



September 29, 2026

Randy Perry, Batavia Township Trustee
Rex Parsons, Batavia Township Trustee
Danielle Wessel, Batavia Township Trustee
Batavia Township
1535 Clough Pike
Batavia, Ohio 45103

Dear Board of Batavia Township Trustees:

The Board of Clermont County Commissioners has recently received questions regarding a 2005 County Agreement with Batavia Township. We've done our best below to explain those agreements and to outline how they work.

On December 7, 2005, the Clermont County Board of Commissioners approved a Letter of Understanding ("LOI") between the County and Batavia Township relative to the establishment of tax financing districts ("TIF(s)") within the Township.

The LOI outlined that the TIFs established pursuant to R.C. 5709.78, *et seq.*, would encompass a 30-year 100% tax exemption, which the Batavia Local School District also approved.

The LOI established the six residential incentive districts identified below, each of which subsequently signed a separate agreement between the individual incentive district and the County:

- Forest Glen Residential Incentive District;
- Glenwood Trails Residential Incentive District;
- Lexington Run Residential Incentive District;
- Ross Road Residential Incentive District;
- Streamside Residential Incentive District;
- Vista Meadows Residential Incentive District;

The LOI and/or TIFs work by granting property tax exemptions for public infrastructure improvements, which exempt from taxation the increase in the true value of the parcel included in the TIF. Instead of paying taxes, owners of the improvements pay an annual Service Payment in Lieu of Taxes ("Service Payments").

The Service Payments are generally proportional to the amount of real property tax that would have been payable on the increase in the true value of the property. The County receives the Service Payments and holds them in a redevelopment tax equivalent fund – separate and apart from other funds held by the County. The County then reimburses the Township from the redevelopment tax equivalent fund for the costs of public infrastructure improvements benefits the parcels subject to the TIF.

The Township provides the County with a list of capital projects or items for which funds may be directed from the Service Payments. Those capital projects or items must meet certain requirements, including constituting a "public infrastructure improvement" under Ohio law. The County then directs Service Payments back to the Township.

How does this process work in practice?

All residents within each of the respective residential incentive districts pay their full allotment of property taxes based on current county valuations. Upon receipt of those property taxes, the County Auditor segregates and subsequently deposits Township levy portions based on whether those funds are restricted to the General Fund, Roads, or Police Services Funds.

The Township pays for and completes or incurs expenses relative to allowable public infrastructure improvements. TIF/LOI funds are then redistributed on a reimbursement basis. This is accomplished by the Township submitting completed project receipts and expense-related documentation to the Board of Clermont County Commissioners. The Board's staff then audits submissions to verify the Township's compliance with the LOI/TIF, and, if verified, the Board transfers eligible funds to the Township.

The amount received from the LOI/TIF fluctuates annually because residents pay their full allotment of property taxes. In short, if the Township increases or decreases levies, or if property valuations increase, the amounts collected within each Residential Improvement District increase or decrease proportionally. Unspent or unreimbursed balances remain in segregated accounts at the County to be used in future public infrastructure improvements under the LOI/TIF, so long as the Township follows the process outlined above.

The Board also understands that some questions have been raised related to the use of LOI/TIF funds for police and fire equipment. There are three general types of TIFs: (1) municipal (R.C. 5709.40 - .43), (2) township (R.C. 5709.73-76), and (3) county (R.C. 5709.77 - .82). The LOI and TIFs individually identify that documents constitute a County-based TIF/RID.

Incentive districts permit "improvements" to be exempted from tax collection. Instead of tax collection, improvements within districts fall under service payments. County TIFs utilize the same definition of "project" and "public infrastructure improvement" as municipal TIFs. See R.C. 5709.40 and 5709.77.

R.C. 5709.40(A)(8) defines a public infrastructure improvement as:

"Public infrastructure improvement" includes, but is not limited to, public roads and highways; water and sewer lines; the continued maintenance of those public roads and highways and water and sewer lines; environmental remediation; land acquisition, including acquisition in aid of industry, commerce, distribution, or research; demolition, including demolition on private property when determined to be necessary for economic development purposes; stormwater and flood remediation projects, including such projects on private property when determined to be necessary for public health, safety, and welfare; the provision of gas, electric, and communications service facilities, including the provision of gas or electric service facilities

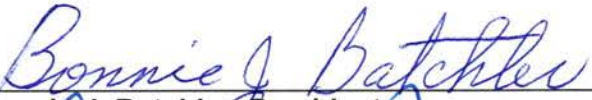
owned by nongovernmental entities when such improvements are determined to be necessary for economic development purposes; the enhancement of public waterways through improvements that allow for greater public access; and off-street parking facilities, including those in which all or a portion of the parking spaces are reserved for specific uses when determined to be necessary for economic development purposes.

Effective March 30, 2006, the Ohio General Assembly specifically excluded police or fire equipment as public infrastructure improvements, and outright prohibited service payments for those purposes. See R.C. 5709.78(B)(3)(a). That prohibition remains today. Given the General Assembly's explicit mandate against service payments being used for police and/or fire equipment shortly after the LOI was enacted, the County believes that police and/or fire equipment is not a permissible use of service payments.

We welcome any questions the Township may have about the LOI, ensuing TIFs and/or residential incentive districts, or how the process works between the County and Township.

Sincerely,

**BOARD OF COUNTY COMMISSIONERS
CLERMONT COUNTY, OHIO**


Bonnie J. Batchler, President


David L. Painter, Vice President


Claire B. Corcoran, Member