

ADDENDUM TO THE REPORT OF THE SUPERINTENDENT

11. **Accept Community Reinvestment Area Compensation Agreement with Niss Aviation FBO, LLC.**

Recommendation of Superintendent Gregory D. Nickoli that the Community Reinvestment Area Compensation Agreement with Niss Aviation FBO, LLC be approved per attached agreement.

COMMUNITY REINVESTMENT AREA COMPENSATION AGREEMENT

This agreement between the **City of Mansfield**, a Municipal Corporation with its offices at 30 North Diamond Street, Mansfield, Ohio 44902, **Pioneer Career and Technology Center**, Board of Education, a Joint Vocational school with its principal offices at 27 Ryan Road, Shelby, Ohio 44875, and **Niss Aviation FBO, LLC**, an Ohio Limited Liability Company with its principal offices at 3847 Shangri La Avenue E., Mansfield Ohio 44903 specifies the manner and procedure to be used pursuant Ohio Revised Code (ORC) Section 5709.82 authorizing (requiring) general compensation and income tax revenue sharing on new municipal income tax revenues relating to the **Niss Aviation FBO, LLC** Community Reinvestment Area project.

Whereas, the Ohio Community Reinvestment Area Program, pursuant ORC Sections 3735.66 authorizes municipalities to grant real property tax exemptions on eligible new investments; and

Whereas, the City of Mansfield, by Ordinance No. 20-086 adopted May 19, 2020 designated an area within the municipality as a Community Reinvestment Area;

Whereas, effective July 17, 2020, the Director of the Ohio Development Services Agency determined the area designated by the municipality within Ordinance No. 20-086 contains the characteristics set forth in Section 3735.66 of the ORC and certified the area as a Community Reinvestment Area;

Whereas, the municipality provided the Crestview School Board of Education and the Pioneer Career and Technical Center joint vocational school notice of the project prior to formal consideration as required within ORC section 3735.671 (A) (1) or 5709.83;

Whereas, the municipality has acted pursuant ORC Section 3735.65 - .70 within Ordinance No. 20-086 adopted May 19, 2020 to grant a tax exemption to Niss Aviation FBO, LLC and entered into a formal Community Reinvestment Area Agreement on January ____, 2021; and

Whereas, the City of Mansfield and the Pioneer Career and Technology Center Board of Education pursuant to ORC section 5709.82 elect to enter into a Revenue Sharing/Compensation Agreement with Niss Aviation FBO, LLC concerning the benefits relating to the aforementioned project.

Now Therefore, in consideration of the foregoing and of the mutual promises, covenants and agreements hereinafter set forth the municipality and board of education agree as follows:

Section 1. Definitions as used in this agreement. The following shall have the meanings set forth below:

"Annual Payment Amount" shall mean the amount paid directly by Niss Aviation FBO, LLC to the board of education under Section 2 of this agreement.

"Exemption Year" shall mean any calendar year in which the Project would be taxable but for the municipal authorization and finalization of a Community Reinvestment Area Agreement Ohio Revised Code Sections 3735.67 (B) & (D).

"New Employee" shall include all employees who are first employed at the project site and who have not been subject to the City of Mansfield municipal income tax within the previous two years on income derived from employment from Niss Aviation FBO, LLC prior to being employed at the project site. "New employee" does not include any person hired to replace a person who is not a new employee. "

"Base Employment" shall be the number of employees located at the project site immediately prior to the finalization of the Community Reinvestment Area Agreement.

"Base Payroll" shall be the annualized salary of all employees located at the project site immediately prior to the finalization of the Community Reinvestment Area Agreement.

Section 2. Amount of Municipal Payments. During each exemption year in which Niss Aviation FBO, LLC receives a real property tax benefit pursuant to the Community Reinvestment Area Agreement executed by the City of Mansfield and Niss Aviation FBO, LLC on January ____, 2021, Niss Aviation FBO, LLC, shall pay the annual payment of Six Hundred Five Dollars (\$605.00) to the board of education.

Section 3. Timing of the Payments. Niss Aviation FBO, LLC shall make annual cash payments in the agreed upon amount no later than December 31st of each calendar year subsequent to an exemption year in which the business received a real property tax benefit.

Section 4. Amendments. This agreement may be amended or modified by the parties, only in writing, signed by all parties to the agreement or by applicable law changes. Should the State of Ohio significantly alter the manner in which funding is provided to local and joint vocational school districts, then all parties agree to reconsider the terms of this agreement for possible amendment.

Section 5. Entire Agreement. This agreement sets forth the entire agreement and understanding between the parties as to the subject matter contained herein and merges and supersedes all prior discussions, agreements, and undertakings of every kind and nature between the parties with respect to the subject matter of this agreement.

Section 6. Notices. All payments, certificates, reports and notices, which are required to or may be given pursuant to the provisions of this agreement shall be sent by regular mail, postage prepaid, and shall be deemed to have been given or delivered when so mailed to the following addresses:

Municipality: Economic Development Director
City of Mansfield, 30 North Diamond Street, Mansfield, Ohio 44902

Board of Education: Treasurer
Pioneer Career and Technology Center. 27 Ryan Road, Shelby, Ohio 44875

Business: Member
Niss Aviation FBO, LLC, 3847 Shangi La Avenue E., Mansfield, Ohio 44903

Any party may change its contact or address for receiving notices and reports by giving written notice of such change to the other parties.

Section 7. Severability of Provisions. The invalidity of any provision of this agreement shall not affect the other provisions of this agreement, and this agreement shall be construed in all respects as if any invalid portions were omitted.

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IN WITNESS WHEREOF, the City of Mansfield, Ohio, by TIMOTHY L. THEAKER, Mayor and DAVID REMY, Public Works Director, and pursuant to Ordinance #20-007, has caused this instrument to be executed this 7th day of January, 2021, Pioneer Career and Technology Center Board of Education by LINDA SCHUMACHER, its Treasurer, has caused this instrument to be executed this _____ day of January, 2021, Niss Aviation FBO, LLC, by DAN NISS, its Member has caused this instrument to be executed this _____ day of January, 2021.

Witness:

CITY OF MANSFIELD

By: _____

Timothy L. Theaker, Mayor

By: _____

David Remy, Public Works Director

PIONEER CAREER AND
TECHNOLOGY CENTER

By: _____

Linda Schumacher, Treasurer

NISS AVIATION FBO, LLC

By: _____

Dan Niss, Member

Approved as to form:

John Spon
Law Director
City of Mansfield

**Niss Aviation FBO, LLC
Mansfield Lahm Airport
November 23, 2020**

| | | |
|-----------------------------------|------------------------|--|
| Total Investment | \$1,600,000 | |
| | <u>X .35</u> | |
| Assessed Value | \$ 560,000 | |
| Net Real Estate Tax Rate | <u>X .0540*</u> | |
| Real Estate Tax | \$ 30,240 | (Based on Tax Year 2019 Rate) |
| School Comp Rate | <u>X .40</u> | |
| School Compensation | \$ 12,096 | Annually for 15 Years |
| Company Savings | \$ 18,144 | Annually for 15 Years |
| School Compensation Split: | \$ 11,491 | Crestview Local Schools |
| | \$ 605 | Pioneer Career and Technical Center |

***Full 2019 Tax Rate 71.30**
Reduction Factor -20.90 (71.30 x .293144)
Net 2019 Tax Rate 50.40

