

Administrative Services Committee
December 17, 2018
Minutes

Ed Brady called the meeting to order at 4:00pm

Committee Members Present: Ed Brady, Kim Chamberland, Lisa Evans

Staff: Lori Pegg, Community Services Manager; Pat Wirthlin, Finance Director; Allyn Bartlett, Tax Specialist

Visitors:

Tax Increment Financing (TIF) Revenue Sharing payment to Milford Exempted School Distric

Ms Wirthlin noted that we have several tax incentive programs within the City to draw business. The TIF income tax revenue sharing formula calls for revenue sharing to Milford schools if a business within the TIF district generates payrolls exceeding \$1 million in any given calendar year.

Specifically if a business payroll exceeds \$1 million, the City is required to split income tax revenue generated by new employees on a 50/50 basis; subject to "infrastructure set-off" amount up to 35% of the taxes levied and collected on the income of new employees at the site.

Attached is an email describing the details of the TIF payment for the years 2015 & 2016. The payment due for 2015 has been calculated as \$19,964.60 and for 2016 that amount is \$21,525.08.

Ms. Evans asked why are we just now paying these payments from 2015 and 2016, Mr. Bartlett noted that we traditionally pay them in arrears. Mr. Brady noted then these are the portions we need to pay the school in a total amount of \$41,489.68 and this will end the TIF program for that district. Mr. Bartlett agreed.

Mr. Brady made the following motions, Ms. Evans seconded and all agreed.

The Committee agreed to make a motion authorizing the Law Director to prepare an ordinance authorizing the Finance Director to submit a payment in the amount of \$41,489.68 to the Milford Exempted School District in accordance with the Tax Increment Financing (TIF) revenue sharing agreement.

Community Reinvestment Area (CRA) Revenue sharing payment to Milford Exempted School District

A second tax incentive program the City offers is a Community Reinvestment Area (CRA). The CRA income tax revenue sharing formula calls for revenue sharing with Milford Schools if a business within the CRA district generates payrolls exceeding \$1 million in any given calendar year.

Specifically, if a business payroll exceeds \$1 million, the City is required to split income tax revenue generated by new employees on a 50/50 basis, subject to the "infrastructure set-off" amount up to 35% of the taxes levied and collected on the income of the new employees of the site.

Ms. Wirthlin noted that there is a payment due to Milford Exempted Schools in the amount of \$32,845.76 in accordance with the Riverwalk CRA agreement.

Ms. Wirthlin mentioned that we do have other CRA agreements in place. Mr. Bartlett noted that we have 4 other CRA agreements and possible a fifth. He is still working on the information gathering for those calculations and will be bringing that information to City Council early next year.

Ms. Wirthlin noted that Riverwalk is a lengthy computation based on each tenants' income. Ms. Evans asked if there was anyway to make the process easier, and Ms. Wirthlin said going forward they should be easier, because she will work with the tax administrator to ensure the agreements are easier to read and calculate. For Riverwalk, the process is also difficult because tenants do not file timely and they move in and out sometimes before we even know they are there.

With this type of agreement there is \$0 cost to the City because unlike the TIF agreement, the CRA agreements require the developer or company to reimburse the City for the revenue sharing up to a certain amount. This means the net cost to the City is usually zero.

Under the Riverwalk CRA agreement, the developer, CMC properties, will reimburse the full amount of \$32,845.76 to the City.

Mr. Brady made the following motion, which was seconded by Ms. Evans and all agreed.

The committee agreed to make a motion authorizing the Law Director to prepare an ordinance authorizing the Finance Director to submit payment in the amount of \$32,845.76 to Milford Exempted School District in accordance with the Community Reinvestment Area (CRA) revenue sharing agreement with Riverwalk.

Development Agreement Second Amendment between the City of Milford, Clermont County Convention and Visitors Bureau and FCC Training Facility, LLC

Mr. Brady presented the Second Amendment to Professional Sports Facility Development Agreement among the City of Milford, the Clermont County Convention & Visitors Bureau and FCC Training Facility, LLC. The amendments are as follows:

Section 1. Amendment to Section 5.A.

The introductory sentence of Section 5.A to the Original Agreement is hereby further amended and restated in its entirety to read as follows:

“The obligations of the Parties under this Development Agreement are contingent upon all of the following conditions being satisfied:”

Section 2. Amendment to Section 10

Section 10 of the Original Agreement is hereby further amended and reinstated in its entirety to read as follows:

“This Development Agreement shall terminate on April 19, 2019 (the “Termination Date”) if, by such date, the City has not issued the City Securities and appropriated any additional funds necessary, if any, to pay for the Public Project Costs; provided, however, that the Developer may extend the Termination to such later date as the Developer may, in its sole discretion, deem reasonable by giving written notice of such extension to the other Parties prior to the Termination Date.”

The Committee agreed that it makes sense to align the dates of the Development Agreement and the Cooperative Agreement dates.

Mr. Brady made the following motion, Ms. Evans seconded the motion and all agreed.

The committee agreed to make a motion authorizing the Law Director to create an ordinance authorizing the City Manager to enter into an agreement for a second amendment to Professional Sports Facility Development Agreement among City of Milford, Ohio and Clermont County Convention & Visitors Bureau and FCC Training Facility, LLC.

Additional Business appropriate to come before the committee

There was no additional business

Mr. Brady made a motion to adjourn that was seconded by Ms. Evans and three voted yes.

The meeting was adjourned at 4:13pm

Respectfully Submitted, Lori Pegg

PUBLIC NOTICE

AGENDA

ADMINISTRATIVE SERVICES COMMITTEE MEETING

Chair: Ed Brady

Committee Members: Lisa Evans and Kim Chamberland

Monday, December 17, 2018 at 4:00 p.m.

Council Chambers, 745 Center Street, Milford, Ohio 45150

- Tax Increment Financing (T.I.F.) Revenue Sharing payment to Milford Exempted School District
- Community Reinvestment Area (C.R.A.) Revenue Sharing payment to Milford Exempted School District
- Development Agreement Second Amendment between the City of Milford, Clermont County Convention and Visitors Bureau and FCC Training Facility, LLC
- And all additional matters that may properly come before the committee



CITY OF MILFORD

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To: Honorable Chair Ed Brady and Members Lisa Evans and Kim Chamberland
Administrative Services Committee

From: Pat Wirthlin, Finance Director *P.W.*

Date: December 14, 2018

Subject: 2018 T.I.F. School Payment \$41,489.68

Staff Suggestion for Committee Motion

MOTION TO AUTHORIZE THE FINANCE DIRECTOR TO SUBMIT PAYMENT IN THE AMOUNT OF \$41,489.68 TO MILFORD EXEMPTED SCHOOL DISTRICT IN ACCORDANCE WITH THE TAX INCREMENT FINANCING (T.I.F.) REVENUE SHARING AGREEMENT

\$1 Million Payroll Formula

The T.I.F. income tax revenue sharing formula calls for a payment in lieu of taxes (PILOT) to Milford Schools if a business within the T.I.F. district generates payrolls exceeding \$1 million in any given calendar year.

Specifically, if a business payroll exceeds \$1 million, the City is required to split income tax revenue generated by new employees on a 50/50 basis, subject to "infrastructure set-off" amount up to 35% of the taxes levied and collected on the income of new employees at the site.

\$41,489.68 Due to Schools

Please see the attached email from Tax Specialist, Alyn Bartlett, describing details of the \$41,489.68 T.I.F. school payment.

Pat Wirthlin

From: Allyn Bartlett
Sent: Friday, November 16, 2018 9:16 AM
To: Pat Wirthlin
Cc: Cassie Uecker
Subject: FW: Milford TIF Revenue Sharing Project 31002 Ord. 05-501

From: Allyn Bartlett
Sent: Tuesday, November 6, 2018 2:10 PM
To: Rabe_B@MilfordSchools.org
Subject: Milford TIF Revenue Sharing Project 31002 Ord. 05-501

Dear Mr. Rabe,

You will be receiving a check from the City of Milford in the amount of \$ 41,489.68 for the finalization of the TIF.

The TIF program 31000 / 03-338 began on December 29, 2003 (effectively 1/1/2004) and ran for 10 years to expire on 12/31/2013. Some companies were only suppliers. There are companies which worked in the city for a brief amount of time and fell under the original 12 day rule or the later twenty day rule. The last month or quarter withholding payment was received in January 2014. The Annual Withholding Reconciliation were to be timely filed by the end of February 2014, or with an extension, six months later. The Regional Income Tax Agency posted the filed Annual Withholding Reconciliation about the end of October or November 2014. Sometimes, fiscal companies would conclude their work in the following year.

The other TIF program 31002 / 05-501 began on December 20, 2005 (effectively 1/1/2006) and ran for 10 years to expire on 12/31/2015. The last month or quarter withholding payment was received in January 2016. The Annual Withholding Reconciliation were to be timely filed by the end of February 2016, or with an extension, six months later. The Regional Income Tax Agency posted the filed Annual Withholding Reconciliation about the end of October or November 2016. Sometimes, fiscal companies would conclude their work in the following year.

Both programs were reviewed. The TIF program 31000 / 03-338 didn't reveal any additional revenues. TIF program 31002 / 05-501 showed revenues were due for 2015 and 2016. The amounts due to the school were \$ 19,964.60 for 2015 and \$ 21,525.08 for 2016.

A requisition has been submitted for the Finance Director's signature and the City Council's approval. Upon the approval, a check should be issued.

Sincerely,

Allyn Bartlett
Finance Specialist
City of Milford



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To: Honorable Chair Ed Brady and Members Lisa Evans and Kim Chamberland
Administrative Services Committee

From: Pat Wirthlin, Finance Director (PW)

Date: December 14, 2018

Subject: 2018 C.R.A. School Payment for Riverwalk \$32,845.76

Staff Suggestion for Committee Motion

MOTION TO AUTHORIZE THE FINANCE DIRECTOR TO SUBMIT PAYMENT IN THE AMOUNT OF \$32,845.76 TO MILFORD EXEMPTED SCHOOL DISTRICT IN ACCORDANCE WITH COMMUNITY REINVESTMENT AREA (C.R.A.) REVENUE SHARING AGREEMENT WITH RIVERWALK

\$1 Million Payroll Formula

The C.R.A. income tax revenue sharing formula calls for a payment in lieu of taxes (PILOT) to Milford Schools if a business within the C.R.A. district generates payrolls exceeding \$1 million in any given calendar year.

Specifically, if a business payroll exceeds \$1 million, the City is required to split income tax revenue generated by new employees on a 50/50 basis, subject to "infrastructure set-off" amount up to 35% of the taxes levied and collected on the income of new employees at the site.

\$32,845.76 Due to Schools

Please see the attached chart for detailed calculations showing \$32,845.76 due to Milford Schools in accordance with Riverwalk C.R.A. agreement.

\$0 Net Cost to City

Unlike the City's T.I.F. agreement, most C.R.A. agreements require the developer or company to reimburse the City for the PILOT up to a certain amount. This means that the net cost to the city is usually zero.

Under the Riverwalk C.R.A. agreement, the developer, CMC Properties, will reimburse the full amount of \$32,845.76 to the City.

RIVERWALK C. R. A.

REPORTED 2013	0.00	0.00
REPORTED 10/19/2016	30,434.00	304.34
YEAR 2013	0.00	0.00
In Excess of One Million	(1,000,000.00)	0.00
X 50%	0.00	0.00
YEAR 2013 DIF	30,434.00	
In Excess of One Million	(1,000,000.00)	0.00
X 50%	0.00	0.00
AMOUNT DUE	0.00	0.00
12/13/2018	30,434.00	
X 50%	(1,000,000.00)	0.00
	0.00	0.00

REPORTED 2014	3,970,755.60	39,704.54
REPORTED 10/19/2016	4,559,303.78	45,593.04
YEAR 2014	3,970,755.60	
In Excess of One Million	(1,000,000.00)	
X 50%	2,970,755.60	
PO	1,485,377.80	14,853.78
# 02015-1152		CK# 54702
		\$ 14,853.78
		DATE 12/23/2015
YEAR 2014 DIF	4,559,303.78	
In Excess of One Million	(1,000,000.00)	
X 50%	3,559,303.78	
	1,779,651.89	17,796.52
2014 DIF AMOUNT DUE		(14,853.78)
		17,796.52
		2,942.74
12/13/2018	4,641,459.59	
X 50%	(1,000,000.00)	
	3,641,459.59	
	1,820,729.80	18,207.90
2014 RESIDUAL DUE		-17796.52
		18207.90
		410.78
		CK#
		\$
		DATE

REPORTED 2015 12/12/2016	5,218,281.87	52,182.82
YEAR 2015	5,218,281.87	
In Excess of One Million	(1,000,000.00)	
X 50%	4,218,281.87	
2015 AMOUNT DUE	2,109,140.93	21,091.41
PAY 2014 DIF	298,916.00	2,989.16
PAY 2015	2,109,140.93	21,091.41
TOTAL	2,408,056.93	24,080.57
PO		CK# 56607
# 02017-0424		2989.16
		CK# 56608
		\$ 21,091.41
		DATE 3/24/2017
12/13/2018	5,986,509.53	
X 50%	(1,000,000.00)	
	4,986,509.53	
	2,493,254.77	24,932.55
2015 RESIDUAL DUE		-24080.57
		24932.55
		851.98
		CK#
		\$
		DATE

**SECOND AMENDMENT TO
PROFESSIONAL SPORTS FACILITY
DEVELOPMENT AGREEMENT**

Among

CITY OF MILFORD, OHIO

And

CLERMONT COUNTY OHIO CONVENTION & VISITORS BUREAU

And

FCC TRAINING FACILITY, LLC

Dated as of December 18, 2018

THIS SECOND AMENDMENT TO PROFESSIONAL SPORTS FACILITY DEVELOPMENT AGREEMENT (this "Second Amendment") is made and entered into as of the 18th day of December, 2018, among the **City of Milford, Ohio**, an Ohio municipal corporation, with an address of 745 Center Street, Suite 200, Milford, Ohio 45150 (the "City"), the **Clermont County Ohio Convention & Visitors Bureau**, a non-profit corporation existing under the laws of the State of Ohio, with an address of P.O. Box 100, 410 East Main Street, Batavia, Ohio 45103 (the "CVB"), and **FCC TRAINING FACILITY, LLC**, an Ohio limited liability company, with an address of 14 E. 4th Street, Third Floor, Cincinnati, Ohio 45202 (the "Developer" and together with the City and the CVB, the "Parties"), witnesseth:

RECITALS:

1. The Parties have previously entered into that certain Professional Sports Facility Development Agreement dated as of August 15, 2018 (the "Original Agreement").
2. The Parties have previously amended certain sections of that Original Agreement by entering into that certain First Amendment to Professional Sports Facility Development Agreement dated as of October 16, 2018 (the "First Amendment").
3. The Parties intend to further amend the Original Agreement in order to extend certain deadlines applicable under the Original Agreement, which was heretofore amended by the First Amendment.

NOW, THEREFORE, in consideration of the foregoing, the promises contained herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

SECTION 1. AMENDMENT TO SECTION 5.A.

The introductory sentence of Section 5.A. to the Original Agreement is hereby further amended and restated in its entirety to read as follows:

"The obligations of the Parties under this Development Agreement are contingent upon all of the following conditions being satisfied:"

SECTION 2. AMENDMENT TO SECTION 10

Section 10 of the Original Agreement is hereby further amended and restated in its entirety to read as follows:

"This Development Agreement shall terminate on April 19, 2019 (the "Termination Date") if, by such date, the City has not issued the City Securities and appropriated any additional funds necessary, if any, to pay for the Public Project Costs; provided, however, that the Developer may extend the Termination to such later date as the Developer may, in its sole discretion, deem reasonable by giving written notice of such extension to the other Parties prior to the Termination Date."

SECTION 3. MISCELLANEOUS

A. **No Other Modifications.** Except as expressly set forth above, all other terms and conditions contained in the Original Agreement, as amended by the First Amendment, shall remain in full force and effect. The Original Agreement, as amended by the First Amendment and as further amended and supplemented hereby, is in all respects ratified and confirmed, and remains in full force and effect and shall not be further modified except by a writing executed by the Parties.

B. **Governing Law.** This Second Amendment shall be governed by and construed in accordance with the laws of the State of Ohio without regard to its principles of conflicts of laws. All claims, counterclaims, disputes and other matters in question between the Parties, or their respective agents and employees, arising out of or relating to this Second Amendment or its breach will be decided in a court of competent jurisdiction within the County or Clermont, Ohio.

C. **Severability.** If any provision of this Second Amendment is held to be illegal, invalid or unenforceable, said provision will be fully severable. This Second Amendment will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Second Amendment and the remaining provisions of this Second Amendment will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance from this Second Amendment. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Second Amendment a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible that is and will be legal, valid and enforceable.

D. **No Personal Liability.** All covenants, obligations and agreements of the Parties contained in this Second Amendment shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future member, officer, agent or employee of the City, the CVB, or the Developer other than in his or her official capacity, and neither the members of the legislative bodies of the City or the CVB, nor any member of the Developer, nor any official of the City, the CVB, or the Developer executing this Second Amendment shall be liable personally under this Second Amendment or be subject to any personal liability or accountability by reason of the execution thereof or by reason of the covenants, obligations or agreements of the City, the CVB, and the Developer contained in this Second Amendment

E. **Counterparts.** This Second Amendment may be executed in counterpart, and in any number of counterparts, each of which shall be treated as an original and all of which, together, shall constitute one and the same instrument.

(Signature Page Follows)

FISCAL OFFICER'S CERTIFICATE

The undersigned, Director of Finance of the City under the foregoing Second Amendment, certifies hereby that the City has no present financial obligation under the foregoing Second Amendment during Fiscal Year 2018. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Director of Finance
City of Milford, Ohio

Dated: _____, 2018