



Office of General Counsel
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March 14, 2018

SENT VIA EMAIL (ddenton@kmklaw.com)
D. Brock Denton
Keating Muething & Klekamp PLL
One East Fourth Street
Suite 1400
Cincinnati, OH 45202

Re: Response to March 14, 2018 FCC Letter

Dear Mr. Denton:

This responds to your letter sent this morning. In a special meeting called today, the Board of Education spent significant time discussing what would need to be included in a proposal from FC Cincinnati for it to be approved.

The Board of Education will not consider a proposed land agreement with FC Cincinnati unless the Club promises to pay its fair share of property taxes. Here, FC Cincinnati is proposing to build a stadium valued at \$250 million. Similar development projects in the district are eligible for a 75% tax abatement under the district's 1999 agreement with the City of Cincinnati. Under the framework established in the 1999 agreement, FC Cincinnati would make payments in lieu of taxes to CPS of only 25% of the total property taxes on the project – or \$2,044,891.98 per year on a \$250 million development. FC Cincinnati's proposal to pay \$750,000 per year is less than half of that amount.

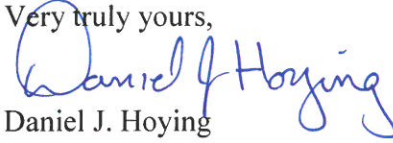
In the Board's view, FC Cincinnati should be required to pay an amount of property taxes that is consistent with the 1999 agreement framework – or \$2 million annually based on the Club's current estimated value of the new stadium. This would be consistent with property tax abatement incentives available to other developers in the city. As we discussed with you this afternoon, the Board would be willing to consider a deferred payment schedule proposed by FC Cincinnati provided the total amount paid is consistent with the amount that would be paid under the 1999 agreement.

The Board of Education also insists that FC Cincinnati negotiate a Community Benefits Agreement with the coalition of community organizations and residents that has formed in the neighborhood. Such an agreement is critical to the Board of Education reaching an agreement with FC Cincinnati.

Finally, FC Cincinnati has said that it will build a stadium to replace Stargel Stadium, but as of today, has not given the Board formal documentation of that transaction. With respect to the construction of a new Stargel Stadium, FC Cincinnati should commit to following the Board's policies, including its commitment to contract with local and minority suppliers.

The 5:00 p.m. deadline that FC Cincinnati imposed (for the first time) in its letter this morning was also unreasonable. The Board could not reach any final decision in executive session today, but is available to review and consider a final proposal as early as tomorrow afternoon or at the meeting scheduled on Wednesday, March 21.

Very truly yours,

A handwritten signature in blue ink that reads "Daniel J. Hoying". The signature is fluid and cursive, with the first name "Daniel" and last name "Hoying" clearly legible.

Daniel J. Hoying
General Counsel