

**CITY OF CHEVIOT  
STATE OF OHIO**

**ORDINANCE NO. 21-22**

**TO AUTHORIZE THE MAYOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH OAK HILLS LOCAL SCHOOL DISTRICT AND CINCINNATI CITY SCHOOL DISTRICT; AND TO DECLARE AN EMERGENCY.**

**WHEREAS**, on March 17 2020, this Council passed Ordinance 20-05 to accept the annexation of certain parcels from Green Township into the City of Cheviot; and

**WHEREAS**, after the completion of the annexation, the Ohio Department of Taxation and Hamilton County Budget Commission identified a property tax problem due to a non-uniform taxation rate for the inside millage between the annexed parcels and the rest of the City; and

**WHEREAS**, after review and consultation with the appropriate agencies and the City's counsel, it has been determined that a transfer of school district boundaries is necessary to correct this issue and avoid loss of property tax revenue to the City; and

**WHEREAS**, Oak Hills Local School District and Cincinnati City School District have agreed to transfer the boundaries of their respective districts to include the annexed parcels within the boundaries of Cincinnati City School District, so that all of the City of Cheviot is within one school district and there is uniform taxation throughout; and

**WHEREAS**, in connection with the transfer of the school district boundaries, the respective school districts and the City desire to enter into a Memorandum of Understanding, which is attached hereto as Exhibit "A" and incorporated herein, which sets forth certain terms and agreements with respect to the transfer; and

**WHEREAS**, the City's Law Director, its Special Counsel, and the Mayor and his Administration all recommend entering into the Memorandum of Understanding, which result in a net gain of tax revenue to the City; and

**WHEREAS**, this Council finds and determines that it is in the best interest of the City to enter into the Memorandum of Understanding.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CHEVIOT, STATE OF OHIO, TWO-THIRDS OF ALL MEMBERS THEREOF CONCURRING, THAT:**

Section 1. The Mayor is hereby authorized and directed to accept and execute the Memorandum of Understanding between the City of Cheviot, Oak Hills Local School District, and the Cincinnati City School District, which is attached hereto as Exhibit "A" and incorporated herein.

Section 2. Upon execution of the Memorandum of Understanding, the Law Director shall send copies of the executed Memorandum of Understanding to the counsel for the respective school boards.

Section 3. That it is found and determined that all formal actions of the Council relating to the adoption of this resolution were adopted in an open meeting of this Council, and that all

deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements.

Section 4. This ordinance shall be an emergency measure for the health, safety, and welfare of the citizens of Cheviot and shall take effect immediately. The emergency is necessary in order to allow the school boards to submit the boundary change resolutions to the Ohio Board of Education immediately so the County Auditor records can be updated prior to the release of the tax bills, to avoid a significant tax revenue loss to the City, and to allow the City to meet its financial obligations.

\_\_\_\_\_  
Kerry Smyth  
President of Council

\_\_\_\_\_  
Date passed

\_\_\_\_\_  
Samuel D. Keller  
Mayor

\_\_\_\_\_  
Date approved

Attest:

Approved as to form:

\_\_\_\_\_  
Jenny M. Eilermann  
Clerk of Council

\_\_\_\_\_  
Kimberlee Erdman Rohr  
Law Director

#### CERTIFICATE OF PUBLICATION

I, Jenny M. Eilermann, Clerk of the Council of the City of Cheviot, Ohio, hereby certify that the foregoing ordinance, or a succinct summary, was published in the *Western Hills Press*, a newspaper of general circulation in the City of Cheviot, Ohio, in accordance with Section 731.21 of the Ohio Revised Code, on the following dates:

- 1) \_\_\_\_\_, 2021, and
- 2) \_\_\_\_\_, 2021.

\_\_\_\_\_  
Jenny M. Eilermann  
Clerk of Council

**MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (“MOU”) is entered into as of the date hereof by the City of Cheviot (“Cheviot”), the Oak Hills Local School District (“Oak Hills”) and the Cincinnati City School District (“Cincinnati”), any of which may hereinafter may be referred to individually as a “Party” or collectively as “Parties.”

**RECITALS:**

WHEREAS, the Ohio Department of Taxation and the Hamilton County Budget Commission have identified a property tax problem under state law inadvertently caused by an annexation of territory (the “Territory”) from Green Township to Cheviot;

WHEREAS, a transfer of the Territory from Oak Hills to Cincinnati under RC 3311.24 will resolve the tax problem;

WHEREAS, RC 3311.24(B)(3) permits districts involved in such a transfer to agree to share revenues from the transferred territory;

WHEREAS, Cheviot shall provide any additional revenue necessary to make Oak Hills whole from a property tax standpoint;

WHEREAS, there are no students, families or school facilities in the Territory;

**PROVISIONS:**

NOW, THEREFORE, in consideration of the foregoing premises, the Parties hereby agree as follows:

1. The Oak Hills property tax loss and Cincinnati property tax gain will be made equal, approximately \$63,788 for each district, as reflected in the attachment hereto and based on Tax Lien Year 2020, Tax Collection Year 2021.
2. Cincinnati will remit \$38,972 to Oak Hills of the \$102,761 property tax gain it will receive from the transfer, based on Tax Lien Year 2020, Tax Collection Year 2021.
3. Cheviot will remit the remaining amount necessary, \$24,816, to hold Oak Hills harmless from property tax loss, based on Tax Lien Year 2020, Tax Collection Year 2021.
4. Cheviot shall not approve any tax abatement or tax incentive arrangement for the Territory so long as Hillebrand Nursing and Rehabilitation Center is located there.
5. Each Party shall be responsible for and bear its own costs and expenses incurred in connection with the matters described in this MOU, unless subsequently otherwise agreed to in writing.

6. Amendments or modifications to this MOU shall be made if Oak Hills or Cincinnati approves additional or reduces existing General Fund millage. Such amendments or modifications must be in writing and signed by each Party.
7. The Parties shall not be liable to one another for any type of incidental, indirect or consequential damages.
8. This MOU constitutes the full and complete agreement among the Parties with respect to the subject matter hereof.
9. This MOU shall be governed by and construed in accordance with the laws of the State of Ohio.

IN WITNESS WHEREOF, the Parties have executed this MOU as of \_\_\_\_\_, 2021.

City of Cheviot, Ohio

By: \_\_\_\_\_

Title: Mayor

Oak Hills Local School District, Ohio

By: \_\_\_\_\_

Title: Treasurer

Cincinnati City School District, Ohio

By: \_\_\_\_\_

Title: Treasurer

## Oak Hills LSD – Cincinnati CSD Payment Formula

The School District shall pay to the Transferring District, *solely out of revenue to the School District attributable to the School District's General Fund real property tax levy*, within 60 days following receipt by the School District of each semiannual real property tax settlement, such amount to the Transferring District to compensate taxes that would have been payable if the Territory had not been transferred pursuant to R.C. Section 3311.24, as follows:

- (i) For Tax Year 2021, an amount equal to thirty eight thousand nine hundred seventy-two dollars (**\$38,972.00**), which such amount constitutes thirty-seven and nine hundred twenty-five thousandths percent (**37.925%**) of the tax revenues to the School District, attributable to the Territory and pursuant to market values and the effective rates (Class I or Class II, as appropriate) of the levies in place for Tax Year 2020 (i.e., tax lien date January 1, 2020); and,
- (ii) For Tax Year 2022 and each ensuing subsequent tax year, an amount equal to thirty-seven and nine hundred twenty-five thousandths percent (**37.925%**) of the tax revenues to the School District, attributable to the Territory, using the market values determined as of the tax lien date (i.e., January 1) of each such tax year (the “**Compensation Payment**”).

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### **Supporting calculations:**

#### TY 2020 – Territory tax load

- Oak Hills LSD levies (Class I and II): \$63,788
- Cincinnati CSD levies: \$ 0

#### TY 2021 & subsequent tax years – Compensation structure

- Oak Hills LSD levies: \$ 0
- Oak Hills LSD compensation: \$63,788
  - City of Cheviot pays: \$24,816
  - Cincinnati CSD pays: \$38,972\*
- Cincinnati CSD levies (Class I and II):
  - \$102,761 (based on Tax Year 2020 values & levies) - \$38,972\* = \$63,789

\* See following page for calculated Cincinnati CSD payment amount; figures confirmed by Hamilton County Auditor via email dated Nov. 12, 2021. Remittance amount to Oak Hills LSD equal to 0.37925 of tax revenues to Cincinnati CSD (using Tax Year 2020 millage rates and valuations).

Last updated:	11.12.2021							
Author:	Jeffrey Harris							
			Cincinnati CSD mills (eff. Res.):	47.250015	0.047250015			
			Oak Hills LSD (eff. Res.):	32.427264	0.032427264			
			Difference:	14.822751				
			Cincinnati CSD mills (eff. Other):	56.652103	0.056652103			
			Oak Hills LSD (eff. Other):	34.981040	0.034981040			
			Difference:	21.671063				
Subject Property:	4320 BRIDGETOWN RD							
	551 0014-0001-00		Market Value (Total):	\$ 103,460.00	\$ 1,711	Cincinnati CSD		
	apply Res. rate		Assessed Value (@ 35%):	36,211.00	\$ 1,174	Oak Hills LSD		
					<b>\$ 537</b>			
	551-0014-0003-00		Market Value (Total):	\$ 4,935,830.00	\$ 97,869	Cincinnati CSD		
	apply Other rate		Assessed Value (@ 35%):	1,727,540.50	\$ 60,431	Oak Hills LSD		
					<b>\$ 37,438</b>			
	551-0014-0012-00		Market Value (Total):	\$ -	\$ -	Cincinnati CSD		
	apply Res. rate		Assessed Value (@ 35%):	-	-	Oak Hills LSD		
					<b>\$ -</b>			
	551-0014-0013-00		Market Value (Total):	\$ 94,080	\$ 1,556	Cincinnati CSD		
	apply Res. rate		Assessed Value (@ 35%):	32,928	\$ 1,068	Oak Hills LSD		
					<b>\$ 488</b>			
	551-0014-0014-00		Market Value (Total):	98,270	\$ 1,625	Cincinnati CSD		
	apply Res. rate		Assessed Value (@ 35%):	34,395	\$ 1,115	Oak Hills LSD		
					<b>\$ 510</b>			
					<b>\$ 38,972</b>			