Certain municipal corporations may designate enterprise zones; agreement to provide employment in return for incentives; approval or disapproval by affected school district; programs for students.
- Ohio Revised Code 5709.63 County commissioners may designate enterprise zones; certification; agreement with enterprise; approval or disapproval by affected school district; programs for students.
- Ohio Revised Code 5709.631 Terms, information and statements to be included in agreement.
- Ohio Revised Code 5709.632 Agreement with enterprise which intends to establish or expand operations in or relocate to zone.
- Ohio Revised Code 5709.633 Agreement prohibited where enterprise would be relocating from another Ohio location or where enterprise has discontinued operations under prior agreement; waiver.
- Ohio Revised Code 5709.634 Waiver of retail facilities exclusion.
- Ohio Revised Code 5709.64 Enterprise may apply for tax incentive qualification certificate.
- Ohio Revised Code 5709.65 Tax incentives to which enterprise is entitled.
- Ohio Revised Code 5709.66 Application by eligible enterprise for employee tax credit certificate.
- Ohio Revised Code 5709.67 Duties of directors of development and job and family services and tax commissioner to administer provisions and adopt rules.
- Ohio Revised Code 5709.68 Municipal Corporation or county to submit annual report on all agreements in effect; effect of noncompliance; application fee for agreements; reports by tax commissioner.
- Ohio Revised Code 5709.69 Notice to legislative authority of prior location and to director of development where enterprise intends to relocate in Ohio and enter into agreement.
- Ohio Revised Code 5709.73-5709.75
- Ohio Revised Code 5709.82 School district may be compensated for lost revenues due to property tax exemption.
- Ohio Revised Code 5709.83 Notice to affected school district of proposed tax exemption; board may comment or request meeting.
- Ohio Revised Code 5709.85 Legislative authority to create tax incentive review council.

### Board Policies:

- **DIG:** Tax Abatement/School Donation Agreements

### Board Resolutions:

- **Bond Resolutions**
  - **60-95** The Ohio Enterprise Program
  - **50-2007** Providing for the Withdrawal of the District from the 1995 Revenue

**Sharing Agreement with the City of Toledo.**

- **111-2007** **Authorizing School District Payment Agreements at 67.50%**
- **304-2015** **Updating Board Resolution 111-2007**

## Auditor of State of Ohio Bulletins:

- **Bulletin 2017.001: Governmental Accounting Standards Board Statement 77, Tax Abatement Disclosures**
- **Bulletin 2010-003: Tax Increment Financing (TIF) & TIF Service Payments**

## Reporting Requirements:

- **Toledo City School District Finance Committee Update**

## Organizations:

- **Government Finance Officers Association – Best Practices**
- **Ohio County Commissioners Association**
- **City of Ann Arbor – Abatement Policy**
- **Squire Patton Boggs (US) LLP, Attorneys at Law – Tax Abatement Presentation**