Ordinance No. O-18-25

An ordinance declaring the improvement to certain real property located in the City of Piqua, Ohio to be a public purpose; declaring such improvement to be exempt from real property taxation pursuant to Ohio Revised Code Section 5709.40(b); requiring the owners thereof to make annual service payments in lieu of taxes; describing the public infrastructure improvements to be made that will directly benefit the real property; establishing a public improvement tax increment equivalent fund for the deposit of service payments, authorizing the execution of one or more compensation agreements with the Piqua City School District and the Upper Valley Career Center, and together with related authorizations, and declaring an emergency.

WHEREAS, Ohio Revised Code ("R.C.") 5709.40, 5709.42, and 5709.43 (collectively, the "TIF Act") authorize this Commission, by ordinance, to declare the improvement to parcels of real property located within the City of Piqua (the "City"), as depicted and described on EXHIBIT A attached hereto and incorporated herein by reference (the "TIF Site" with each parcel comprising the TIF Site, whether presently appearing on Miami County tax duplicates or as appearing on future tax duplicates due to subsequent subdivisions, combinations, re-combinations, or re-numberings, being referred to individually as a "Parcel") to be a public purpose and exempt from real property taxation, require the owner of each Parcel to make service payments in lieu of taxes, establish a municipal public improvement tax increment equivalent fund for the deposit of those service payments, and specify the purposes for which money in that fund will be expended; and

WHEREAS, J5, LLC, doing business as Shaytura, LLC, a Delaware limited liability company (the "Developer") is pursuing the development of the real property depicted and described on EXHIBIT A.1 attached hereto and incorporated herein by reference (the "Project Area") all located within the boundaries of the TIF Site; and

WHEREAS, the Developer or any other property owner intends to develop, construct (in one or more phases) and operate on the Project Area one or more data centers and/or other facilities or businesses, as well as certain accessory uses or buildings located on the Project Area and other related or associated uses, buildings, infrastructure or structures such as (but not limited to) utility buildings, structures and appurtenances located on, adjacent to or near the TIF Site that are reasonably related to the data center (the "Project"), all as may be further described and defined pursuant to one or more tax increment financing or development agreements to be executed between the City and the Developer, and such other agreements as are required from time to time; and

WHEREAS, Developer or any other property owner may additionally acquire and intend to receive TIF Exemptions on Parcels located within the TIF Site but outside of the Project Area (the "Additional Properties"); and

WHEREAS, the success of the Project depends upon the long-term commitment of substantial resources of the Developer and the City and the careful integration and coordination of Project and public capital facilities, planning, financing and construction schedules, and the Developer and the City wish to enter into various agreements to obtain and provide assurances and agreements from each other before deciding to invest substantial Developer and City resources; and

WHEREAS, as part of the strategy for the economic development described above, the City plans to subject the TIF Site to one or more TIF Exemptions (as defined herein); and

WHEREAS, this Commission has determined that it is necessary, appropriate and in the best interests of the City to utilize the TIF Act in order to: (i) authorize municipal tax increment financing to declare the Improvement (as defined herein) of any Parcel comprising the TIF Site to be a public purpose exempt from real property taxation, (ii) require annual service payments in lieu of real property taxes with respect to the Parcels comprising the TIF Site, pursuant to R.C. 5709.42, and (iii) provide a mechanism to facilitate and finance the construction of the public infrastructure improvements that will directly benefit the Parcels comprising the TIF Site, as described on EXHIBIT B hereto and incorporated herein by reference (the "Public Infrastructure Improvements"); and

WHEREAS, the TIF Act provides for the use of municipal tax increment financing to pay the costs of Public Infrastructure Improvements, which costs may include, without limitation: (i) the payment for, or reimbursement of, costs of the Public Infrastructure Improvements (which costs may include, without limitation, the payment for, or reimbursement of, costs of the Public Infrastructure Improvements incurred by the City, or any other public or private party in cooperation with the City), and (ii) payment of debt service (the "Debt Service") on, and other expenses relating to the issuance of, any bonds, notes, or other obligations issued to finance the Public Infrastructure Improvements; and

WHEREAS, this Commission and the Developer desire to enter into a Tax Increment Financing Agreement (the "TIF Agreement"), substantially in the form attached hereto as Exhibit C, incorporated herein by reference; and

WHEREAS, it is the intention of this Commission to pay to the Piqua City School District (the "Piqua City Schools") and the Upper Valley Career Center ("Upper Valley" and together with the Piqua City Schools, the "School Districts") certain compensation payments to compensate the School Districts in the amount of the taxes that would have been payable to the School Districts on the increase in assessed value of the land only but for this Commission's authorization of this Ordinance and the TIF Exemption within the Project Area (as defined herein) (the "Project Area TIF School Compensation Agreement"); accordingly, certain compensation payments are to be paid to the School Districts as provided in this Ordinance, which provides that Upper Valley is to receive compensation at the same rate and under the same terms received by the Piqua City Schools; and

WHEREAS, it is additionally the intention of this Commission to execute separate school compensation agreements for any Additional Properties that the Developer or any other property owner acquires and intends to receive TIF Exemptions on, which shall be negotiated between the City and the School Districts at such time that the Developer seeks to receive additional TIF Exemptions and memorialized in supplemental school compensation agreements; and

WHEREAS, Piqua City Schools, by and through its Board of Education, has found and determined that the Project Area TIF School Compensation Agreement is in the best interests of the school district and its pupils, and by its Resolution No. 1016-25, adopted on October 16, 2025, has approved and authorized the adoption of this Ordinance, approved the TIF Exemption under R.C.

Section 5709.40(D), has waived any additional compensation otherwise authorized under R.C. Section 5709.82, and has waived the notification period under R.C. Sections 5709.40(D), 5709.83(B), and 5715.27(B), and otherwise provided by law (the "School District Approval Resolution"); and

WHEREAS, the Upper Valley, by and through its Board of Education, has found and determined that the Project Area TIF School Compensation Agreement is in the best interests of the school district and its pupils, and by its Resolution No. VR17-2025 adopted on October 27, 2025, has waived the notification period under R.C. Sections 5709.83(B) and 5715.27(B), and otherwise provided by law (the "JVSD Approval Resolution"); and

WHEREAS, pursuant to the compensation provided to the School Districts by the terms of this Ordinance and subject to the School Districts and City negotiating additional compensation agreements in the event that the Developer or any other property owner acquires and intends to receive a TIF Exemption on Additional Properties, the percentage of the Improvements that may be exempted from taxation may exceed seventy-five percent (75%) and said TIF Exemption may be authorized for more than ten (10) years without the approval of the Board of Education of the School District, all pursuant to R.C. Section 5709.40(D)(1); and

WHEREAS, the City has determined to encourage the development of real property and the acquisition and installation of personal property in an area comprised of the approximately 607 acres of land it designated as the "Community Reinvestment Area III" (the "CRA #3") by a Resolution No. C-9755 subsequent to a first reading of the Resolution on November 16, 1992, establishing the CRA (the "Original CRA Resolution"), as subsequently amended pursuant to Resolution No. R-79-25 on June 17, 2025 (the "First Amended CRA Resolution" and together with the Original CRA Resolution the "CRA Legislation"), all pursuant to R.C. Chapter 3735 (the "CRA Act"); and

WHEREAS, the TIF Site is located within a community reinvestment area that was created prior to July 1, 1994 (the "Pre-1994 CRA"), which provides up to a fifteen (15) year real property tax exemption for one hundred percent (100%) of the assessed value of new structures constructed at the TIF Site (the "CRA Exemption"); and

WHEREAS, it is the intention of this Commission that the TIF Exemptions provided herein shall be subordinate to the CRA Exemption; and

WHEREAS, in order to provide for, and facilitate the Project within the City in a timely manner, and for the immediate preservation of the public peace, health, welfare, and safety, it is necessary that this Ordinance take effect upon its passage pursuant to R.C. Section 705.15.

NOW, THEREFORE, BE IT ORDAINED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring that:

SEC. 1: Pursuant to and in accordance with the provisions of R.C. Section 5709.40(B), this Commission hereby finds and determines that one hundred percent (100%) of the increase in the assessed value of each Parcel comprising the TIF Site (the "Exempted

Property") subsequent to the effective date of this Ordinance (which increase in assessed value is hereinafter referred to as the "Improvement," as defined in R.C. Section 5709.40(A)(4)) is declared to be a public purpose and shall be exempt from real property taxation (the "TIF Exemption") for a separate TIF Exemption period commencing for each Parcel within the TIF Site with the first tax year that begins after the effective date of the TIF Ordinance and in which an exemption is claimed by any DTE 24 exemption application, and any successor exemption application as the same may be updated by the State of Ohio, filed by the City with respect to such Parcel that is to be filed with respect to each Parcel (the "Commencement Date"), and ending for each Parcel included within the TIF Site, on a parcel-by-parcel basis, on the date that is the earlier of (a) thirty (30) years after the Commencement Date, or (b) the date on which the City can no longer require service payments in lieu of taxes, either by law, or because the costs of all Public Infrastructure Improvements are paid for, in accordance with the requirements of R.C. 5709.40, 5709.42, and 5709.43. The TIF Exemption with respect to each Parcel shall be subordinate to any real property tax abatement provided under R.C. Chapter 3735, including without limitation as part of the CRA Exemption.

SEC. 2: As provided in R.C. 5709.42, this Commission hereby directs and requires the Developers (to the extent that any of the Developers is an owner of a Parcel) and any other current or future owner, or owners, of each of the Parcels comprising the TIF Site (the "Owners") to make annual service payments in lieu of taxes with respect to the Improvement allocable to each Owner's Parcel to the County Treasurer of Miami County, Ohio (the "County Treasurer") on or before the final dates for payment of real property taxes. Each service payment in lieu of taxes, including any penalties and interest at the then-current rate established under R.C. 323.121 and 5703.47, will be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and payable against the Improvement if this Commission had not authorized the TIF Exemption pursuant to this Ordinance. Such service payments in lieu of taxes, penalties and interest, and any other payments with respect to each Improvement that are received by the County Treasurer in connection with the reduction required by R.C. 319.302, 321.24, 323.152, and 323.156, as the same may be amended from time to time, or any successor provisions thereto as the same may be amended from time to time (the "Property Tax Rollback Payments," and together with the annual service payments in lieu of taxes and penalties and interest described above, the "Service Payments"). Such Service Payments will be allocated and distributed in accordance with Sections 3 and 4 of this Ordinance.

SEC. 3: This Commission hereby establishes, pursuant to and in accordance with the provisions of R.C. Section 5709.43, the Washington/Farrington NE Corner Public Improvement Tax Increment Equivalent Fund (the "TIF Fund"), which TIF Fund shall be designated by the City Auditor as the TIF Fund and maintained and identified separate from every other Municipal Public Improvement Tax Increment Equivalent Fund maintained by the City. The City Auditor may, in their discretion, create one or more accounts or sub-accounts within the TIF Fund, as appropriate, to distinguish the Service Payments received with respect to the TIF Exemption authorized by this Ordinance from any tax increment financing programs that may be established by the City in the future, and as are necessary to account for payment of the costs of the Public Infrastructure Improvements, including any reimbursement payments for the reimbursement of the costs of the Public Infrastructure Improvements, Debt Service on, and other expenses relating to, the issuance of any bonds, notes, or other obligations issued to finance the Public Infrastructure Improvements. The TIF Fund shall be maintained in the custody of the City and shall receive all distributions of Service Payments required to be made to the City. Those Service Payments received by the City with respect to the TIF Exemption, shall be used solely for the purposes authorized under the TIF Act, its related rules and laws, and this Ordinance, including, but not limited to, paying any costs of the Public Infrastructure Improvements. For purposes of this Ordinance, "costs" of the Public Infrastructure Improvements payable from the TIF Fund shall specifically include, but are not limited to, the items of "costs of permanent improvements" set forth in R.C. Section 133.15(B) and incurred with respect to the Public Infrastructure Improvements, which "costs" specifically include any reimbursement payments for the reimbursement of the costs of the Public Infrastructure Improvements, Debt Service on, and other expenses relating to the issuance of, any bonds, notes, or other obligations issued to finance the Public Infrastructure Improvements. The TIF Fund shall remain in existence so long as such Service Payments are collected and used for the aforesaid purposes, after which time the TIF Fund shall be dissolved and any surplus funds remaining therein shall be transferred to the City's General Fund, all in accordance with R.C. Section 5709.43.

SEC. 4: Pursuant to R.C. Section 5709.42, the County Treasurer shall distribute on a semiannual basis the Service Payments and the Property Tax Rollback Payments paid with respect to the Improvements to the City for further deposit into the TIF Fund. The City shall use moneys in the TIF Fund for such uses as may be identified by the City and approved by the City from time to time as permitted under this Ordinance, the TIF Act, and its related rules and laws, including without limitation:

(i) to the School Districts, in an amount and on terms agreed to, in separately executed TIF School Compensation Agreements, and

(ii) payment or reimbursement of the costs of any "public infrastructure improvements" defined in Ohio Revised Code Section 5709.40(A)(8) related to the Parcels, each as may be determined by the City from time to time, and

(iii) otherwise in accordance with law, including in accordance with one or more future ordinances of this Commission or the TIF Act and its related rules and laws.

SEC. 5: This Commission hereby designates the Public Infrastructure Improvements described in EXHIBIT B attached hereto as "public infrastructure improvements" (as such term is defined in R.C. Section 5709.40(A)(8)), made, to be made, or in the process of being made, and that, once made, will directly benefit the Parcels comprising the TIF Site.

SEC. 6: This Commission hereby authorizes the Director of Economic Development, their designees, and other appropriate officers of the City, to prepare and sign any applications for real property tax exemption pursuant to R.C. 5709.911, the provisions of which govern the priority status of the exemptions provided under this Ordinance.

SEC. 7: This Commission hereby authorizes and approves the TIF Agreement in the form currently on file with this Commission, as approved by the City Manager and Law Director and not otherwise inconsistent with the terms of this Ordinance, together with such revisions or additions thereto as approved by the City Manager and approved as to form by the Law Director as are consistent with the objectives and requirements of this Ordinance and not otherwise materially adverse to the City. The City Manager, for and in the name of the City, with the approval as to form by the Law Director, is hereby authorized to execute the TIF Agreement, and any amendments thereto deemed by the City Manager to be necessary. The approval of changes or amendments by the City Manager, and the character of the changes or amendments as not being inconsistent with this Ordinance and not being substantially adverse to the City, shall be evidenced conclusively by the execution thereof by the City Manager, with the approval of the Law Director.

SEC. 8: This Commission further hereby authorizes and directs the City Manager, their designees, and other appropriate officers of the City, to prepare and sign all agreements, and any amendments thereto such that the character of those changes is not substantially adverse to the City, which shall be established conclusively by such appropriate officer's signature thereon, and to take such further actions and execute any certifications, financing statements, assignments, agreements, instruments, and other documents that are necessary or appropriate to implement this Ordinance.

SEC. 9: This Commission hereby approves the Project Area compensation agreement with the School Districts (the "Project Area TIF School Compensation Agreement") and authorizes the City to execute, deliver and perform the Project Area TIF School Compensation Agreement. The City Manager is hereby authorized and directed, for and on behalf of the City, to execute and deliver the Project Area TIF School Compensation Agreement, substantially in the form now on file with this Commission, and attached hereto as EXHIBIT D, incorporated by reference, with such modifications to the form of the Project Area TIF School Compensation Agreement as shall be approved by the City Manager, shall not be materially adverse to the City, and shall be consistent with this Ordinance, all of which shall be conclusively evidenced by the City Manager's signature on the Project Area TIF School Compensation Agreement. The City Manager is further hereby authorized to execute and deliver any additional agreements or instruments as the City Manager shall deem necessary to carry out the purposes of this Ordinance and the Project Area TIF School Compensation Agreement, and the City Manager is hereby authorized to perform its obligations under any of those agreements or instruments.

The Project Area TIF School Compensation Agreement shall provide that the City shall pay the School Districts, from a portion of the Service Payments, compensation in the amounts set forth in such Project Area TIF School Compensation Agreement, which compensation shall be consistent with the distribution of Service Payments established in Section 4 of this Ordinance.

SEC. 10: The Commission hereby authorizes and instructs the City Manager to negotiate, on behalf of the City, any additional compensation agreements with the School Districts should the Developer or any other property owner acquire any of the Additional Properties and seek TIF Exemptions for those Parcels (each a "Supplemental TIF School Compensation Agreement," and collectively with the Project Area TIF School Compensation Agreement, the "TIF School Compensation Agreements").

SEC. 11: This Commission hereby designates the Tax Incentive Review Commission (the "TIRC") established to annually review the TIF Exemptions resulting from this Ordinance and any other matters as may properly come before the TIRC, in accordance with R.C. 5709.85.

SEC. 12: In accordance with R.C. 5709.832, this Commission hereby determines that the Developer and the Project does not deny any individual employment based on considerations of race, religion, sex, disability, color, national origin, or ancestry, and the Commission shall require the Developer and the Project to comply with this requirement in one or more agreements.

SEC. 13: Pursuant to Division (I) of R.C. 5709.40, the Director of Economic Development, or their designees, is hereby directed to deliver a copy of this Ordinance to the Director of the Ohio Department of Development ("ODOD") within fifteen (15) days after its passage. On or before March 31 of each year that the TIF Exemption remains in effect, the Director of Economic Development, their designees, or other appropriate officers of the City shall prepare and submit, or cause to be prepared and submitted, to the Director of ODOD the status report required under Division (I) of R.C. 5709.40.

SEC. 14: It is hereby found and determined that all formal actions of this Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this Commission, and that all deliberations of this Commission and any decision-making bodies of the City that resulted in such formal actions were in meetings open to the public and in compliance with Ohio's Sunshine Laws, including R.C. 121.22.

SEC. 15: This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public health, safety, and general welfare, to wit: in order to provide for and facilitate the Project in a timely manner within the City and for the immediate preservation of the public peace, health, welfare, and safety, and shall be in full force and effect from the date of its adoption in accordance with R.C. 705.15.

KRIS LEE, MAYOR

PASSED: 11-3-2025

ATTEST: Kimberly Hughes
CLERK OF COMMISSION

The Motion to adopt the foregoing Ordinance was offered by Comm. Hohman ~~None~~, seconded by Comm. DeBrosse ~~None,~~ and on roll call the following vote ensued:

Mayor Kris Lee	yea
Commissioner Jim Vetter	yea
Commissioner Paul Simmons	excused
Commissioner Thomas Hohman	yea
Commissioner Frank DeBrosse	yea