An Analysis of the Feasibility of a Joint Economic Development District between the City of Brunswick and Hinckley Township

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The project staff of the Center for Public Management (PM) of the Maxine Goodman Levin College of Urban Affairs at Cleveland State University contributed to the development of this report. Authors and researchers of the report were Kevin O’Brien, Director; Claudette Robey, Assistant Director; Daila Shimek, Project Manager; Michael McGoun, Research Assistant; and Ryan Foster, Graduate Assistant.
EXECUTIVE SUMMARY

Joint Economic Development Districts (JEDDs) provide benefits to municipal corporations and townships looking to increase revenue and provide more extensive and efficient services to their residents. A common situation that welcomes the creation of a JEDD occurs where neither contracting entity has both the land and the infrastructure to secure further business development and growth; however the two entities together are able to produce both the land for the development and the infrastructure to support the development, as is the situation with the city of Brunswick and Hinckley Township.

There are both advantages and disadvantages to townships and municipalities in creating JEDDs. Advantages to the Township include increased revenue that is available through taxation. Because townships are prohibited from collecting income tax, the JEDD option proved an opportunity to increase a township’s revenue by establishing income taxes within the district as well as increase property taxes for land that had been previously vacant. A JEDD agreement provides benefits to contracting townships by prohibiting annexation by the city or village for a minimum of three years (Ohio Rev. Code § 715.70(B)(5)). Furthermore, the formation of a JEDD contract creates a cooperative arrangement with the municipal corporation. The increased revenue described above provides the township with the financial means necessary to increase public services to the residents of the entire township at no additional cost.

A municipality benefits from a JEDD as well. A JEDD agreement allows cities and villages to increase income tax revenue to support local area programs and services within the city or village. Municipalities can benefit from a joint economic development district through the extension of infrastructure utilities. This extension of infrastructure utilities allows cities and villages to generate additional revenue otherwise not available in areas where growth has limited the amount of expansion and new development in the municipality. Cities and villages can rely on the cooperative arrangements with townships created by the JEDD to help solve local economic issues.

The process of forming a JEDD is not simple. The multi-faceted formation process is strictly governed by several sections of the Ohio Revised Code (ORC). Despite the code’s strict control over several steps in the legal formation of a JEDD, it provides the contracting parties the authority to dictate a significant portion of the contract’s parameters.

The formation process of JEDDs is lengthy, timeframes range from 135 to 165 days from start to implementation. These timeframes can balloon if the parties involved do not act with urgency and efficiency throughout each step in the process. The timeframe estimates are made on the presumption that
contracting entities will complete each step as efficiently and quickly as legally possible.

If there are existing businesses within the JEDD boundaries, the township and city will need to communicate the benefits these businesses will derive from inclusion in the JEDD. This is important because the majority of these businesses will need to sign a petition in order for the JEDD to move forward. Other considerations, with regard to existing businesses, include how and whether they will be subject to the income tax. A few options include subjecting businesses to the tax upon approval of the JEDD, excluding them for a specific period of time by phasing in taxes or setting up an escalating tax schedule, or excluding them until the property changes ownership. The ORC does not mention businesses but rather makes specific reference to two distinct parties: business owners and property owners. The JEDD process requires that two petitions be submitted, one signed by the majority of business owners and the other by the majority of property owners.

If the city and township choose to move forward with the JEDD, there are other issues that will need to be addressed. These include determining who will be responsible for infrastructure and provide services to the area; police and fire, in particular.
INTRODUCTION

The Center for Public Management (PM) of the Maxine Goodman Levin College of Urban Affairs at Cleveland State University has assessed the feasibility of creating a Joint Economic Development District (JEDD) between the city of Brunswick and Hinckley Township. The leadership of the city of Brunswick and Hinckley Township intend to utilize the data, information, and analysis to guide their decision-making process with regard to the feasibility of creating a JEDD between the two jurisdictions.

The city of Brunswick, with an estimated population of 35,107 (uscensus.gov, July 2006), encompasses 12.52 square miles and is located in Northern Medina County. Hinckley Township is situated northeast of the city of Brunswick. The Township has an estimated population of 7,693 (uscensus.gov, July 2006) and encompasses five square miles. The two jurisdictions are considering the creation of a JEDD to facilitate economic development opportunities within Northeastern Medina County. The JEDD would establish a broader geography for economic development attraction and expansion opportunities within the Brunswick-Hinckley jurisdictions.

This report includes an analysis of the legal steps required in forming a joint economic development district, profiles of existing joint economic development districts, relevant sections of the city of Brunswick’s charter, and zoning and development issues facing the potential JEDD. The information presented in this report was collected through a series of focus groups with the leadership of the city of Brunswick and Hinckley township, extensive research of the various JEDDs, interviews with contacts at Hinckley and Brunswick, reviews of the Ohio Revised Code, and planning, zoning, and legislative data from the Township and City.

Methodology

A series of focus group sessions were conducted by the PM to aid the city and township in identifying goals and objectives, and discussing issues, concerns, and opportunities in creating a JEDD. Initial focus group sessions were conducted to help define both the City’s and the Township’s perceptions of this opportunity, both geographic and operational. Through the discussions, various concerns were identified:

- Ability to cooperatively manage growth within the JEDD
- Ability to delivery services needed/wanted by the current and future residents of the city and township
- Tax revenues
- Ability to attract higher paying jobs
- Threat of annexation to the township
- Balancing residential and other development
- Desire for non-intrusive development to the JEDD
- Increased demands on delivery of services
- Taxing of existing businesses within the JEDD

The focus groups also began to conceptualize the geographical location of the JEDD. The outcome of these discussions is found in the section entitled Zoning and Development Issues.

The PM conducted research to identify and profile the best practices among JEDDs. The profiles detail the successful program designs and strategies, management processes, and outcomes of the formation of these JEDDs. Interviews were conducted with individuals at each of the identified JEDDS to determine, first-hand, the experiences in the creating and implementation of a JEDD.

The list of Joint Economic Development Districts (JEDDs) to be interviewed and profiled was developed through an extensive search of available literature and documentation that addressed the subject, including legal papers, reports, news articles, and official documents pertaining to both existing and pending JEDDs. From these results, the profiled JEDDs were selected based on similar demographic characteristics with the city of Brunswick and Hinckley Township.

Information obtained from the literature review was supplemented with personal interviews conducted with local officials who had participated in the formation of their respective JEDDs, and/or were currently active in the administration of the JEDD. Interview questions were designed to learn more about the specific issues and challenges. Phone interviews were conducted with public officials from the following JEDDs:

- Olmsted Township-Olmsted Falls
- Brimfield Township-Kent
- Brimfield Township-Tallmadge
- Kent-Franklin Township
- Eaton Township-North Ridgeville

The PM conducted an extensive examination of the Ohio Revised Code and reviewed the City of Brunswick’s charter and enabling legislation of both the city and township to determine the legal parameters of creating a JEDD. Staff also reviewed the planning and zoning code and zoning maps of the township.
OVERVIEW OF LEGAL ISSUES AFFECTING FORMULATION OF A JOINT ECONOMIC DEVELOPMENT DISTRICT

A Joint Economic Development District (JEDD) is an agreement between one or more municipal corporations and one or more townships culminating in the creation of an entirely separate, yet mutually beneficial, political subdivision. The formation of a JEDD is governed by several sections of the Ohio Revised Code (ORC). Despite the code’s strict control over several steps in the legal formation of a JEDD, it provides the contracting parties the authority to dictate a significant portion of the contract’s parameters. This section provides a summary of the required elements of the JEDD formation process that are regulated by the ORC. It also discusses pending legislation introduced on February 20, 2007, which proposes several changes to JEDDs.

The introduction of JEDDs into Ohio law began in 1993 when the Ohio General Assembly passed legislation enabling municipalities and townships to contract with one another to cooperate regarding mutual concerns associated with diminishing local revenues, economic development, growth, and annexation pressures. Summit County was the first in Ohio to create such a district when the city of Akron formed several JEDDs with Springfield, Coventry, and Copley townships as an alternative to annexing parts of neighboring townships. Since then, more than 30 JEDDs have been established in Ohio with the purpose of cooperating with their neighbors to overcome diminishing revenues and increasing service demands of residents and facilitate growth and development.

The ORC, which has since seen several minor changes since its introduction (see Appendix B), governs each step of the formation process. In some instances, the code strictly defines the specific procedural measures, and in other instances, the code simply establishes the need for the required step, but leaves the intricacies of that step up to the contracting parties.

Distinguishing Sections 715.70 and 715.72 Governing JEDD Creation

Sections 715.70, 715.71 and 715.72 are the specific sections of the ORC relevant to JEDD creation and implementation. However, each section covers the creation and implementation of a different type of JEDD. Section 715.70 and 715.71 govern the creation of JEDDs within a charter county, a JEDD whose territory includes a municipal airport located on unincorporated land, a JEDD in a municipal corporation or township that is part of or contiguous to a transportation improvement district, and JEDDs between municipal corporations that have
previously entered into a contract creating a JEDD. This section of the ORC does not appear relevant to this situation\(^1\).

Section 715.72; however, seems to apply here. This section of the code provides for JEDD creation between municipal corporations and townships that are located in the same county or in adjacent counties. This section also provides that JEDDs be formed for the purpose of facilitating economic development by creating and preserving jobs and employment opportunities, and improving the economic welfare of the people in the proposed district, surrounding areas, and the state of Ohio.

**Distinguishing JEDDs from JEDZ**

It is important to emphasize the distinction between JEDDs and Joint Economic Development Zones (JEDZs). ORC § 715.69, which governs JEDZs, establishes the fine distinction between these two development agreements. It establishes that JEDZ are contracts entered into for similar reasons as JEDDs, but done so between two municipalities. Because of governing and taxing regulations of townships, the ORC establishes separate regulations for two or more municipalities to accomplish the same essential outcome as a JEDD. The code expresses the sharing of the cost of improvements between areas, and the facilitation of growth in commercial and economic development as the reasoning for entering into such an agreement.

**“Conditional Zoning” and “Contract Zoning” in Ohio**

Conditional zoning and contract zoning refer to whether a legislative authority can condition a land rezoning on the performance by the landowner of certain obligations. These types of arrangements can ensure the continuity of zoning over time. **Contract zoning** occurs when a property owner provides consideration to the local governing body in the form of a promise to do or not to do certain things with regard to his property, in return for rezoning. This form of agreement is viewed as bilateral, something in exchange for a promise.

**Conditional zoning** is applied in situations where a zoning ordinance is passed upon the condition that a landowner performs a certain act. This approach is considered a unilateral agreement. Both contract and conditional zoning allow a legislative body to overcome a major hurdle of rezoning and reduce the danger of unforeseen consequences to the municipality while giving it greater control over the detail of the development.

\(^1\) One major factor distinguishing §§715.70 and 715.71 from §715.72 is the incorporation of residentially zoned territory within the JEDD. While sections 715.70 and 715.71 allows for residentially zoned territory to be included in the JEDD territory, section 715.72 restricts residential territory from the JEDD
Courts generally disapprove of contract zoning (bilateral agreement) because courts do not like governments to bind themselves to the enforcement of zoning regulations. Conversely, courts do not consider conditional zoning to be a bargaining away of a City’s police power.

Ohio has little case law governing contract and conditional zoning; however, in *Hausman & Johnson Inc. v. Berea Board of Building Code Appeals*, the court held that such rezoning is a deviation from a basic plan and results in a non-uniform application of the zoning ordinance rendering it vague and invalid. In *Dyke v. city of Shaker Heights*, the court reasoned that a rezoning conditioned on density-limiting deed restrictions more stringent than the City’s zoning code did not result in the City’s bargaining away its police power. The subsequent granting of variances and approval of the site plan was not the result of a contract but of factual determination within the framework of the City code. The court distinguished between placing conditions on rezoning and bargaining away the City’s police power.

**The Impact of Existing Special Districts on the Creation and Implementation of JEDDs**

With the exception of ORC §§ 715.70(A)(3) and 715.71², the ORC does not indicate that a previously existing special district (transportation improvement district or TID, fire/emergency medical services (EMS) consolidation district, etc.) provides a legal barrier or impediment to the creation or implementation of a JEDD. However, this should not be interpreted to mean that no conflict exists between existing special districts and JEDDs, only that there is no general legal principle that creates the conflict. A potential conflict can exist; however, the conflict arises from the specific agreements (what is negotiated between the contracting parties) that create the districts (JEDDs, TIDs, Joint Fire/EMS, etc.). At this point, there is no leading precedent for this scenario.

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² These two sections of the Revised Code provide for the creation of a JEDD under specific circumstances in which "municipal corporations or townships that are part of a or congruous to a transportation improvement district created under Chapter 5540. of the Revised Code and that have created a joint economic development district under this section or section 715.71 of the Revised Code prior to November 15, 1995"
Rules and Regulations

Territory Requirements

The requirements regarding the JEDD territory are strictly regulated by ORC §§ 715.72(C)(1) and 715.73. Section 715.72(C)(1) requires that the territory of each contracting party be contiguous to the territory of at least one other contracting party (example #1 below). There is one exception to this requirement that allows incorporation of a party into the JEDD agreement, even if the party’s territory is not contiguous to that of another contracting township or municipal corporation. This is assuming the noncontiguous party is contiguous with the territory of a township or municipal corporation that is contiguous to another contracting party, even if the intervening township or municipal corporation is not a contracting party (example #2 below).

Section 715.73(A) requires that a JEDD be located within the territory of one or more of the contracting parties and may consist of all of that territory. However, ORC § 715.73(B) mandates that the territory not include existing residential areas or areas zoned for residential use. Section 715.73(C) of the ORC further stipulates that the area of a JEDD may not include any land owned in fee by, or leased to, a municipal corporation or township unless it is a contracting party or has consented to be included in the JEDD.

**EXAMPLE #1:**

**EXAMPLE #2 (EXCEPTION):**

Legend: **K**=Contracting Parties  
**N**=Non-Contracting Parties
FORMING A JOINT ECONOMIC DEVELOPMENT DISTRICT

Formation Procedure

Forming a JEDD is not an easy task. The multiple facets of the formation process contribute to its lengthy and unpredictable timeframe for completion. The step in the process, governed by ORC § 715.74, begins with the creation of the JEDD contract. This involves a series of meetings, negotiations, discussions, and legislative preparation. Though the ORC does allow for significant freedom in establishing the contract, there are specifics that must be included in the language of the JEDD contract including:

- Specific provisions for new, expanded, or additional services, facilities, or improvements, (ORC § 715.74 (A))
- The duties, powers, and functions of the JEDD board of directors (ORC § 715.74 (B))
- Procedures that are to govern the board (ORC § 715.74 (B))
- The specific amount and nature of the contribution of each contracting party (ORC § 715.74 (A))

The next step in the formation process, governed by ORC § 715.75, requires that all contracting municipalities and townships hold a public hearing for the purpose of promoting discussion of the contract and the JEDD arrangement. The public must be given 30 days notice. The public hearing must be publicly advertised within the municipal corporation or township through a local circular or newspaper. Following this hearing, representatives from the contracting parties should schedule time to review all input provided from the public and neighboring communities and amend the legislation as necessary.

During the 30 days prior to the public hearings, each contracting municipality and contracting township must separately provide the public with the opportunity to inspect the contract, including a description of the area to be included in the district, and a copy of the economic development plan for the district. This economic development plan must include access to the schedule of new services or facilities, the schedule for the collection of any income tax, and a description of the area to be included in the district, as well as an accompanying map. This public inspection process is governed by ORC § 715.75, which further mandates that the above materials be available in the office of the clerk of the legislative authority or the municipal corporation for a period of no less than 30 days.

Prior to the contracting parties approving the contract to create the JEDD, they are required to provide a copy of the contract to the board of county commissioners of each county in which a contracting party is located. Any
county in which a party is located may enter into an agreement with the contracting parties regarding the provision of services to the district by the county. Additionally, a county may enter in an agreement with the parties to extend services to the JEDD territory.

Pursuant to ORC § 715.76 and following the public hearings with each party, if they choose to approve the creation of the JEDD, they may adopt an ordinance or resolution to approve the JEDD contract and legally create the Joint Economic Development District.

Assuming all parties have passed the required ordinances or resolutions, ORC § 715.76 (A)-(G) mandates the joint filing of the following documents to the legislative authority of each county within which a contracting party is located:

- A signed copy of the contract
- A description of the area accompanied with a detailed map showing boundaries and zoning restrictions
- An economic development plan
- Certified copies of the ordinances or resolutions
- Certification from each contracting party that notice and a hearing were provided to the public
- Petition signed by a majority of the owners of property within the district
- Petition signed by a majority of owners of businesses, if any, located within the district.

No later than 10 days after these documents have been filed with the legislative authority of each county, each contracting party is required to notify all property owners within the district who had refused to sign the petition mentioned in the above documents. Notice must be circulated via certified mail and must specify that their property is included in the JEDD and that the available documents listed above are available for public inspection. The ORC mandates that the cost of providing this notice be equally shared among the contracting parties.

If the contracting parties fail to file all of the required documents listed above, the legislative authority of a county within which a contracting party is located may adopt a resolution disapproving the creation of the JEDD. Rejection by a county of a proposed JEDD can occur if the legislative authority of that county comes to the determination that parties entering into the agreement did not sign the contract freely and without duress or coercion.

Upon the approval of the JEDD by the legislative authorities of each county in which a party to the contract is located, a copy of each of the documents submitted to the county is to be filed with the Ohio director of development.
JEDD Time Frame

The nature of the JEDD formation procedure creates varying estimates as to the periods required for complete formation and implementation. The following table (Tables #1) represents a generic timeline of the procedure, while Appendix A displays a graphic representation of the timeline for completion according to the specific regulations mandated by the ORC.

**Table 1**

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Varies</strong></td>
<td>Begin discussions, negotiations, and meetings between parties.</td>
</tr>
<tr>
<td></td>
<td>Identify Territory for the District</td>
</tr>
<tr>
<td></td>
<td>Draft of Contract</td>
</tr>
<tr>
<td><strong>30 day minimum</strong></td>
<td>Inspection Period</td>
</tr>
<tr>
<td></td>
<td>Public hearing notice after contract is created</td>
</tr>
<tr>
<td></td>
<td>Review responses from public and make adjustments to the contract as necessary</td>
</tr>
<tr>
<td></td>
<td>Proposed Contract submitted to Board(s) of County Commissioners</td>
</tr>
<tr>
<td></td>
<td>Parties may adopt ordinance to approve JEDD</td>
</tr>
<tr>
<td><strong>10 day maximum after joint filing</strong></td>
<td>Upon approval of ordinance jointly file with each county in which a party to the contract is located</td>
</tr>
<tr>
<td></td>
<td>Notify land owners</td>
</tr>
<tr>
<td><strong>30 day maximum after filed with county</strong></td>
<td>JEDD approved</td>
</tr>
<tr>
<td></td>
<td>Submit copy of contract to Ohio Director of Development</td>
</tr>
<tr>
<td><strong>31 day minimum</strong></td>
<td>JEDD becomes law after 31 days after legislation is passed</td>
</tr>
<tr>
<td><strong>Roughly Day 135</strong></td>
<td>JEDD Effective</td>
</tr>
</tbody>
</table>

Governance

Pursuant to ORC § 715.78, the newly formed district must be governed by a board of directors selected and appointed pursuant to the provisions of the contract. The makeup of the board of directors, if there are businesses and people employed within the district, is dictated by ORC § 715.78(A)(1), requiring that the board be made up of a minimum of five members as follows:

(a) One member representing each of the municipal corporations that are parties to the contract (initial one year term)
(b) One member representing the townships that are parties to the contract (initial two year term)
(c) One member representing the owners of businesses located within the district (initial three year term)
(d) One member representing the persons working within the district (initial four year term)
(e) One member selected by the other four members (initial four year term)

After the initial term limitations, the term for each of the board members will be four years. Any member can serve more than one term, but no member can serve more than two consecutive terms.

If there are no businesses and no one employed within the district, the contract still dictates the process for appointment to the board; however, ORC § 715.78(A)(2) mandates that the board be comprised of the following:

(a) One member representing the municipal corporations that are parties to the JEDD agreement (initial one-year term)
(b) One member representing the townships that are parties to the JEDD agreement (initial two-year term)
(c) One member selected by the township and municipal corporation representatives (will serve as chairperson) (initial three-year term)

Following the completion of the initial term, all members will be appointed to a four-year term, and though a member can be appointed for more than one term, no member can serve more than two consecutive terms.
Powers of the JEDD Board and Taxation

The ORC reserves a majority of the JEDD board's powers for the contracting parties to define within contract. Ohio Revised Code § 715.74(C)(1) states that the contract may include the power to levy income taxes for the purpose of the district and the participating parties, provided the proposed tax is presented to and voted on by the electors residing in the district. Any income tax must apply to either the entire district or any portion of the district defined by the contract as the designated taxing area for the duration of the JEDD contract. If an income tax resolution is adopted, ORC 715.74(C)(2) requires that an agreement with a contracting municipal corporation be arranged for the administration, collection, and enforcement of the district's income tax. Any income tax levy requires that the contracting parties set aside an annual portion of the tax revenue to be reserved for maintenance and operation of the JEDD (ORC § 715.74(C)(3)).

In addition, the JEDD contract can provide the JEDD board with control over zoning, building codes, public improvements, and regulatory matters determined to be for the public purpose, as well as the power to limit annexation of unincorporated territory within the JEDD, and the power to limit the granting of tax abatements and incentives within the district.

JEDDS and Annexation

ORC § 715.79(A) stipulates that no proceedings pursuant to Chapter 709 of the ORC may propose the annexation to, merger of, or consolidation with a municipal corporation of any unincorporated area within a JEDD for a period of at least three years. ORC § 715.79(B) expands this stipulation by clarifying that the three-year period is only a minimum, and provides the contracting parties with the option to prohibit any annexation, merger, or consolidation by a contracting municipal corporation of any unincorporated territory within the district beyond the three-year period.

The three-year minimum stipulation does not apply in two situations. First, if the JEDD contract is terminated, the three-year annexation, merger, and consolidation freeze is void. Second, the annexation, merger, and consolidation freeze is also void when each board of township trustees whose territory is included within the district and whose territory is proposed to be annexed, merged, or consolidated adopts a resolution consenting to the proposed annexation, merger, or consolidation.
Pending Legislation

On February 20, 2007, the 127th Ohio General Assembly introduced House Bill 11, proposing several changes to JEDDs:

1. Expand the municipalities and townships with which a joint economic development district can be created under the first two of the three methods by which a JEDD can be created.

Analysis: “Currently, a JEDD can be created in a municipality or township, under either the R.C. 715.70 or the R.C. 715.71 procedure, only if one of the following applies:

(1) The municipality or township is within a county that has adopted home rule.

(2) The municipality or township creates a JEDD that is comprised entirely of real property that is owned by a municipality at the time the JEDD is created, and that includes an airport that is owned by the municipality and located entirely beyond the municipality's corporate boundary.

(3) A municipality or township that is part of or contiguous to a transportation improvement district and that created a JEDD before November 15, 1995.

(4) A municipality that previously entered into a contract creating a JEDD under (2) above, even if the territory to be included in the new JEDD does not meet the requirements of (2) above.

The bill removes these four limitations, thus expanding the municipalities and townships within which JEDDs can be created. The bill declares that the expansion, which applies to both the R.C. 715.70 and the R.C. 715.71 procedures, is an alternative to the procedure for creating a JEDD under R.C. 715.72 to 715.81. (R.C. 715.70(A) and (B)(1).)”

2. Prohibit a JEDD created under the first method from including areas zoned for residential use.

Analysis: “Currently, a JEDD cannot exceed 2,000 acres in size, and a JEDD cannot completely surround territory that is not included within its boundaries. The bill adds that a JEDD cannot include any area that has been zoned for residential use, and requires that the petition for creation of a JEDD include a statement
that the proposed JEDD does not include any such area. (R.C. 715.70(B)(3) and (C)(1)(a)(i).) This additional requirement, like the existing ones, applies only to JEDDs that are created under R.C. 715.70, and not to JEDDs that are created under R.C. 715.71. (R.C. 715.71(A)--not in the bill.)."

3. Permit disapproval under the first method of a JEDD contract that does not exclude certain tax levies from the tax exemption provided by the JEDD.

Analysis: “The bill authorizes, but does not require, the legislative authority of each county within which a party to a proposed JEDD contract is located to disapprove a petition for the creation of the JEDD if the contract creating the JEDD does not specify that tax levies for the following purposes will be excluded from the tax exemption allowed under the JEDD and that, for the duration of the JEDD contract, revenues from taxes for the following purposes will be distributed to political subdivisions as otherwise provided by law:

(1) General construction, reconstruction, resurfacing, and repair of streets, roads, and bridges in municipalities, counties, or townships;

(2) Parks and recreational purposes;

(3) Maintenance of a county home or detention facility;

(4) Community mental retardation and developmental disabilities programs and services;

(5) Providing or maintaining senior citizens services or facilities;

(6) Provision and maintenance of zoological park services and facilities;

(7) Establishment and operation of a 911 system;

(8) A county-wide public safety communications system;

(9) Support by a county of criminal justice services;

(10) Maintaining and operating a jail or other detention facility;

(11) A board of county commissioners in acquiring agricultural easements and in supervising and enforcing agricultural easements;
(12) County hospitals;

(13) Alcohol, drug addiction, and mental health services;

(14) Libraries; and

(15) Support of children services and the placement and care of children. (R.C. 715.70(C)(2).)

This potential restriction applies only to JEDDs that are created under R.C. 715.70, and not to JEDDs that are created under R.C. 715.71 or R.C. 715.72 to 715.81. (R.C. 715.71(A)--not in the bill.)."

4. Require additionally published notice of the hearing on the creation of a JEDD, and requires notice of the hearing to be mailed to each property owner in the proposed JEDD—both under the first method.

Analysis: "Before the legislative authority of a municipality or the board of township trustees of a township can pass an ordinance or resolution approving a contract creating a JEDD, the legislative authority or board must each hold a public hearing on the contract. Thirty days' notice of the hearing must be provided in a newspaper of general circulation in the municipality and township. The bill specifies that this publication must be once a week for a period of three consecutive weeks before the hearing.

The bill also requires notice of the hearing to be mailed, by regular mail, to each property owner in the proposed JEDD at least 30 days before the hearing. (The notice is to be mailed to the property owner's address that appears on the county auditor's current tax list.) The property owner is required in turn to notify any lessee of the property of the information contained in the notice. (The notice must include a statement of this requirement.) (R.C. 715.70(D)(2)(a) and (b).)

The petition asking the legislative authority or board of township trustees to approve a JEDD contract must contain evidence that notice by publication and by mail both have been given. (R.C. 715.70(C)(1)(b)(iii).) The bill specifies, however, that an error, irregularity, or defect in any notice does not render a contract creating a JEDD invalid, so long as the contract has been approved by the legislative authority or board of township trustees and signed by all of the participating municipalities and townships. (R.C. 715.70(D)(2).)
The expanded notice requirements apply to JEDDs that are created under R.C. 715.70, and not to JEDDs that are created under R.C. 715.71. (R.C. 715.71(A)--not in the bill.)."

5. Specifies that a defect in a notice does not render the JEDD contract invalid.

6. Permit an executive session under the Open Meetings Law to consider entry into a JEDD or a cooperative economic development agreement.

Analysis: “Under the Open Meetings Law, a public body can hold a closed executive session only after a majority determines at a regular or special meeting, by a roll call vote, to hold such a session, but only with regard to certain specified matters. The bill adds to the matters with regard to which an executive session can be held to include the consideration of negotiated terms and other matters related to becoming part of a JEDD or entering into a cooperative economic development agreement. This inclusion applies to all three methods of creating a JEDD. (R.C. 121.22(G)(8).)”
RELEVANT SECTIONS OF THE CITY OF BRUNSWICK’S CHARTER

While sections of the ORC govern the methods by which JEDDs are formed, City charters may also contain elements that could affect the creation and operations of a JEDD. Sections of the city of Brunswick’s charter that may be relevant to forming a JEDD include, but are not limited to, those discussed here.

The following sections of the charter address particular elements of the City’s legislation that may influence the formation of a JEDD. Sections 3.14(7) and (8) as well as Section 3.15 of the city of Brunswick’s charter govern the creation of City ordinances. This is relevant to the JEDD process because the first step in the formation of a JEDD requires each municipal corporation to pass legislation allowing them to enter into a JEDD contract. This legislation must be enacted pursuant to the charter regulations set forth by the municipal corporation.

Sections 5.07 and 6.02 below govern the responsibilities of the City’s planning department and the planning commission. The selected sections focus on the department and commission’s role with regard to the City’s planning endeavors and economic development schemes, both relevant in the formation of JEDDs.

Sections 3.14(7) and (8)
ACTIONS REQUIRING AN ORDINANCE
“In addition to other acts required by the law of the State of Ohio or by specific provision of [the city of Brunswick] Charter to be done by ordinance, those acts of the City Council shall be by ordinance…7. Convey or lease or authorize the conveyance or lease of any lands of the City as provided in Article VIII; 8. Adopt with or without amendment, ordinances proposed under the initiative power [ ].

Section 3.15
ORDINANCES AND RESOLUTIONS IN GENERAL
a. Form
Every proposed ordinance or resolution shall be introduced in writing in the form required for final adoption and may, unless a full reading of same is requested by a majority vote of the Council, be read only by its title at first, second and third readings. No ordinance or resolution shall contain more than one subject, except those ordinances of codification or recodification, which shall be clearly expressed in its title. The enacting clause shall be, “The Council of the city of Brunswick hereby ordains...” or “The Council of the city of Brunswick hereby resolves...,” as appropriate. In the case of any part of the City Code which is to be repealed or amended, it shall be sufficient to state in the ordinance repealing or amending such section(s)
or subsection(s) only the part being repealed or amended, after stating the original ordinance number, title, section and/or subsection, or by stating only the ordinance number and title to be repealed, should it be repealed in its entirety.

b. Procedure
An ordinance or resolution may be introduced by any member of Council, or by the Mayor, at any regular or special meeting of the Council. It shall first be submitted to the Law Director for review and drafting in legal form before presentation to Council. Upon presentation of any ordinance or resolution, the Clerk of Council shall distribute a copy to each Council member and to the Mayor, and shall file a reasonable number of copies in the office of the Clerk of Council. As soon as practicable after adoption of any ordinance or resolution, the Clerk shall have it published together with a notice of its adoption. Except as otherwise provided in this Charter, no ordinance or resolution shall be adopted unless read once during each of three Council meetings on different dates.

Section 5.07
DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT
b. Duties
The Director shall perform administrative and professional services in directing the activities of the Planning and Community Development Department, shall assist with economic development; and shall assist in plans, direction, and coordination of the activities of the Planning and Community Development Department including review of technical activities of planning, development, redevelopment, and coordinating development with the Administration and with the various Boards and Commissions of the City. The Department of Planning and Community Development will prepare comprehensive planning studies and special reports for the City Manager, the Planning Commission, the City Council, and other Boards and Commissions of the City.

The Director of Planning and Community Development will attend Council meetings and meetings of other Boards and Commissions as directed by the City Manager.

Section 6.02
CITY PLANNING COMMISSION
b. Powers and Duties
The Planning Commission shall conduct studies and surveys, and prepare plans, reports, and maps relative to the overall planning of the growth, development, redevelopment, rehabilitation and renewal of the City; and make such recommendations relative thereto to the Council as it feels are in the best interest of the City.
Other powers and duties of the Planning Commission shall include those established by this Charter and by the Council by ordinance, but until such ordinances shall be passed, it shall possess such other powers and duties as are provided by the general laws of Ohio to the extent that such general laws do not conflict with the provisions of this Charter.

c. Public Notice
1. Before any approval on matters of rezoning can be given by the Planning Commission:
   A. A public hearing shall be held; and
   B. Public notice including the time and place of the hearing, shall be given at least thirty (30) days prior to the hearing in a newspaper of general circulation within the City.
2. If the ordinance, measure, or regulation intends to rezone or redistrict ten (10) or less parcels of land as listed on the tax duplicate, written notice, at least twenty (20) days before the public hearing, by certified mail, return receipt requested, shall be given to property owners within 500 feet from such parcel or parcels. The calculation of the 500 feet shall not include the width of any public right of way such as, but not limited to, any avenue, street, roadway, highway or interstate.
3. Notices by mail shall be delivered to the addresses of such property owners appearing on the county auditor’s current tax list, or the county treasurer’s mailing list, and to such other list or lists that may be specified by the Council.
4. At least thirty (30) days prior to the hearing, the text or copy text of such ordinance, measure, or regulation, together with the maps or plans, or copies thereof, forming part of or referred to in such ordinance, measure, or regulation and the maps, plans, and reports submitted by the Planning Commission shall be on file for public examination in the office of the Clerk of Council or in such other office as designated by Council.
5. No ordinance, measure, or regulation which violates, differs from, or departs from the plan or report submitted by the Commission shall take effect unless passed or approved by at least five (5) members of Council.
6. No ordinance, measure, or regulation which is in accordance with the recommendations, plan, or report submitted by the Commission, shall be deemed to pass or take effect without the concurrence of at least a majority of all members of Council.
There are three general trends that have driven the formation of Joint Economic Development Districts. The first of these trends is the desire for general economic development, those cities and townships simply seeking greater tax revenue through the development of JEDD land. The second trend is based on employer and job retention. In these cases, cities and townships look to form a JEDD in order to allow plants and businesses to expand and ultimately retain the jobs and revenue within the area. The third trend in JEDD formation is annexation avoidance. For many JEDD parties, the initiation and implementation of the JEDD agreement is generated by fears of annexation. The parties use the JEDD agreement to combat the threat of annexation and provide both entities with the economic benefits of development. Discussion and examples of these trends are below. Examples of JEDD contracts can be found in Appendices C, D, and E, with detailed profiles of these JEDDS in Appendix F.

General Economic Development

**Butler Township-Dayton JEDD (Montgomery County)**

The city of Dayton and Butler Township created a JEDD to promote economic development of properties around the Dayton International Airport. There are currently over 760 acres of land available within the JEDD, all of which are zoned commercial and industrial. The city of Dayton and Butler Township will share income tax and property tax revenues within the district, and work together to provide other services in the district as well.

**Olmsted Falls-Olmsted Township JEDD (Cuyahoga County)**

The parties involved in this JEDD include the city of Olmsted Falls and Olmsted Township. The current JEDD area includes approximately 243 acres, with a potential JEDD expansion area of 142 more acres included in a proposed master development plan. This 385-acre site is located in Olmsted Township and is the largest tract of undeveloped land in Cuyahoga County. In early 2006, the JEDD issued a request for proposals (RFP) seeking proposals from master plan developers for the purchase and development of property within the JEDD into an industrial/business park. The concept plan for the JEDD includes the use of “industrial flex space such as office space, warehouse, light industrial, and entrepreneurial users.” It is anticipated that the new development could accommodate a variety of business uses, from “specialty retail and personal services through distribution to light industrial.”

The Olmsted Falls and Olmsted Township JEDD was generated by initial talks seeking additional revenue for an economically struggling school district.
Though this JEDD is currently in the beginning phases of development, estimates show tax revenues of over one million dollars each year.

**Northern Pickaway County JEDD (Franklin, Pickaway Counties)**

The parties involved in this JEDD include the city of Columbus, village of Ashville, village of South Bloomfield, and Harrison Township. A primary objective of this JEDD was to facilitate the development of an advanced intermodal facility in Northern Pickaway County, specifically the area around Rickenbacker Airport. It is estimated that the JEDD could help foster the creation of 69,000 new jobs and $9 billion in new capital investment over the next 30 years for this area. Designs for this initiative include the completion of an extensive complex that will offer air, rail, and truck transportation, workforce training, and education and research facilities to develop the latest innovations for logistics management, all while utilizing this central and strategic location in the Midwest. It is anticipated that the first phase of the Norfolk Southern Intermodal facility will bring investment of $33 million and create up to 300 jobs. In October 2007, the Pickaway County Board of Commissioners unanimously approved the JEDD agreement – the last step in the formal creation of the JEDD. An example of Northern Pickaway County’s JEDD agreement can be found in Appendix E.

**Employer/Job Retention**

**Perrysburg-Toledo JEDD**

Competition for businesses to relocate or expand in certain areas can lead to tension among local communities seeking development within their borders. A recent example of this occurred in the city of Toledo, where there was some question concerning whether a local employer (FedEx Ground) would remain in northwest Ohio. One potential scenario that was initially discussed was the possibility of the company moving to nearby Perrysburg Township. As expected, Toledo officials did not welcome this news, and it became a point of contention, with the mayor accusing Perrysburg Township of “poaching” City businesses.

A solution was reached in late 2007 when the City and township agreed in principle to a joint economic development district in which both parties would share revenue from a 2.25 percent payroll income tax. In October 2007, FedEx Ground signed a $4.6 million land deal to build a new regional hub in Perrysburg Township. It has since been reported that if the $87 million new hub were built, it would retain the existing jobs and potentially add as many as 200 more in three to four years, depending on business demand.

**Geneva-Harpersfield JEDD II (Ashtabula County)**

In early 2006, the city of Geneva and Harpersfield Township formally created a second joint economic development district (JEDD II) in order to...
provide sanitary sewer service to the township’s prime commercial and industrial land. One of the major employers within the JEDD area is Nordic Air, which manufactures air conditioning, heating and filtration equipment for heavy industry and the U.S. military. After Nordic Air secured a five-year $45 million contract with the U.S. Marine Corps, a needed plant expansion became dependent upon an extension of the City’s sewer system into Harpersfield. Construction of the new JEDD II sewer line was recently completed with final testing done in October 2007. The JEDD area covers 330 acres and includes 28 properties on both sides of Route 534.

**Annexation Avoidance**

A valuable aspect of a JEDD is that it can often provide a workable solution to economic development barriers that may exist. In many cases, it has been a mutually beneficial mechanism for municipalities and townships, and has averted the inherent tensions involved in annexation fights that sometimes fester between communities (usually involving a municipality’s efforts to annex a portion of a township). It is common for specific JEDD agreements to include provisions within their contracts that formally restrict annexation between communities, sometimes for long periods of time, such as 50 years or more.

While these restrictions are common, there are certain circumstances where annexation can still occur, and may even be agreed to by both parties within specific parameters. The following examples highlight a few instances where annexation can still occur among JEDD parties, sometimes to their mutual benefit.

**Macedonia-Northfield Center JEDD**

While restrictions to annexation are frequently spelled out within the contractual framework of each individual JEDD agreements, allowing a limited form of property annexation to enhance development efforts can also be utilized by JEDD participants. In at least one case, two JEDD partners have mutually agreed to allow one party (a City) to annex a portion of land from the other party (a township) so that a development funded by tax increment financing (TIF) could move forward. This scenario unfolded in the Macedonia-Northfield Center JEDD, where in 2007, JEDD board members approved a plan to annex more than 200 acres of land in Northfield Center Township into the city of Macedonia. This mutually agreed-upon contractual annexation would then allow continued efforts to build a professional soccer stadium within the area.

**Perry Township-Navarre JEDD**

Another instance where annexation can serve the mutual benefit of JEDD parties has recently occurred in Stark County, between the Village of Navarre and Perry Township. In 1996, the Perry Township-Navarre JEDD was created
between Perry Township and the Village of Navarre, both located in Stark County. More recently, the nearby city of Massillon had announced that it wants to annex 259 acres of Perry Township that is needed for expansion plans for a local business (Shearer’s Foods). A portion of the land within the annexation petition sits within the Perry Township-Navarre JEDD.

Current state law prohibits land within a JEDD from being annexed during the first three years of the district. However, after three years, the land may be subject to annexation by a neighboring municipality. While the Village of Navarre had agreed not to annex any land within the JEDD over the life of the contract, Stark County Commissioners would have the final say on the city of Massillon’s annexation request.

However, in a preemptive move to thwart Massillon’s bid to annex this land, the Village of Navarre council and Perry Township trustees recently approved an agreement to allow the village to annex this land from the township. In essence, this move was done to keep the JEDD intact and prevent Massillon from annexing the same land. As a result, only about one-third of Massillon’s original annexation went before the Stark County Commissioners in late November 2007.

A similar situation also developed for the city of Massillon about 10 years ago when the Sterilite Corp. wanted to build on land that sits within the Perry Township JEDD. After a lengthy litigation process – in which the land in question was ultimately annexed – an appeals court ruled that the annexed land was still subject to taxation by the JEDD. As such, Sterilite was subject to a 1.8 percent income tax – with 1.5 percent going to the JEDD and the City receiving 0.3 percent

**Annexation Restrictions**

Though the ORC mandates that JEDD agreements include a three-year freeze on all annexation attempts, the majority of JEDD agreements contractually extend this freeze for the duration of the contract, typically 50 to 100 years. The city of Tallmadge and Brimfield Township agreed on a 99-year contract with an annexation freeze on all JEDD land for the duration of the contract.

The JEDD’s governing board is also empowered with a significant level of freedom to zone and tax the district. For example, the JEDD agreement between the city of Olmsted Falls and Olmsted Township focuses on benefiting the community with more than increased revenue. The JEDD board is regulating the type of development to be placed in their district, specifically mandating that it be light industrial or professional with specific intent to exclude all major or “big-box” retail. This was done to preserve the community by prohibiting destructive competition to the area’s small local businesses.
Revenue Sharing and Contractual Responsibilities

The ORC leaves the revenue sharing portion of the JEDD agreement to the discretion of the contracting parties. In addition, all JEDD agreements must clarify the roles, responsibilities, and contributions of each contracting party pursuant to the ORC. Many JEDD agreements call for the township to donate the land, while the City is responsible for supplying the infrastructure (sewer and water) to the district; however, this is not always the case.

Brimfield-Kent/Brimfield-Tallmadge

Revenue sharing within these two JEDDs is not identical, despite being modeled after one another. The Tallmadge-Brimfield JEDD requires an equal split of income tax revenue from the JEDD district, while the Kent-Brimfield JEDD provides the city of Kent with a larger share (55 percent) and the township the remaining share (45 percent).

Brimfield Tallmadge

The JEDD agreement between Brimfield Township and the city of Tallmadge called for contributions from both parties. Brimfield Township was contractually required to provide the land for the JEDD. The city of Brimfield is responsible for providing water and sewer services if necessary; however, Portage County has agreed to supply the services and based on the size of their water supply infrastructure, it is more efficient for them to contribute this necessary piece. In addition, the City is responsible for generating economic development within the district by bringing retailers and businesses to the development.

Liverpool and Liverpool Township

In the Liverpool JEDD, the city of Liverpool and Liverpool Township agreed to equal shares of 75 percent of the JEDD revenue. The remaining 25 percent is earmarked for short-term and long-term operation of the JEDD.

Liberty Township JEDD I

Not all JEDD agreements include equal tax revenue distribution. In the Liberty Township JEDD I, Liberty Township receives 83 percent of the tax revenue with the city of Middletown and the city of Mason receiving two percent and 15 percent respectively. In addition, all parties are required by the JEDD agreement to allocate a prorated portion on their net income tax to the JEDD board of directors to cover operating expenses of the JEDD.
Dayton-Butler Township JEDD

The JEDD agreement between the city of Dayton and Butler Township calls for an equal split of a 1.75 percent income tax to be levied within the JEDD. In addition, the equal split provision applies to the property taxes levied by the township. According to BizBites (September 29, 2006), a weekly update of business and job development in the city of Dayton, the agreement requires the township to collect the property taxes, including personal property taxes, and distribute 50 percent of the revenue to the city of Dayton.

Toledo-Perrysburg Township

In an attempt to keep FedEx in the area, Perrysburg Township and the city of Toledo agreed on a revenue sharing plan that would allow FedEx the flexibility to move to a larger site in Perrysburg Township without hurting the city of Toledo. The agreement called upon Perrysburg Township to provide the land for the JEDD while the city of Toledo provided the infrastructure. The city of Toledo would continue to receive its current tax revenue of $200,000 per year, and any tax revenue generated from additional FedEx growth would be split between the two parties.

Akron-Springfield

The JEDD created between the city of Akron and Springfield Township established that the city of Akron would supply the water and sewer infrastructure to the district in exchange for income tax revenue earned within the district. Springfield Township donated the land. In return, the Township will receive from property taxes from the land within the district.

Taxation

The ORC allows the contracting parties discretion over the taxing of the JEDD. This discretion is left to the JEDD board. However, the ORC does mandate that the tax rate of the JEDD not exceed the tax rate levied within the City.

Brimfield-Kent/Tallmadge (escalating tax schedule)

Brimfield Township, in their JEDD agreements with both the city of Kent and the city of Tallmadge, were forced to alter their tax schedule to appease businesses in the district. The agreement authorized a two percent income tax on all businesses within the district; however, concerns from the local business community forced the parties to sit down and negotiate new terms. The amended agreement called for an escalating tax schedule, in which the tax rate in the initial year would be one quarter of one percent and would consistently increase until the year 2024, at which point it reaches two percent. Between
2024 and 2028, the tax rate remains constant at two percent. For each additional year of the contract, the tax rate will be equal to two percent or equal to the current municipal tax rate at that time. This escalating schedule allows businesses to adjust to the additional tax, thus relieving them of an immediate two percent income tax.

**Lessons Learned from Existing JEDDS**

**Successes**

**Akron-Copley (economic benefits)**

Townships in Ohio do not have legal authority to levy income taxes, but JEDD governing boards can levy such taxes. As such, the opportunity for townships to share in additional tax revenue created through a JEDD is a valuable and attractive benefit. With regard to the Akron-Copley JEDD, Copley Township reports that in 2006, it received $190,462 from the City for its share of JEDD-generated income taxes for the year. In addition to new jobs and tax revenue benefits, the JEDD brought much-needed infrastructure to township residents. As part of the Akron-Copley JEDD, the city of Akron has installed more than $9.5 million in sewer lines and $11.3 million in water lines in the township.

**Toledo Monclova Township (Economic Benefits)**

Developed in the 1980s, as a result of a failed annexation attempt, this JEDD is now generating over $600,000 in annual tax revenue for the city of Toledo.

**Liberty Township (Economic Benefits)**

Estimates for the new JEDD between Liberty Township, city of Middletown, and the city of Mason project annual tax revenue of $6 million - $11.2 million, depending on the density of the development.

**Tallmadge-Brimfield (Development of Relationship)**

The city of Kent and Brimfield townships have, through the formation their JEDD, developed a strong working relationship in which to pursue further joint agreements and support a successful JEDD. The close relationship cultivated between these two municipalities through their JEDD formation provided amicable working conditions that lead to the successful implementation and operation of their JEDD. Additionally, this strong relationship can be used to create additional JEDDs in the future or alternative agreements, such as joint fire districts.
Olmsted and Tallmadge-Brimfield (Overcome Financial Strains)

In some situations, like those existing in the Olmsted-Olmsted Falls and Tallmadge-Brimfield JEDDs, financial strains can be overcome through the creation and implementation of JEDDs. Both JEDDs involve townships with strained finances making it difficult to pay their basic expenses (police, fire) or their inability to complete capital projects, such as fire stations, municipal buildings, and roads.

Challenges

Boston Township-Cuyahoga Falls (Mistaken Assumptions)

In 2006, voter approval was given to the creation of a JEDD between the city of Cuyahoga Falls and Boston Township, both located in Summit County. Cuyahoga Falls officials had agreed to the JEDD agreement more than two years earlier when Boston Township officials agreed to an annexation request for 96 acres that would be slated for the anticipated Hidden Lakes housing development.

However, a mistaken assumption made when the JEDD agreement was being formed was that the sewer line that would serve the new development and the commercial part of the JEDD area belonged to the city of Cuyahoga Falls. Based on this assumption, Cuyahoga Falls officials agreed to extend sewer service to these areas. This assumption went uncorrected - even by county officials who were consulted during this process. It was later made clear that this sewer line was not owned by the City, but by Summit County.

As such, it will now take time for sewer service to become available to the JEDD area. The Hidden Lakes development was scheduled to be the last addition to the existing sewer line, but the JEDD would have to wait until a new pumping station is constructed on Seasons Road. However, it has also been reported that the county would not start construction of the new pumping station until a portion of nearby Stow - which would also be served by the new pump station - is further developed. As such, county sewer service has been delayed, and may not be available to the JEDD for a few years.

Olmsted Township-Olmsted Falls (20 Year Development Timeframe)

Completing the JEDD agreement is a lengthy process in itself; however, the completion of the development of the JEDD can also be a lengthy process. From the early stages of JEDD creation, the city of Olmsted Falls and Olmsted Township anticipated a 20-year development timeframe. This meant that both contracting parties were aware, at the time of the agreement, that the development of the selected JEDD area would not see completion for 20 years. This does not discard the potential for evolving development during the 20-year
timeframe; however, this evolving development approach will affect the immediate financial return expected at the time of agreement. This timeframe has since been extended indefinitely due to unexpected delays in planning and development agreements.

**Olmsted Township-Olmsted Falls (Landowner Control)**

The unexpected delays expressed in the above example are due to issues regarding development. The owners of the largest plots of land within the designated JEDD territory are seeking exclusive development rights of the JEDD area despite signing off on the JEDD agreement. This group of landowners has created its own development corporation and is seeking exclusive control over the district’s development. This has held up development and significantly impaired any immediate tax revenues anticipated by the JEDD parties.

**Geneva Harpersfield (Implementation Costs)**

Implementing a JEDD can have significant costs. In the Geneva-Harpersfield JEDD, Geneva contracted to provide 11,500 feet of sanitary sewer to the district of a total cost of $1.8 million. The $1.8 million implementation price tag, not including the costs of engineering, permits or surveying, was partially subsidized by a $500,000 community development block grant from the Ohio Department of Development for the sewer lines.

**Olmsted Township-Olmsted Falls (Implementation Costs)**

In the Olmsted Township-Olmsted Falls JEDD, the two parties split the implementation costs of nearly $150,000. For many of these towns, fronting the entire cost of expenses associated with the implementation of the JEDD is not an option. For that reason, they rely on local and state assistance.
ZONING AND DEVELOPMENT ISSUES

Zoning and Land Use Overview: Brunswick-Hinckley JEDD

All participants in the JEDD focus group highlighted similar areas for the location of the JEDD. The proposed JEDD area, as identified by the JEDD focus group, is in Hinckley Township, east of West 130th Street, and north and south of Route (Rt.) 303. It is outlined on the zoning map as well as the aerial presented later in this summary.

The JEDD area identified by focus group participants is zoned for several different uses. The area south of Rt. 303 is zoned primarily for light industrial (6I-A), and residential (R-1), with some zoning for general business (B-1) use. Areas north of the Rt. 303 are zoned primarily light industrial (6I-A and 6I-B), with some residential. Hinckley Township's code permits the following uses in these districts:

- **R-1 Residential District**: accommodates residential development at a low density that will promote the continuation of the predominately rural residential character. Permitted uses include detached single-family dwellings, recreation areas and facilities for use of residents, and open space and common areas.

- **B-1 General Business District**: provides locations for a variety of office and commercial businesses and services to meet the trade needs of the Township while maintaining the community's traditional, rural character. Principal uses permitted in this district include offices; professional; retail and personal services; restaurants; funeral homes; banks/saving and loan associations; and indoor recreation. Hinckley's Code also provides for several conditional uses in this district.

- **6I-A Light Industrial District**: encourages the development of manufacturing and business establishments which are clean, quiet, and free of hazardous or objectionable elements, such as noise, odor, dust, smoke, or glare and which operate entirely within enclosed structures and generate little industrial traffic. Permitted uses include light manufacturing; research activities; building construction contractors; printing, publishing or engraving plants; equipment repair services; oil and gas wells; repair and sales of commercial vehicles and sexually oriented businesses. There are a few conditionally permitted uses as well.

- **6I-B Light Industrial District**: provides for the same uses as the 6I-A district, with the exception of the additional language that the use should be suitable for locating in proximity of residentially zoned areas. Permitted
uses include offices, research facilities, intra-company distribution warehouses, and oil and gas wells.

Zoning Districts within the Focus Group Proposed JEDD Area

Both current land use and zoning may affect the final boundaries of the JEDD. The Google Maps aerial image below provides a sense of the current
uses in the proposed JEDD area including several parcels with undeveloped land, residential, commercial and light industrial uses.

**Aerial View of JEDD Area Proposed by Focus Group**

Depending on legal counsel’s interpretation of ORC 715.73(B), “No electors shall reside within the area or areas and no part of the area or areas shall be zoned for residential use,” the City and Township may need to adjust the final JEDD boundaries to exclude the parcels with residential uses. At a minimum, the JEDD cannot include the parcels zoned for residential use. If the City and Township feel the residentially zoned parcels are important to include in the JEDD area, the zoning must be changed to nonresidential.
A consideration in determining the boundaries of the JEDD is maximizing the economic impact of the JEDD. With this in mind, the Township and City may want to consider expanding the JEDD to include larger parcels of undeveloped land to the north of the proposed area (to Babcock Road), and to its southernmost border along West 130th Street. If the City and Township expand the JEDD to include these areas, much of the zoning would need to be changed to nonresidential.
APPENDICES

Appendix A: JEDD Implementation Timeline

Appendix B: JEDD Legislative Timeline

Appendix C: Example JEDD Contract (Kent-Franklin)

Appendix D: Example JEDD Contract (Amherst-Lorain)

Appendix E: Example JEDD Contract (N. Pickaway County)

Appendix F: JEDD Profiles
APPENDIX A: JEDD IMPLEMENTATION TIMELINE
APPENDIX B: JEDD LEGISLATIVE TIMELINE

March 15, 1993

July 22, 1994
Ohio’s 120th General Assembly, during the 1993-1994 regular session, enacted Ohio Rev. Code § 715.71 (House Bill 715) providing alternative procedural requirements to those set forth in section 715.70. Furthermore, this bill ratified §§ 715.70(A), (C)(1), (H), (I), (J) to reflect the addition of alternatives in § 715.71. These changes were effective July 22, 1994

September 12, 1994
Ohio’s 120th General Assembly, during the 1993-1994 regular session, enacted House Bill 790, providing language-clarifying changes to Ohio Rev. Code §§ 715.70(A)(1)-(3), (B)(5), (C)(1)-(2).

August 22, 1995
Ohio’s 121st General Assembly, during the 1995-1996 regular session, amended Ohio Rev. Code §§ 715.70(D)(3), (F)(2), and (G) (House Bill 99). The amendments made minor changes to the wording of the code, effective August 22, 1995.

November 15, 1995
Ohio’s 121st General Assembly, during the 1995-1996 regular session, passed House Bill 269. This bill amended § 715.70 to reflect minor language clarification and enacted the following sections of the Ohio Rev. Code: 715.72 (definitions and territory regulations), 715.73 (territorial requirements for JEDDs), 715.74 (contract requirements), 715.75 (required public hearing), 715.76 (post-public hearing requirements), 715.77 (30 day window for county to approve JEDD), 715.78 (board of directors requirements), 715.79 (3 year annexation prohibition), 715.80 (land use regulation, building codes, and other regulatory and proprietary matters), 715.81 (outline of powers).

December 21, 1998
Ohio’s 122nd General Assembly, during the 1997-1998 regular session, passed Senate Bill 201, amending Ohio Rev. Code §§ 715.70(A)(3) and (D)(2) to reflect minor language clarifications, effective December 21, 1998.
March 22, 1999
Ohio’s 122nd General Assembly, during the 2005-2006 regular session, passed House Bill 434, amending multiple subsections of Ohio Rev. Code §§ 715.70, 715.72, 715.61, 715.77, 715.78, including updates to eligible territory and petition requirements (715.70(C)(1)(a)), and the addition of documents to be filed with the required petition (715.70(C)(1)(b). The Bill also enacted Ohio Rev. Code §§ 715.771 (submission to director of development), 715.82 (powers), and 715.83 (state financial assistance requirements).

December 20, 2005
Ohio’s 126 General Assembly, during the 2005-2006 regular session, passed Senate Bill 107, making slight amendments to the language of Ohio Rev. Code §§ 715.70(D)(2), (D)(4)(b), 715.71(B), (C), (D)(3), (E), 715.75, 715.76(G), changes were effective December 20, 2005.

March 29, 2007
Ohio’s 126th General Assembly, during the 2005-2006 regular sessions, passed House Bill 699, providing for minor wording adjustments to Ohio Rev. Code § 715.70(H) and 715.81. These minor changes were effective March 29, 2007.
APPENDIX C: EXAMPLE JEDD CONTRACT (KENT-FRANKLIN)

KENT-FRANKLIN JOINT ECONOMIC DEVELOPMENT DISTRICT CONTRACT

This Kent-Franklin Joint Economic Development District Contract (the “Contract”) is made and entered into as of June 27, 2006, by and between the Township of Franklin (the “Township”) and the City of Kent (the “City”) in accordance with the terms and provisions set forth herein.

RECITALS

A. The Township and the City intend to enter into this Contract to create and provide for the operation of the Kent-Franklin Joint Economic Development District (the “District”) in accordance with Sections 715.72 through 715.83 of the Revised Code for their mutual benefit and for the benefit of their residents and of the State of Ohio (the “State”).

B. The legislative authorities of the Township and the City have each authorized and directed the Township and the City, respectively, to make and enter into this Contract by and through their respective officers in accordance with Ordinance No. 2006-71, passed by the City Council on June 14, 2006, and Resolution No. 2006-08, adopted by the Board of Township Trustees on June 27, 2006.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Contract, the Township and the City agree and bind themselves, their agents, employees and successors, as follows:

Section 1. Creation of District: Name. The Township and the City, by their combined action evidenced by the signing of this Contract, hereby create a joint economic development district in accordance with the terms and conditions of this Contract. The joint economic development district created by and pursuant to this Contract shall be known as the “Kent-Franklin Joint Economic Development District.” The Board of Directors (the “Board”) of the District may change the name of the District by resolution of the Board.
Section 2. Contracting Parties. The “Contracting Parties” to this Contract are the Township of Franklin, a township existing and operating under the laws of the State, and the City of Kent, a municipal corporation existing and operating under the laws of the State, including the Charter of the City, and their respective successors, in all or in part.

Section 3. Purpose. The Township and the City intend that the creation and operation of the District shall, and it is the purpose of the District, to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State, the County, the Township, the City and the District.

Section 4. Territory of the District. The territorial boundaries of the District are described in Exhibit A attached to and made part of this Contract. This Contract incorporates and includes all exhibits attached hereto. The territory of the District is located entirely within the County of Portage (the “County”) and does not include any “parcel of land” (as defined in Section 715.73(C) of the Revised Code) that is owned in fee by or is leased to a municipal corporation or township, except land owned by a Contracting Party. Furthermore, no electors reside within the area or areas comprising the District and no part of the area or areas comprising the District is zoned for residential use.

Section 5. Addition and Removal of Areas from District.

(A) Addition to District. The Contracting Parties may amend this Contract from time to time to add to the District any area that was not originally included in the District when this Contract became effective, in accordance with Section 715.761 of the Revised Code. The Contract may be so amended by amending Exhibit A or by adding one or more exhibits to the Contract. The Township and the City, individually and collectively, fully intend that other areas be added to the District (or other joint economic development districts be created for such areas). Each of the Contracting Parties agrees to cooperate with the other to amend this Contract to add other areas to the District (or to create other joint economic development districts for such areas) in the future.
(B) General JEDD Area. In general, it is intended by the Contracting Parties that the District will include (originally or as expanded) both all undeveloped land and all land zoned Commercial or Industrial that is located generally along State Route 59 from the City’s easterly boundary line to the Township’s easterly boundary line (with Ravenna Township) and along Rhodes Road and Powder Mill Road (the “General JEDD Area”).

It is further intended by the Contracting Parties that land within the General JEDD Area that is not included in the District upon its initial creation shall become part of the District through amendments to this Contract in accordance with Section 715.761 of the Revised Code. The Contracting Parties shall endeavor to obtain signed petitions from property owners and owners of businesses within the General JEDD Area in order to achieve a majority of each of such class of owners sufficient to create the District or, as applicable, to add areas to the District.

(C) Special Agreements. For those situations in which a property owner or an owner of a business within the General JEDD Area has determined not to sign a regular petition to be included in the District (or an addition to the District), the Township may enter into the special agreements as described in this subsection. The Township will enter into agreements with the owners of such property pursuant to which those property owners shall petition to include their property to the District under the following circumstances:

(i) the sale or other transfer of that property (so that the current property owner shall petition for such property to be included in the District and the succeeding property owner shall be so bound); or

(ii) the business currently located on that property ceases operation; or

(iii) the business currently located on that property is sold or transferred or there is otherwise a change in the ownership of that business; or

(iv) a new business is located on that property. Under the circumstances set forth in (iii) and (iv) above, the property owner, pursuant to its agreement with the Township, shall cause the owner of the business located on the property to sign a petition for inclusion of the property in the District.
The Township will enter into agreements with the owners of businesses located on the land within the General JEDD Area pursuant to which those business owners shall petition to be included in the District under the following circumstances:

(i) the sale or other transfer of that business or there is otherwise a change in the ownership of that business (so that the current business owner shall petition to be included in the District and the succeeding business owner shall be so bound); or

(ii) the business currently located on that property ceases operation. The Township agrees to pay all costs and expenses associated with entering into such special agreements with those property owners and business owners.

(D) Removal from District. The Contracting Parties may also amend this Contract from time to time to remove an area from the District in accordance with the procedure set forth in Section 14 of this Contract.

Section 6. Term. The initial term of this Contract shall commence on the date of this Contract and shall terminate on December 31, 2016, unless otherwise terminated prior to that date as provided herein. The effective date of this Contract, however, shall be the thirty-first day after its approval, in accordance with Section 715.77(A)(4) of the Revised Code.

This Contract shall be renewed and extended without further action by the Contracting Parties for four successive 10-year periods (each a “Renewal Period”) if, at the commencement of each Renewal Period, there is in effect a Fire/EMS Service Agreement between the City and the Township with a term concurrent with this Contract as renewed and extended. If there will not be any such Fire/EMS Service Agreement in effect for a Renewal Period, this Contract shall not be renewed and extended unless the Township waives this provision and agrees that this Contract shall be renewed and extended for the next Renewal Period; provided, however, that if there will not be a Fire/EMS Service Agreement in effect for a Renewal Period because the Township has determined not to enter into any such Fire/EMS Service Agreement (or extension thereof) as offered by the City, this Contract shall be renewed and
extended once for a five-year period. After such five-year period, the provisions of this paragraph will remain in effect and continue.

The Fire/EMS Service Agreement shall provide defined terms and conditions for the continuation of that service and the means of assessing cost for the service.

In addition to the provisions for extending this Contract in the first paragraph of this Section, this Contract may also be extended by mutual agreement of the Contracting Parties for a period of years as agreed to by the Contracting Parties. On or before one year prior to the expiration of the term of this Contract or any extension thereof, the Contracting Parties shall determine whether to extend the Contract and the period for such extension. If the Contracting Parties mutually agree to an extension of the Contract, they shall enter into an agreement to extend the Contract for the period of years set forth in that agreement on or before 180 days prior to the expiration of the Term of this Contract or any extension thereof.

This Contract may be terminated at any time by mutual consent of the Township and the City as authorized by their respective legislative authorities as provided herein. In order for such termination to be effective, the legislative actions of the Contracting Parties that terminate this Contract must occur and be effective within a period of 90 days of each other.

The provision herein for the initial term and any extension of this Contract recognizes that the accrual of benefits to the parties from this Contract may take decades and that the construction of utility facilities and other possible capital improvements provided for herein is of permanent usefulness and duration.

Notwithstanding Section 14 hereof, this Contract may also be terminated by the City if it is determined at any time, for any reason, by a court of competent jurisdiction that

(i) this Contract could not be entered into, cannot be implemented or is invalid or (ii) the income tax provided for in Section 10 hereof is not legal or valid or the District, for any reason, may not levy, collect or distribute that income
tax in accordance with this Contract. The determination to so terminate this Contract shall be evidenced by a written notice of such termination from the City to the Township. The termination shall occur on the date set forth in that notice. If this Contract is terminated upon the exercise of this option, the Contracting Parties shall have no further obligation under this Contract.

In the process of termination of this Contract but prior to final termination, any real or personal property, assets or funds of the District and any obligations, debts or liabilities of the District shall be distributed between the Township and the City as follows: the Township 50% and the City 50%, provided that, prior to incurring any obligation, debt or liability exceeding $10,000, the Board shall have obtained the approval of the Contracting Parties. Before any such distribution, the District shall first use any such property, assets or funds to pay, reduce or settle any obligations, debts or liabilities of the District in accordance with the terms under which such obligations, debts or liabilities were originally incurred. Obligations of the District include, but are not limited to, obligations of the District to one or more of the Contracting Parties under this Contract or separate agreements for the provision of money, services, facilities, capital improvements or other contributions to the District or otherwise. To the extent permitted by law, obligations of the District to a Contracting Party shall take precedence over other obligations, debts or liabilities of the District.

Pursuant to Section 715.74(D) of the Revised Code, this Contract shall continue in existence throughout its term and shall be binding on the Contracting Parties and on any entities succeeding the Contracting Parties, whether by annexation, merger or otherwise. Any portion of the territory of the District (not now in a municipal corporation) that is included within a municipal corporation by annexation, merger or otherwise, after the date of this Contract, shall continue to be a part of the District subject to the terms of this Contract and to the income tax provided for in Section 10 hereof.

Section 7. Contributions to the District. In accordance with Section 715.74 of the Revised Code, the Township and the City each agree to
contribute to the development and operation of the District as set forth herein.

(A) Utility Service. The Contracting Parties have not entered into separate contracts with each other for utility service. The Contracting Parties shall cooperate with each other, the County, the District and with utility service users in the District in obtaining access to sanitary sewer service and water service.

(1) Water Service. Access to water service from the City’s water system shall be made available to users in the District. In order to contribute to the availability of water service, the City may acquire, construct and install certain water service facilities in the District as requested by users and in accordance with applicable water service agreements, subject to engineering, legal and economic feasibility. The City shall enter into water service agreements with water service users within the portion of the District that is not in the City for the provision of water service at rates that are equal to the rates charged to comparable users within the City as those water service rates (the “City Water Rates”) are revised from time to time, plus a surcharge of 25% of the City Water Rates (the “Surcharge”); provided that the Surcharge shall not apply to property owners or owners of businesses that sign a petition to be included (originally or as amended) in the District in accordance with Section 5(B) hereof. Those water service agreements may also provide for a tap-in fee or other charge to be charged at the time of connection to the water system or at a later time, which may be paid at one time or over a ten-year period, all as set forth in those agreements. To the extent permitted by law, the Township, the City or the County, may establish special assessment procedures for the levy and collection of special assessments to pay costs of such improvements.

(2) Sanitary Sewer Service. Access to sanitary sewer service from the City’s sanitary sewer system shall be made available to users in the District. In order to contribute to the availability of sanitary sewer service, the City may acquire, construct and install certain sanitary sewer service facilities in the District as requested by users and in accordance with applicable sanitary sewer service agreements, subject to engineering, legal and economic
feasibility. The City shall enter into sanitary sewer service agreements with sanitary sewer service users within the portion of the District that is not in the City for the provision of sanitary sewer service at rates that are equal to the rates charged to comparable users within the City as those sanitary sewer service rates (the “City Sewer Rates”) are revised from time to time. Those sanitary sewer service agreements may also provide for a tap-in fee or other charge to be charged at the time of connection to the sanitary sewer system or at a later time, which may be paid at one time or over a ten-year period, all as set forth in those agreements. To the extent permitted by law, the Township, the City or the County, may establish special assessment procedures for the levy and collection of special assessments to pay for costs of such improvements.

(3) Water service facilities and sanitary sewer service facilities shall only be extended upon petition of a majority of property owners within the prescribed area to be served, requesting water service or sanitary sewer service. The Township agrees to support the levying of special assessments by the County when a majority of property owners petition for water service or sanitary sewer service to be provided by the City. If the County does not levy special assessments under such conditions, the Township agrees to bargain in good faith with the City to offer alternative revenues for the City to recover its costs to extend water service or sanitary sewer services into a designated service area in the Township, regardless whether or not the area to be served is inside the District.

(4) All water service facilities and sanitary sewer service facilities that are acquired, constructed or installed by the City pursuant to this Contract shall be owned, operated and maintained by the City, unless otherwise determined by the City.

(5) The Contracting Parties shall cooperate with each other, the District, the County and the State in the acquisition, construction and installation of water service facilities and sanitary sewer service facilities as provided in this Contract, including, but not limited to, granting easements, rights-of-way and street opening permits at no more than the usual and
customary cost.

(B) Infrastructure; Financing. In accordance with Section 715.81 of the Revised Code, (i) the City may exercise all of the powers of a municipal corporation and perform all of the functions and duties of a municipal corporation within the District and (ii) the Township may exercise all of the powers of a township and perform all the functions and duties of a township within the District, relating to:

(1) the acquisition, construction and improvement of public streets and roads and other public improvements located in the District and the financing thereof,

(2) the levy and collection of special assessments or the establishment of other charges (including tap-in fees) to pay all or a portion of the costs of the facilities and improvements described in subsection (A) above and in this subsection (B),

(3) those powers, functions and duties provided in Sections 5709.40 through 5709.43 of the Revised Code, and

(4) those powers, functions and duties provided in Chapter 133 and other sections of the Revised Code authorizing the financing of capital improvements, which all such exercise and performance shall be deemed to be pursuant to and consistent with this Contract. The City and the Township shall also cooperate in obtaining grants and other funding sources for such infrastructure within the District.

(C) Other Services. The Township and the City shall provide services to assist the District with planning, marketing, promotion and related activities to facilitate economic development in the District. In addition, the City agrees to assist in the marketing of available properties in the District to prospective commercial or green (environmentally friendly) industrial enterprises. The Township and the City may provide secretarial services and other staffing as each Contracting Party, in its sole discretion, determines, at no cost to the District. In addition, the Board may contract for such services with either or both of the Contracting Parties on such terms as the Board and the respective
Contracting Parties may agree.

The City shall hold all records or documents of the District for safekeeping. The City shall maintain those records and documents as are public records of the City and shall provide copies of those records and documents to the Contracting Parties in accordance with the public records laws of the State.

For the term of this Contract but only so long and to the extent to which the area within the District remains unincorporated, the Township shall provide the same services to the unincorporated portions of the District that it provides to other unincorporated areas of the Township, including but not limited to, police and fire protection services. The City shall provide the same services to the portions of the District within the City, if any, that it provides to other areas of the City.

The City shall prepare, or cause to be prepared, all documents of the City and the District relating to the formation of the District including, but not limited to, this Contract, notices, forms of City, Township, County and District legislation and election proceedings. Any costs incurred and paid by the City in preparing such documents or otherwise incurred by the City in assisting in the establishment of the District shall be reimbursed to the City from revenues of the District income tax prior to the distributions of such revenues as set forth in Section 10 hereof. Any costs incurred and paid by the Township in connection with such preparation or in identifying property owners and businesses within the District, describing the District boundaries and obtaining signatures on petitions for the creation of the District (but not including costs and expenses of the Township incurred pursuant to Section 5 hereof) shall be reimbursed to the Township from those revenues of the District prior to the distributions set forth in Section 10 hereof.

(D) Financial Contributions. At the request of the Board, the Contracting Parties shall contribute an aggregate amount not to exceed $1,000 to the District to pay initial administration and other costs generally identified in the request. The contribution amount shall be allocated among the Contracting
Parties as follows: the Township 50% and the City 50%. This initial contribution shall be made within 45 days of receipt of the request of the Board. The Contracting Parties may, but are not required to, make other financial contributions to the District. The Contracting Parties shall cooperate with the Board in obtaining financial assistance, both public and private, for economic development projects, but shall not be required to assume any financial obligation in doing so.

Section 8. **Board of Directors.** The Board of Directors shall be established in accordance with Section 715.78(A) of the Revised Code. If there are businesses located and persons working within the area or areas to be included in the District, the Board shall be composed of the following members:

(a) one member representing the City, to be appointed by the Mayor with the approval of the City Council;

(b) one member representing the Township, to be appointed by the Township Trustees;

(c) one member representing the owners of businesses located in the District, to be appointed (i) by the Township Trustees for the initial such appointment and for each alternate succeeding appointment thereafter and (ii) by the Mayor with the approval of the City Council for the second such appointment and for each alternate succeeding appointment thereafter;

(d) one member representing the persons working within the District, to be appointed (i) by the Mayor with the approval of City Council for the initial appointment and for each alternate succeeding appointment thereafter and (ii) by the Township Trustees for the second such appointment and for each alternate succeeding appointment thereafter;

(e) one member selected by the above-described other members

If there are no businesses located or persons working within the area or areas to be included in the District, the Board shall be composed of the members as set forth in (a), (b) and (e) above. If the Board is originally
composed of the members as set forth in (a), (b) and (e) above and, subsequently, one or more businesses are located, or persons begin working, in the District, the Board shall be increased to five members by the appointment of the members as set forth in (c) and (d) above in accordance with the procedure for such appointment as set forth above.

The terms of service of each member shall be established in accordance with Section 715.78(A) of the Revised Code. The members of the Board shall serve without compensation as such members. Necessary and authorized expenses incurred by members on behalf of the District shall be reimbursed from District funds in accordance with procedure established by the Board. Each member shall attend all meetings unless excused by action of the other members. A member who is absent without being excused from three consecutive meetings shall be deemed to have resigned as a member of the Board. In the event of the death, disqualification, removal or resignation of any member of the Board, a new member shall be appointed in the same manner as set forth above to serve as successor for the unexpired term of such member.

A member of the Board may be removed by the appointing party for “cause,” which shall mean: willfully failing to perform a duty expressly imposed by this Contract or by law with respect to his or her office; or willfully performing any act forbidden by law with respect to his or her office; or failing to achieve the faithful, efficient and intelligent administration of his or her duties of office as required by this Contract or by law; or engaging in conduct unbecoming to such office. Removal shall be effective upon receipt of written notice of removal and the reasons therefore by the Board member being removed.

The Chairperson of the Board shall be the Board member as provided in Section 715.78(A) of the Revised Code. The Board shall elect the following officers (who along with the Chairperson shall constitute the Officers of the Board) from among its members: a Vice Chairperson, a Secretary and a Treasurer. The Officers (except the Chairperson) shall be elected at the first
meeting of the Board and thereafter every year for a one-year term and shall serve until their respective successors take office. The Board shall establish a procedure for conducting those elections. The Officers shall perform such duties as provided herein and such additional duties as may be provided from time to time by the Board.

Section 9. Powers, Duties, Functions. The Board shall meet at least once each calendar quarter on a date determined by the Board, provided that the first meeting of the Board shall be within 30 days after this Contract becomes effective, on a date agreed to by the Contracting Parties. The Board shall adopt procedures for holding and conducting regular and special meetings. The Board shall establish a mailing address and shall hold its meetings at the City Building unless otherwise determined by the Board from time to time.

For the purpose of conducting a Board meeting, the attendance of at least four members shall be required and shall constitute a quorum; provided that if the Board is composed of less than five members, at least three of those members shall constitute a quorum. The Board shall act through resolutions adopted by the Board. A resolution must receive the affirmative vote of at least four members of the Board to be adopted; provided that if the Board is composed of less than five members, a resolution must receive the affirmative vote of at least three members of the Board to be adopted. A resolution adopted by the Board shall be immediately effective unless otherwise provided in that resolution or by Sections 715.72 through and 715.83 of the Revised Code.

The Board may adopt Bylaws for the regulation of the affairs of the Board and the conduct of the business of the Board consistent with this Contract. The Bylaws shall be in substantially the form as attached as Exhibit B hereto. The Bylaws may be amended or supplemented from time to time by the Board.

The Chairperson shall preside over and conduct the meetings of the Board in accordance with its Bylaws or other procedures adopted by the
Board. The Chairperson may call special meetings of the Board by giving notice of such meeting, as provided in the Bylaws, to each member delivered to his or her residence or place of business. Any three members of the Board may also call a special meeting by providing the same notice.

The Vice Chairperson shall act as Chairperson in the temporary absence, incapacity, resignation or removal of the Chairperson.

The Secretary shall be the records officer of the Board and shall have those duties as set forth in the Bylaws.

The Treasurer shall be the fiscal officer of the Board and shall have those duties as set forth in the Bylaws.

The Bylaws shall designate those Officers who may sign documents on behalf of the Board and those Officers who are required to obtain a fiduciary bond in connection with their duties to the District.

The Board shall adopt an annual budget for the District. The fiscal year of the District shall be the same as the fiscal year of the City. The budget shall estimate the revenues of the District and expenses of the District. The Board shall provide a copy of the annual budget to the Contracting Parties promptly after its adoption. The Board shall establish an appropriations procedure to provide for payment of the expenses of the District and the distribution of income tax revenues pursuant to and consistent with this Contract.

The Board is authorized to take such necessary and appropriate actions, or establish such programs, to facilitate economic development in the District in accordance with the purposes of this Contract and the funds appropriated or available for such actions or programs.

The Board shall contract with or through the City for all services. The Board may enter into an agreement with the City to administer and implement employment and discharge of, and salaries, benefits and work rules established for, employees of the District. All costs of employment, including but not limited to, compensation, salaries, benefits, taxes and insurance, shall be paid from revenues of the District. The City shall not be the
employer and shall have no responsibility or liability for any costs of
employment or any other costs, expenses or liabilities arising from such
employment.

This Contract grants the Board the power and authority to adopt a
resolution to levy an income tax within the District in accordance with Section
715.74 of the Revised Code and Section 10 hereof.

The Board is authorized to do all acts and things necessary or
convenient to carry out the powers granted in this Contract.

In accordance with Section 715.81 of the Revised Code, the City
may exercise all of the powers of a municipal corporation, and may perform all
of the functions and duties of a municipal corporation, within the District,
including but not limited to, those powers, functions and duties set forth
elsewhere in this Contract, as well as such others that are determined by the
City to be necessary to carry out the purposes of this Contract, all of which such
exercise and performance shall be deemed to be pursuant to and consistent
with this Contract.

In accordance with Section 715.81 of the Revised Code, the
Township may exercise all of the powers of a township, and may perform all of
the functions and duties of a township, within the District, including but not
limited to, those powers, functions and duties set forth elsewhere in this
Contract, as well as such others that are determined by the Township to be
necessary to carry out the purposes of this Contract, all of which such exercise
and performance shall be deemed to be pursuant to and consistent with this
Contract.

Section 10. Income Tax. In accordance with Section 715.74 of the
Revised Code, the Board, at its first meeting, shall adopt a resolution to levy an
income tax in the District at a rate of 1.0% until December 31, 2011, inclusive,
and thereafter at a rate of 2.0% until December 31, 2016, inclusive. This
income tax shall go into effect within 60 days of the adoption of that resolution,
as provided therein. On and after January 1, 2017, the rate of the income tax
shall remain at 2.0% unless and until it is changed by the Board through a
resolution providing for the new rate of the income tax. The Board shall promptly notify the Contracting Parties and the administrator of the income tax of such a change. The revenues of the District income tax shall be used for the purposes of the District and the Contracting Parties pursuant to this Contract.

The Board shall adopt, by resolution, all of the provisions (other than the rate) of the income tax legislation of the City, as that legislation may be amended from time to time, as applicable to the District income tax. The income tax levied by the Board pursuant to this Contract and Section 715.74 of the Revised Code shall apply in the entire District throughout the term of this Contract, notwithstanding that all or a portion of the District becomes subject to annexation, merger or incorporation.

The Board shall enter into an agreement with the City to administer, collect and enforce the income tax on behalf of the District, provided that such agreement may be assigned or subcontracted to another agency by the City to perform those functions for the District (the “Tax Agreement”).

Pursuant to Section 715.74(C)(3) of the Revised Code, and at the discretion of the Board, the District shall annually set aside an amount equal to not less than one-half of one percent (0.5%) of the amount of the income tax collected (i.e. all amounts collected from the levy of the income tax each year) for long-term maintenance of the District. Long-term maintenance of the District shall mean providing for the administration of the District, which may include but is not limited to the administration and collection of the District income tax. The Board shall use its revenues to meet the current obligations of the District, including but not limited to, obligations of the District to one or more of the Contracting Parties under this Contract (including but not limited to the Tax Agreement) or under separate agreements for the provision of money, services, facilities, capital improvements or other contributions to the District, in accordance with the terms under which such obligations, debts or liabilities were originally incurred. To the extent permitted by law, obligations of the District to a Contracting Party shall take precedence over other obligations, debts or liabilities of the District. The Board shall then distribute the remaining
income tax revenues to the Contracting Parties. The distribution of such portion of the income tax revenues (the “Distributable Revenues”) shall be made annually on or before December 1 of each year and shall be allocated to the Contracting Parties as follows: 55% of the Distributable Revenues to the City and 45% of the Distributable Revenues to the Township.

The income tax revenues are to be used by the District, the Township and the City to encourage and promote economic development in the District and/or in the Township and/or in the City, including, but not limited to, maintaining and improving the infrastructure facilities of the District and the Contracting Parties (including paying debt charges related thereto), providing safety and health services within the District and within the Contracting Parties, providing urban and economic development planning, engineering, counseling, consulting, marketing and financing services for the District and for the Contracting Parties, and generally improving the environment for those working and residing in the District and in the Contracting Parties, and for all other purposes as permitted by law.

The Treasurer of the District shall make a quarterly report to the Board regarding the receipt and distribution of the income tax of the District and the operating income and expenses of the District for the preceding quarter and projections for the next quarter. The Treasurer’s report shall be provided to the Contracting Parties.

Section 11. Annexation. In accordance with Section 715.79(B) of the Revised Code, the City shall not annex any territory from within the District during the term of this Contract without the consent of the Township. In addition, the City agrees that it will not support petitions for annexation of property in the remaining portion of the Township unless such petitions are signed by property owners representing more than 85% of the property to be annexed. The Township agrees to support those petitions that are signed by property owners representing more than 85% of the property to be annexed. The City also agrees that any prior agreements with or commitments from property owners in the Township that obligate those property owners to sign an
annexation petition when their property becomes part of contiguous annexation boundary to the City limits shall be deemed voided and cancelled by the City. The City also agrees to discontinue its pursuit of annexation petitions involving the State Route 59 corridor and all residential areas of the Township.

Section 12. Zoning; Planning; Building Standards. The Township shall be the zoning and planning authority for the District. The Township agrees to consider rezoning certain property within the District from Commercial to Industrial, as appropriate. The Township agrees to establish and maintain, to the extent permitted by law, the zoning of the property as business, commercial or industrial uses within the District. The County shall be the building permit issuing and enforcing authority for the District. The provisions of this Section 12 constitute an agreement by the Contracting Parties pursuant to Section 715.80 of the Revised Code, provided that the City and the Township may enter into other agreements in accordance with Section 715.80 of the Revised Code.

Section 13. Defaults and Remedies; Mediation. A failure to comply with the terms of this Contract shall constitute a default hereunder. The Contracting Party in default shall have 60 days after receiving written notice from the other Contracting Party of the event of default to cure that default. If the default is not cured within that time period, the nondefaulting Contracting Party may sue the defaulting Contracting Party for specific performance under this Contract or for actual damages or both. Other than as provided in Section 6 hereof, this Contract may not be canceled or terminated because of a default unless the Township and the City agree to such cancellation or termination.

In the event that the Township and the City have a dispute under this Contract whether related to breach of or default under this Contract by a Contracting Party or otherwise, and prior to filing any litigation in connection with such dispute, the Contracting Parties and the District shall participate in non-binding mediation (the “Mediation”) for a period of 90 days (or more if so determined by the Contracting Parties and the District). The Mediation shall be conducted by the County’s Director of Economic Development (or other official
having substantially the same responsibilities that the County’s Director of Economic Development has as of the effective date of this Contract) or such third party as designated by the County’s Economic Development Director pursuant to mediation procedures established by the County’s Economic Development Director or his designee. In the event that (i) the County’s Economic Development Director position (or similar position) is not in existence or (ii) the County’s Economic Development Director is unwilling or unable to serve or designate a mediator, the Presiding Judge of the County’s Court of Common Pleas shall appoint a mediator and such mediator shall establish the procedures for such mediation.

Section 14. Amendments. In addition to the amendments provided for in Section 5 hereof, this Contract may be amended by the Township and the City only in a writing approved by the respective legislative authorities of each of the Contracting Parties by appropriate legislation authorizing that amendment. In order for such amendment to be effective, the legislative actions of the Contracting Parties that amend this Contract must occur and be effective within a period of 90 days of each other.

Section 15. Binding Effect; Mandamus. This Contract shall inure to the benefit of and shall be binding upon the District, the Township and the City and their respective permitted successors, subject, however, to the specific provisions hereof. This Contract shall not inure to the benefit of anyone other than as provided in the immediately preceding sentence. All of the obligations and duties of the Board, the City and the Township under this Contract are hereby established as duties specifically enjoined by law and resulting from an office, trust or station upon the Board, the City and the Township within the meaning of Section 2731.01 of the Revised Code.

Section 16. Support of Contract. The Township and the City agree to cooperate with each other and to use their best efforts to do all things necessary for the creation and continued operation of the District, including, but not limited to, promoting the approval by the electors of the Township of the resolution authorizing this Contract. In the event that this Contract or any of its
terms, conditions or provisions is challenged by any third party or parties in a court of law, the Township and the City agree to cooperate with one another and to use their best efforts in defending this Contract with the objective of upholding this Contract. The Township and the City shall each bear its own costs in any such proceeding challenging this Contract or any term, condition or provision thereof, provided that the Board shall reimburse the Township and the City for such costs to the extent funds of the District are available and appropriated therefore. In the event that District funds are not available and appropriated therefore, the costs of any such proceeding shall be allocated among the Contracting Parties as follows: the Township 50% and the City 50%.

Section 17. Signing Other Documents. The Contracting Parties agree to cooperate with one another and to use their best efforts in the implementation of this Contract and to sign or cause to be signed, in a timely manner, all other necessary instruments and documents, and to take any and all actions, in order to effectuate the purposes of this Contract.

Section 18. Severability. In the event that any section, paragraph or provision of this Contract, or any covenant, agreement, obligation or action, or part thereof, made, assumed, entered into or taken, or any application thereof, is held to be illegal or invalid for any reason:

(a) that illegality or invalidity shall not affect the remainder hereof or thereof, any other section or provision hereof, or any other covenant, agreement, obligation or action, or part thereof made, assumed, entered into or taken, all of which shall be construed and enforced as if the illegal or invalid portion were not contained herein or therein,

(b) the illegality or invalidity of any application hereof or thereof shall not affect any legal and valid application hereof or thereof, and

(c) each section, paragraph, provision, covenant, agreement, obligation or action, or part thereof, shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law.

Section 19. Governing Law. This Contract shall be governed
exclusively by and construed in accordance with the laws of the State, and in particular Sections 715.72 through 715.83 of the Revised Code. In the event that Sections 715.72 through 715.83 of the Revised Code are amended or supplemented by the enactment of a new section or sections of the Revised Code relating to joint economic development districts, the Contracting Parties may agree at the time to follow either the provisions of Sections 715.72 through 715.83 existing on the date of this Contract or the provisions of Sections 715.72 through 715.83 as amended or supplemented, to the extent permitted by law. Nothing in this Contract shall limit the ability of the District, the City or the Township to aggregate to acquire preferential rates for telecable, telephone, gas, electric or other utility services.

Section 20. Miscellaneous. The captions and headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections hereof. When using the phrase “to the extent permitted by law” herein, “law” means statutes of the State as interpreted by the courts of the State or the federal courts.

IN WITNESS WHEREOF, the Township and the City have caused this Contract to be duly signed in their respective names by their duly authorized officers as of the date hereinbefore written.

TOWNSHIP OF FRANKLIN

By: ______________________
   _ Mark Beckwith Trustee

By: ______________________
   _ Keith Benjamin Trustee

By: ______________________
   _ Gary Falstad Trustee

CITY OF KENT
By: ____________________________  
_ Dave Ruller City Manager

Approved as to legal form and correctness:

By: ____________________________ Legal Advisor Township of Franklin

By: ____________________________ James R. Silver, Law Director City of Kent
APPENDIX D: EXAMPLE JEDD CONTRACT (AMHERST-LORAIN)

AMHERST TOWNSHIP-CITY OF LORAIN

JOINT ECONOMIC DEVELOPMENT DISTRICT CONTRACT

This Amherst Township-City of Lorain Joint Economic Development District Contract (the “Contract”) is made and entered into as of __________________________, 200___, by and between the City of Lorain, Ohio (the “City”), and the Township of Amherst (the “Township”), in accordance with the terms and provisions set forth herein.

RECITALS

A. The City and the Township intend to enter into this Contract to create and provide for the operation of the District (defined in Section 1) in accordance with Section 715.72 et seq. of the Ohio Revised Code for their mutual benefit and for the benefit of their residents and of the State of Ohio (the “State”).

B. The legislative authorities of the City and the Township have each authorized and directed the City and the Township, respectively, to make and enter into this Contract by and through their respective officers in accordance with Ordinance No. ________200___ passed by the Council of the City on __________________________, 200___, and Resolution No. ________, adopted by the Board of Township Trustees on __________________________, 200___.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Contract, the City and the Township agree and bind themselves, their agents, employees and successors as follows:

Section 1. Creation of District: Name. The City and the Township, by their combined action evidenced by the signing of this Contract, hereby create a joint economic development district in accordance with the terms and provisions of this
The joint economic development district created pursuant to this Contract shall be known as the “Amherst Township-City of Lorain Joint Economic Development District” (the “District”). The Board of Directors (the “Board”) of the District may change the name of the District by resolution of the Board.

Section 2. Contracting Parties. The contracting parties to this Contract are the City of Lorain, Lorain County, Ohio, a municipal corporation existing and operating under the laws of the State, and the Township of Amherst, Lorain County, Ohio, a township existing and operating under laws of Ohio, and their respective successors.

Section 3. Purpose. The City and the Township intend that the creation and operation of the District shall, and it is the purpose of the District to, facilitate economic development, to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people of the State, the County of Lorain (the “County”), the City, the Township and the District.

Section 4. Territory of the District. The territorial boundaries and legal description of the District are described in Exhibit 1 attached to and made part of this Contract. The territory of the District (i) is located entirely within the Township and the County of Lorain, and (ii) does not include any “parcel of land” (as defined in Section 715.73(c) of the Revised Code) that is owned in fee by or is leased to a municipal corporation or a township. No electors reside in the territory of the District and no part of the territory of the District is zoned for residential use.

Section 5. Addition and Removal of Areas from District. This Contract may be amended from time to time to add certain property within the Township to the territory of the District, pursuant to ORC 715.761, upon the filing of a request by the owner of that property with the Board. Upon agreement by the City and the Township, this Contract shall be amended to add such property to the territory of the District, pursuant to the request of the owner of that property, evidenced by Legislative Action of each. Upon agreement by the City and Township, evidenced by Legislative Action of
each, this Contract may also be amended from time to time to remove property from
the territory of the District. As used in this Contract, the term “Legislative Action”
means proper enactment of a resolution or ordinance by the Council of the City or
Board of Trustees of the Township by which such resolution or ordinance becomes
effective in accordance with the law.

Section 6. Term. The initial term of this Contract shall commence on the
31st day following approval of the contract and shall terminate December 31, 2100
(unless otherwise terminated prior to that date as provided herein). Each party shall
have the right to extend this Contract for two (2) successive fifty (50) year periods by
delivering written notice of the extension to the other party hereto on or before 180
days prior to the expiration of the term of this Contract or any extension thereof. The
 provision herein for the initial term of and the right of each party to extend this Contract
recognizes that the accrual of benefits to the parties from this Contract may take
decades and that the construction of utility facilities and other possible capital
improvements provided for herein is of permanent usefulness and duration.

Termination by mutual consent shall require an ordinance passed by the
Council of the City and a resolution adopted by the Board of Trustees of the Township
within 90 days of each other, consenting to terminate this Contract.

Upon termination of this Contract in accordance with its terms or by
mutual termination by the parties, the City shall continue to provide utilities that it is
providing at the time of such termination. However, it is the intent of the parties that
they would continue to share any income tax permitted by law assessed in the JEDD
area, in exchange for continuance of sanitary sewer services. All other agreements by
the parties hereto shall be null and void and all other services provided by the parties
shall terminate, unless the parties agree to continue to provide one or more services
in accordance with the terms of this Contract or otherwise.

If there is a final, non-appealable judicial determination at any time for
any reason that joint economic development districts cannot be entered into, cannot
be implemented, or are held invalid by a court of competent jurisdiction or that the income tax provided for in Section 13 hereof is not legal or valid or that the District may not levy, collect or distribute that income tax in accordance with this Contract, then:

A. this Contract may be terminated by the City, 

B. the City may cease providing sewer lines, or any new connection service to and within the District and cease construction of sewer line facilities and other capital improvements provided for herein, and 

C. the City shall have no further obligation under this Contract, but may continue to provide utilities, at its discretion.

Upon termination of this Contract, any property, assets and obligations of the District shall be divided equally between the City and Township, provided that the District shall first use any property or assets to reduce or settle any obligations of the District. Any records or documents of the District shall be placed with the City and Township for safekeeping, which records and documents shall be maintained by the City and Township as are public records of the City and Township.

Pursuant to Section 715.74(D) of the Ohio Revised Code, this Contract shall continue in existence throughout its term and shall be binding on the contracting parties and on any entities succeeding such parties, whether by annexation, merger, or otherwise. In the event that any portion of the territory of the District shall be included within a municipal corporation by annexation, merger or otherwise, the City and the Township may but are not required to amend this contract to include that municipal corporation as a party to this Contract in addition to or as a substitute for the Township. The portion of the territory of the District that is included within a municipal corporation by annexation, merger or otherwise after the date of this Contract shall continue to be a part of the District and subject to the terms of this Contract and to the income tax provided for in Section 13 hereof. In the event that any portion of the territory
of the Township that is within the territorial boundaries of the District becomes the subject of an annexation or merger into a municipal corporation or an incorporation as a municipal corporation, the Board of Trustees of the Township and the City shall use their best efforts, including, but not limited to, legal action to oppose and prevent such annexation, merger or incorporation until and unless a municipal corporation into which such territory would be annexed or merged or that is to be incorporated has either become a party to this Contract and has assumed all the obligations and responsibilities of the Township under this Contract in connection with such territory or has agreed otherwise to recognize and comply with this Contract in a form acceptable to the City and Township.

Section 7. Contributions to the District. In accordance with Section 715.74(A) and (B) of the Ohio Revised Code, the City and the Township each agree to contribute to the development and operation of the District, as provided in Sections 7.1 through 7.4 below.

Section 7.1. General Services. The City may provide services to assist the District with planning, promotion and related activities to facilitate economic development in the District. The City shall provide secretarial services and other staffing for the District. The City may provide any or all of such services through the City’s administrative staff.

The City shall be responsible for the administration, collection and enforcement of the District income tax on behalf of the District, as provided in Section 13. Any cost associated with the administration, collection and enforcement of the District income tax shall be paid from the District income tax revenues collected as an operating expense of the District, not to exceed the greater of 3% of the income tax collected or the amount paid to a third-party contractor to provide said administration, collection, and enforcement.

Collection of sewer utility fees shall follow the same procedures as are used in the City for utility fee collection.
The City and Township shall prepare, or cause to be prepared, all documents of the City, Township and the District relating to the formation of the District including, but not limited to, this Contract, instruments describing the District boundaries, petitions, notices, forms of the City, Township, County and District legislation and any District income tax election proceedings. Any costs incurred by the City or Township in preparing such documents may be paid (or reimbursed to the City or Township for payments made by the City or Township) from revenues of the District income tax as an operating expense of the District.

**Section 7.2. Utility Services - Generally.** All or a portion of the City’s contribution to the development and operation of the District may be in providing access to the City’s sanitary sewer services and facilities, for users within the District under the terms of this Contract or otherwise.

**Section 7.3. Sanitary Sewer Service.** In order to provide the sanitary sewer services and facilities described in Section 7.2, the City shall accept the sanitary sewer flow from the JEDD District, in an amount not to exceed 400,000 gallons per day. Users of sanitary sewer services pursuant to this agreement shall be subject to the City’s tap-in fees, and other charges described in Section 8.1(C), (E) in an amount proportionate to the users front-footage, side-footage, acreage, calculated sanitary sewer flow, or a combination thereof. New sanitary sewer construction extension costs shall be reduced by any costs paid for by grants, aid, or sources other than City provided funding.

Nothing in this agreement shall commit the City or Amherst Township to design, engineer, or construct a sanitary sewer extension serving the JEDD District.

**Section 7.4. Additional Specific Services and Contributions.** In addition, the parties agree to the following specific services and contributions to be provided:

A. Zoning and planning considerations in the development of the District shall be at the final discretion of the Township Trustees and zoning officials, subject to the limitations on sewer service provided in Section 8. However, Township
Trustees and zoning officials shall consult with the elected City officials, City Planning Department and/or City Planning Commission to provide the best watershed control and best nonresidential development possible, utilizing the resources of both the City’s Planning Commission and the Township’s zoning authorities.

B. The City and the Township agree that they will consult and cooperate with the Mayor of the City and all Township zoning authorities on a joint, comprehensive development plan for the District. Further, the City and the Township agree that they will hold planning advisory committee meetings no less frequently than once a year to further this spirit of cooperation.

C. The City and the Township will undertake collaborative efforts to apply for, receive and utilize Aid for Public Improvements awarded by the State for public infrastructure capital improvements, pursuant to Chapter 164 of the Ohio Revised Code, or other state or federal sources for assistance for infrastructure capital improvements.

D. Both fire protection and law enforcement mutual aid shall continue as structured under the mutual aid contracts currently existing.

E. Both the City and the Township agree to cooperate to develop District property for the maximum benefit to all parties, including the City, the Township, the property owners and the businesses within the District.

F. The City and the Township agree to cooperate regarding zoning of the District, with the final decision being the decision of the Township; however, the District property will always be zoned for the maximum potential return as non-residential properties to benefit all parties to the Contract.

G. The City and the Township agree to cooperate to maximize state, federal and private grants to maximize monetary leverage for services within the District, the City and the Township, including infrastructure, elderly assistance and other people-oriented, governmental services.

H. The Township may provide primary Fire/EMS to the District.
Section 8. Petition for Extension of Utilities.

Section 8.1 Definitions.

A. "JEDD". A Joint Economic Development District consists of non-residentially zoned or used properties. No residential use or zone may exist in a JEDD.

B. "SERVICE AREAS". Residential areas that are not in a JEDD. Service areas are not subject to the JEDD income tax. Service areas are in no way a part of the Joint Economic Development District. Service areas are instead residential areas in which sewer service may be available upon petition as provided by law or otherwise as provided by law. The City may deny extension of sewer services to a service area for economic or engineering reasons that would make the service impractical, or based on health, safety and welfare concerns. The Township Trustees may deny service to a proposed service area for planning or land use considerations, or based on health, safety and welfare concerns.

C. "CONNECTION" or "TAP-IN" means a connection to the sanitary sewer system of a wastewater source of the types described in Section 913.250 of the Codified Ordinances of the City, or as amended by Lorain City Council.

D. "RESIDENTIAL", when used with "connection" or "tap-in", means the categories "Single family resident", "Two family resident" and "Apartments and townhouses".

E. "CONNECTION CHARGE" or "TAP-IN FEE" means the initial connection charge established by the Codified Ordinances of the City and also includes additional specific charges established by the City or Township to pay costs of a particular project in lieu of, or in addition to, capital cost recovery for that project.

Section 8.2 Extension of Sanitary Sewer Service The City may extend sewer service to areas within the Township Service Areas upon petition by the users as provided by law, or as otherwise provided by law, subject to the limitations of Section 7.3. Upon the receipt of said petition, requesting the extension of specific
utility services and agreeing to enter into user agreements for such utility service, or as otherwise provided by law, the City may proceed to acquire, construct and install such facilities to provide access to such services, but subject to engineering and legal feasibility and further subject to the levy and collection of special assessments or other charges as provided in the user agreements, for the cost of such improvements. The City may deny extension of sewer services to a service area for economic or engineering reasons that would make the service impractical, or based on health, safety and welfare concerns. The Township may deny sewer services to a service area for land use planning reasons, or based on health, safety and welfare concerns.

**Section 9. Utility Rates.** As used in this Contract, the term Lorain Rate” shall mean the user rate for water service and sanitary sewer disposal paid by utility customers located within the City, as established by the Council of the City and as the same may be amended from time to time by the Council.

A. Users of residences within the Township service areas, constructed after the effective date of this agreement, shall pay sanitary sewage disposal fees at 130 Percent of the then-current in-City rates.

B. Residences within this Township service area, existing at the effective date of this agreement, shall pay sanitary sewage disposal fees at 110 Percent of the then-current in-City rates.

C. Non-residential users within the District shall pay sanitary sewage disposal fees at 100 Percent of the then-current in-City rates.

D. The City may provide in any user agreements or rate schedules that, in the event this Contract is terminated, the rate charged for service to users within the Township or the District shall be automatically revised as provided in that user agreement or rate schedule.

E. If an alternate agreement exists, or comes into existence, between the City and any other entity establishing sanitary sewage disposal fees for Amherst Township residential or non-residential users lower than those indicated in
A, B and C above, then said rates shall be adjusted to such lower disposal fees in relation to an analysis of comparable services (including but not limited to ownership, maintenance, inspection and billing).

**Section 10. Ownership of Facilities.** All sanitary sewer service facilities that are acquired, constructed or installed within the JEDD District shall be owned, operated and maintained by the Lorain County Rural Wastewater District, unless negotiated otherwise between the parties.

**Section 11. Board of Directors.** Pursuant hereto, a Board of Directors is established to govern the District. The Board shall consist of five (5) members, two (2) each from the City and the Township. The Township members of the Board shall be appointed by the Township Trustees. The City members shall be appointed by the Mayor and members of the Council of the City. The members of the Board shall serve as provided for in Ohio Revised Code 715.78(A). The Township members of the Board shall be (1) a Township Trustee, who shall serve for a period of two years, and (2) a representative of owners of businesses located within the District, who shall serve for a period of three years. The City members shall be (a) a City Council person or the Mayor, who shall serve for a period of one year, and (b) a representative of persons working within the District, who shall serve for a period of four years. The fifth member shall be selected by the four members described above, who shall serve for a period of four years. The fifth member shall alternate between a City and Township resident.

In the event that the Township shall cease to exist or the territory of the District shall be included within a municipal corporation as described in Section 6 hereof, but prior to such event, the Board shall establish a procedure for the appointment of members to the Board from the political subdivision or entity succeeding to the Township or being added as a party to this Contract in accordance with Section 715.78 of the Ohio Revised Code.

The members of the Board shall serve without compensation as such
members. Necessary and authorized expenses incurred by members on behalf of the District shall be reimbursed from District funds in accordance with procedures established by the Board.

The Board shall elect the following officers (who shall constitute the Officers of the Board) from among its members: a Chairman, a Vice Chairman, a Secretary and a Treasurer, provided that the Secretary and the Treasurer might be the same person. The Officers shall be elected at the first meeting of the Board and thereafter every other year for two-year terms and shall serve until their respective successors take office. The Board shall establish a procedure for conducting those elections. The Officers shall perform such duties as provided herein and such additional duties as may be provided from time to time by the Board.

Section 12. Powers, Duties, and Functions of the Board. The Board shall meet at least once each calendar year on a date determined by the Board, provided that the first meeting of the Board shall occur within 30 days of the effective date of this Contract. The Board shall adopt procedures for holding and conducting regular and special meetings. Meetings may be held at the offices of the City or the Township or at other locations within the County as determined by the Board. The principal office and mailing address of the District and the Board shall be determined by the Board at its first meeting and may be changed by the Board from time to time. The Board may maintain an office within the District. A minimum of three members shall constitute a quorum for Board meeting purposes. The Board shall act through resolutions adopted by the Board. A resolution must receive the affirmative vote of at least four members of the Board to be adopted. A resolution adopted by the Board shall be immediately effective unless otherwise provided in that resolution or by applicable Sections of the Ohio Revised Code.

The Board may adopt by-laws for the regulation of its affairs and the conduct of its business consistent with this Contract.

The Chairman shall preside over and conduct the meetings of the Board.
in accordance with its by-laws or other procedures adopted by the Board.

   The Vice Chairman shall act as Chairman in the temporary absence of the Chairman.

   The Secretary shall be responsible for the records of the Board, including, but not limited to, correspondence and minutes of the meetings of the Board.

   The Treasurer shall be the fiscal officer of the Board and shall be responsible for all fiscal matters of the Board, including, but not limited to, the preparation of the budget and the appropriations resolution, paying or providing for the receipt, safekeeping and investment of funds of the Board, and maintaining or providing for the maintenance of accurate accounts of all receipts, expenditures, assets and obligations of the Board. The Board may provide in the Tax Agreement (as defined in Section 13 hereof) that the City shall assist the Treasurer with the duties of that office.

   The Board shall designate by resolution or in its by-laws those Officers who may sign documents on behalf of the Board.

   The Board shall adopt an annual budget for the District to be a .01% share of income tax collected, pursuant to Section 13, or in a greater amount as approved by the City and Township. The fiscal year of the District shall be the same as the fiscal year of the City. The budget shall estimate the revenues of the District and expenses of the operation of the District. The Board shall establish an appropriations procedure to provide for payment of the operating expenses of the District and the distribution of income tax revenues in accordance with Section 13 hereof.

   The Board is authorized to take such necessary and appropriate actions, or establish such programs to facilitate economic development in the District in accordance with the purpose of this Contract.

   The Board, on behalf of the District, may exercise all authority permitted in Section 715.72 to 715.81 of the Ohio Revised Code, as it may be amended from
time to time. The City and the Township may exercise all of the powers and may perform all of the functions and duties set forth in Section 715.81 of the Ohio Revised Code.

Section 13. Income Tax. The Board, at its first meeting, pursuant to Section 715.74(C) of the Ohio Revised Code, shall by resolution levy an income tax at the same overall rates as those levied in the City. The income tax shall go into effect on the earliest date allowed by law. The income tax revenues collected shall be shared by the City and Township, with the City receiving 50 percent and the Township receiving 50 percent. The parties shall equally contribute to the .01 percent annual budget for the District.

The Board shall adopt, by resolution, all of the provisions of the City’s income tax legislation, as it may be amended from time to time. The rate of the income tax shall change from time to time so that it is equal to the overall rate of the municipal income tax levied by the City. The income tax levied by the Board, pursuant to this Contract and the Ohio Revised Code, shall apply in the entire District throughout the term of this Contract, notwithstanding that all or a portion of the District becomes subject to annexation, merger or incorporation.

The Board shall enter into an agreement with the City to administer, collect and enforce the income tax on behalf of the District (the “Tax Agreement”). The cost of said agreement shall be subject to the limitations of Section 7.1. The Tax Agreement shall provide that the Treasurer of the City shall be the Administrator of the income tax of the District (the “Administrator”), who shall be responsible for the receipt, safekeeping and investment of the income tax revenues collected within the District.

All other tax revenues generated within the District, including but not limited to all property taxes, road and bridge taxes, real estate and personal property taxes, shall remain revenue of the Township.

The Tax Agreement shall provide that the Administrator shall make an
annual report to the Board regarding the receipt and distribution of the income tax of the District.

Section 14 Annexation; Zoning.

A. The City agrees that the City will not approve annexation petitions with respect to any land area within the District through December 31, 2030. In addition, for the duration of this agreement, the City will use its best efforts to oppose the annexation, merger or consolidation of any property located in the Township by any other municipal corporation. Neither the City nor the Township is or will be divested of its rights and obligations under this Contract because of annexation, merger or succession of interests.

B. The Township agrees to maintain non-residential zoning of the property within the District.

Section 15. This Section Reserved

Section 16. Modifications. This Contract may be modified by the City and the Township only in writing approved by the legislative authorities of both parties by appropriate Legislative Action authorizing that modification.

Section 17. Binding Effect. This Contract shall inure to the benefit of and shall be binding upon the District, the City, the Township and their respective permitted successors, subject, however, to the specific provisions hereof. This Contract shall not inure to the benefit of anyone other than as provided in the immediately preceding sentence.

Section 18. Support of Contract. In the event that this Contract, or any of its terms, conditions or provisions, is challenged by any third party or parties in a court of law, the parties agree to cooperate with one another and to use their best efforts in defending this Contract with the object of upholding this Contract. Each party shall bear its own costs in any such proceeding challenging this Contract or any term or provisions thereof.

Section 19. Signing Other Documents. The parties agree to cooperate
with one another and to use their best efforts in the implementation of this Contract and to sign or cause to be signed, in a timely fashion, all other necessary instruments, petitions and similar documents, and to take such other actions, in order to effectuate the purposes of this Contract.

**Section 20. Severability.** In the event that any section or provision of this Contract, or any covenant, agreement, obligation or action, or part thereof, made, assumed, entered into or taken, or any application thereof, is held to be illegal or invalid for any reason:

A. that illegality or invalidity shall not affect the remainder hereof or thereof, any other section or provision hereof, or any other covenant, agreement, obligation or action, or part thereof, made, assumed, entered into or taken, all of which shall be construed and enforced as if the illegal or invalid portion were not contained herein or therein;

B. the illegality or invalidity of any application hereof or thereof shall not affect any legal and valid application hereof or thereof, and

C. each section, provision, covenant, agreement, obligation or action, or part thereof, shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law.

**Section 21. Governing Law and Venue.** This Contract shall be governed exclusively by and construed in accordance with the laws of the State, and in particular Section 715.72 to 715.81 of the Ohio Revised Code, and venue for all issues involving this Contract shall be in Lorain County, Ohio.

**Section 22. Captions and Headings.** The captions and headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections hereof.

**IN WITNESS WHEREOF,** the City and the Township have caused this Contract to be duly signed in their respective names by their duly authorized officers as of the date hereinbefore written.
Signed as to the City in the presence of:

CITY OF LORAIN

Printed Name: Mayor (signature)

Printed Name Witnesses as to the City (signature)

ATTEST: Approved as to legal form

and correctness:

__________________________ By: ___________________________

Clerk, Lorain City Council Director of Law, City of Lorain
Signed as to the Township in the presence of:

Printed Name: (Witnesses as to the Township)

Printed Name:

Printed Name:

Printed Name:

ATTEST: Clerk, Amherst Township

TOWNSHIP OF AMHERST

Signature (Witnesses as to the Township)

______________________________
Trustee (signature) Township of Amherst

______________________________
Trustee-Chairman (signature) Township of Amherst

Trustee (signature) Township of Amherst

Approved as to legal form and correctness:

By: Legal Counsel to Amherst Township
On this _____ day of ________________, 200___, before me, a Notary Public in and for said County and State, personally appeared __________________________, Mayor of the City of Lorain, Ohio, who acknowledged that with due authorization and as such officer on behalf of the City, he did sign said instrument on behalf of the City and who acknowledged that the same is his voluntary act and deed, individually as said officer and the voluntary and corporate act and deed of the City.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

_______________________________________ (seal) NOTARY PUBLIC

On this _____ day of ________________, 200__ me, a Notary Public in and for said County and State, personally appeared __________________________,_______________________, and ________________________, Trustees of the Township of Amherst, who acknowledged that with due authorization and as such officers on behalf of the Township, they did sign said instrument on behalf of the Township and who acknowledged that the same is their voluntary act and deed, individually as said officers and the voluntary and corporate act and deed of the Township.
IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

_______________________________________ (seal) NOTARY PUBLIC
APPENDIX E: EXAMPLE JEDD CONTRACT
(N. PICKAWAY COUNTY)

NORTHERN PICKAWAY COUNTY JOINT ECONOMIC DEVELOPMENT DISTRICT CONTRACT

This Northern Pickaway County Joint Economic Development District Contract (the "Contract") is made and entered into as of ________________, 2006, by and among the City of Columbus ("Columbus"), the Village of Ashville ("Ashville"), the Village of South Bloomfield ("South Bloomfield"), and the Township of Harrison, Pickaway County, Ohio ("Harrison") in accordance with the terms and provisions set forth herein.

RECITALS

A. Columbus, Harrison, Ashville and South Bloomfield (the "JEDD Parties", each a "JEDD Party") have entered into an Annexation Moratorium Agreement (the "Annexation Moratorium Agreement"), dated as of ____________, 2006, to place a moratorium on annexation within the Northern Industrial Area, as defined herein to allow for joint economic development within such area.

B. The JEDD Parties intend to enter into this Contract to create and provide for the operation of the Northern Pickaway County Joint Economic Development District (the "District") as a joint economic development district in accordance with Sections 715.72 through 715.81 of the Revised Code for their mutual benefit and for the benefit of their residents and of the State of Ohio (the "State").

C. Columbus is a municipality located primarily within Franklin County, Ohio and Harrison is located within Pickaway County, Ohio. Ashville and South Bloomfield are municipalities located in Pickaway County. Franklin County and Pickaway County are adjacent counties. Columbus and Harrison are contiguous communities. Ashville and Harrison are contiguous communities. South Bloomfield and Harrison are contiguous communities.
D. The legislative authorities of the JEDD Parties have each approved, authorized and directed the JEDD Parties to make and enter into this Contract by and through their respective officers in accordance with Ordinance No. ____-2006, enacted by the City Council of Columbus on ____________, 2006, Ordinance No. ____ enacted by the Village Council of Ashville on ____________, 2006, Ordinance No. ____ enacted by the Village Council of South Bloomfield on ____________, 2006, and Resolution No. ___, adopted by the Board of Township Trustees of Harrison on ____________, 2006, [as approved by the voters of Harrison at the election held on ____________, 2006.]

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Contract, the JEDD Parties agree and bind themselves, their agents, employees and successors, as follows:

Section 1. Creation of District: Name. The JEDD Parties, by their combined action evidenced by the signing of this Contract, hereby create a joint economic development district in accordance with the terms and provisions of this Contract. The joint economic development district created pursuant to this Contract shall be known as the "Northern Pickaway County Joint Economic Development District". The Board of Directors (the "Board") of the District may change the name of the District by resolution of the Board.

Section 2. Contracting Parties. The contracting parties (referred to herein as the JEDD Parties) to this Contract are Columbus, a municipal corporation existing and operating under the laws of the State, including its Charter, Ashville, a municipal corporation existing and operating under the laws of the State, South Bloomfield, a municipal corporation existing and operating under the laws of the State, and Harrison, a township existing and operating under laws of the State, and their respective successors in all or in part.

Section 3. Purpose. In accordance with R.C. 715.72(C), the JEDD Parties intend that the creation and operation of the District shall, and it is the purpose of the
District to, facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State, Pickaway County, Columbus, Ashville, South Bloomfield, Harrison and the District.

Section 4. Territory of the District. The territorial boundaries of the District are described in Exhibit A attached to and made part of this Contract. The territory of the District is located entirely within Harrison and does not include any "parcel of land", as defined in R.C. 715.70(B)(1), that is owned in fee by or is leased to a municipal corporation or a township. Franklin County and Pickaway County are adjacent counties as required by R.C. 715.72(B), and (a) Columbus and Harrison, (b) Ashville and Harrison, and (c) South Bloomfield and Harrison, respectively, are contiguous communities as required by R.C. 715.72(C)(1). No electors reside or shall reside within the area or areas comprising the District and no part of the area or areas comprising the District is or shall be zoned for residential use, as required by R.C. 715.73(B).

Section 5. Addition and Removal of Areas from District. Subject to and consistent with R.C. 715.761 and any other applicable provisions of the Ohio Revised Code now existing or hereafter adopted, this Contract, including Exhibit A hereto, may be amended from time to time to add certain property within Harrison to the territory of the District. More specifically, only property located within the territory generally defined as the area of Harrison south of the Franklin County line and bounded by the Scioto River to the west, the Walnut Creek to the east and Duval Road to the south, which area is depicted on the map attached as Exhibit B (the "Northern Industrial Area"), shall be eligible to be added to the Northern Pickaway County JEDD.

Property may be added to the District upon the filing of a petition pursuant to R.C. 715.761(C)(6) and R.C. 715.76(F), where: (a) such petition is signed by all of the owners of that property (and signed by all of the owners of businesses, if any) with the Board; (b) a resolution approving the addition of the area is unanimously approved by
the Harrison township trustees; and (c) appropriate zoning is in place. The petition shall be considered in accordance with R.C. 715.761. Upon agreement by all of the JEDD Parties and the Board, this Contract, including Exhibit A hereto, shall be amended to add such property to the territory of the District pursuant to the petition requirements as provided hereinabove. Pursuant to R.C. 715.761(A), property added to the District shall meet all requirements of R.C. 715.73.

If at any time any property within the District is zoned for residential use, then such property shall be removed from the District.

Upon agreement of all of the JEDD Parties and the Board, this Contract, including Exhibit A hereto, may also be amended from time to time to remove property from the territory of the District.

Section 6. Term. The initial term of this Contract shall commence on the date hereof and shall terminate on January 1, 2056, unless otherwise terminated prior to that date as provided herein. The provision herein for the initial term of this Contract recognizes that the accrual of benefits to the parties from this Contract may take decades and that the construction of utility facilities and other possible capital improvements provided for herein is of permanent usefulness and duration.

Pursuant to R.C. 715.74(D), this Contract may be terminated at any time by mutual consent of all of the JEDD Parties as authorized by their respective legislative authorities as provided herein. Unless otherwise agreed, in order for such termination to be effective, the legislative actions of the JEDD Parties that terminate this Contract must occur and be effective within a period of 90 days of each other.

Notwithstanding Section 12 hereof, this Contract may also be terminated by any JEDD Party if it is determined at any time, for any reason, that joint economic development district contracts cannot be entered into, cannot be implemented, or are held invalid by a court of competent jurisdiction or that the income tax provided for in Section 10 hereof is not legal or valid or that the District, for any reason, may not levy, collect or distribute that income tax in accordance with this Contract. The
The determination to so terminate this Contract shall be evidenced by a written notice of such termination from the legislative authority of any JEDD Party. The termination shall occur on the date set forth in that notice.

Upon termination of this Contract, any property, assets and obligations of the District shall be divided equally between the JEDD Parties, except that any items of infrastructure constructed by or for any JEDD Party shall be retained by that JEDD Party. Any records or documents of the District shall be placed with the Pickaway County for safekeeping, which records and documents shall be maintained by Pickaway County as are public records of Pickaway County.

Pursuant to Section 715.74(D) of the Revised Code, this Contract shall continue in existence throughout its term and shall be binding on the JEDD Parties and on any entities succeeding such JEDD Parties, whether by annexation, merger, consolidation or otherwise. Contemporaneous with the signing of this Contract, the JEDD Parties have entered into an Annexation Moratorium Agreement prohibiting annexation of property located within the Northern Industrial Area, depicted on Exhibit B, by Columbus, Ashville, or South Bloomfield for a period of fifty (50) years. The intent of the Annexation Moratorium Agreement, in combination with this Contract and any other JEDD Contracts, is to establish the legal and policy framework for the creation of an area (the Northern Industrial Area) reserved exclusively for joint development through joint economic development districts. In the event that any portion of the territory of the District shall be included within a municipal corporation by annexation, merger, consolidation or otherwise, the JEDD Parties may, but are not required to, amend this Contract to add that municipal corporation as a party to this Contract. The portion of the territory of the District that is included within a municipal corporation by annexation, merger or otherwise after the date of this Contract shall continue to be a part of the District and subject to the terms of this Contract and to the income tax provided for in Section 10 hereof. In the event that any portion of the territory of Harrison that is within the territorial boundaries of the District becomes the subject of
an annexation or merger into a noncontracting municipal corporation or an incorporation as a municipal corporation, the JEDD Parties shall use their best efforts, including but not limited to legal action, to oppose and prevent such annexation, merger or incorporation until and unless (1) the District has been created and the income tax provided for in this Contract has been in effect for one year and (2) the municipal corporation into which such territory would be annexed or merged or that is to be incorporated has either become a party to this Contract and has assumed all the obligations and responsibilities required under this Contract in connection with such territory or has agreed otherwise to recognize and comply with this Contract in a form acceptable to the JEDD Parties.

This Contract shall become null and void, without further action of any JEDD Party, in the event that the voters of Harrison fail to approve this Contract, pursuant to R.C. 715.77.

Section 7. Governmental Service; Contribution to the District. It is the intention of the JEDD Parties to provide certain governmental services to the District. The JEDD Parties will cooperate to secure state and federal funding to contribute to or reimburse the parties for capital improvements.

As explained in more detail in Section 10 of this Contract, the District will establish a capital improvement plan and a plan to provide financing for needed infrastructure. It is anticipated that a variety of sources will assist, including developer assistance or reimbursement payments, and/or governmental grants or payments, proceeds or revenues from tax increment financing and income taxes generated from the District. (See Section 10 herein). It is a principle of this Contract that the provision of necessary infrastructure be guaranteed to the extent possible and that all JEDD Parties will have an opportunity to be reimbursed for costs incurred on their behalf.

In accordance with Section 715.74 of the Revised Code, the JEDD Parties each agree to contribute to the development and operation of the District as follows:

A. Sanitary Sewer Services. Sanitary Sewer Service will be provided pursuant to
the Annexation Moratorium Agreement. Costs for sanitary sewer services will be recovered for provision of such sanitary sewer services in a manner consistent with and pursuant to the Annexation Moratorium Agreement from sources as determined by the Board in a manner consistent with the pursuant to the Annexation Moratorium Agreement.

B. **Water Services.** Water service will be provided pursuant to an agreement with Earnhart Hill Water and Sewer Service District (the "District"), in a manner consistent with and pursuant to the Annexation Moratorium Agreement.

C. **Road Construction, Maintenance.** As mentioned above, the JEDD Parties will develop a capital improvement plan to provide necessary road improvements and to determine which JEDD Party shall make such improvements or whether private sector developers shall be responsible for certain improvements and the costs thereof.

D. **Other Services.** Reference is hereby made to the North Gate Alliance Cooperative Economic Development Agreement ("CEDA"), dated __________, 2004, which CEDA is attached hereto as **Exhibit C** and incorporated herein by reference. The CEDA sets forth certain provisions with regard to the provision of governmental services in areas that are annexed to a municipality pursuant to the CEDA. The applicable provisions with regard to governmental services, other than water services, sewer services, and road construction and maintenance services, shall apply in the JEDD district, and Pickaway County shall continue to provide police services in the JEDD district. With regard to the governmental services of traffic control device maintenance and energy for street lighting (which services would be provided by the annexing municipality), the District shall pays such costs as an expense of operation of the District, pursuant to Section 10 of the Contract.

Section 8. **Board of Directors.** Pursuant hereto, a board of directors (the "Board") is established to govern the District. The Board shall consist of three members appointed as set forth in R.C. 715.78(A)(2). More specifically, the Board
shall be composed of one member appointed by and representing Columbus, one
member appointed by and representing Harrison, and one member selected by the
other two members described above. In the event that there become established
within the District businesses and persons working within the District, then the Board
shall consist of five members, appointed as set forth in R.C. 715.78(A)(1). More
specifically, the Board shall be composed of one member representing Columbus,
one member representing Harrison, one member representing the owners of
businesses located within the District, one member representing the persons
working within the District, and one member selected by the other four members
described above.

The members of the Board shall serve without compensation as such
members. Necessary and authorized expenses incurred by members on behalf of the
District shall be reimbursed from District funds in accordance with procedures
established by the Board.

The Board shall elect the following officers (who shall constitute the "Officers"
of the Board) from among its members: a Vice Chair, a Secretary and a Treasurer,
provided that the Secretary and the Treasurer may be the same person. The
Chairperson shall be the Board member selected by the other Board members as set
forth in R.C. 715.78. The Officers shall be elected at the first meeting of the Board and
thereafter every other year for two-year terms and shall serve until their respective
successors take office. The Board shall establish a procedure for conducting those
elections. The Officers shall perform such duties as provided herein and such
additional duties as may be provided from time to time by the Board.

Section 9. Powers, Duties, Functions. The Board shall adopt by-laws, which
shall provide for the provisions herein and such other provisions as the Board
determines necessary to operate the District in accordance with this Contract. The
Board shall meet at least once each calendar year on a date determined by the Board.
The Board shall adopt procedures for holding and conducting regular and special
meetings. Meetings may be held at the offices of ____________________________ or at other location as determined by the Board. The principal office and mailing address of the District and the Board shall be determined by the Board. If the Board consists of three members constituted as set forth in R.C. 715.78(A)(2), a minimum of two members shall constitute a quorum for Board meeting purposes. If the Board consists of five members as set forth in R.C. 715.78(A)(1), a minimum of three members shall constitute a quorum for Board meeting purposes. The Board shall act through resolutions adopted by the Board. A resolution must receive the affirmative vote of at least a majority of members present and constituting a quorum to be adopted. A resolution adopted by the Board shall be immediately effective unless otherwise provided in that resolution.

The Board may adopt by-laws for the regulation of its affairs and the conduct of its business consistent with this Contract.

The Chair shall preside over and conduct the meetings of the Board in accordance with its by-laws or other procedures adopted by the Board. The Chair may call special meetings of the Board by giving 24-hour written notice of such meeting to each member delivered to his or her residence or place of business. Any majority of members of the Board may also call a special meeting by providing the same notice.

The Vice Chair shall act as Chair in the temporary absence of the Chair.

The Secretary shall be responsible for the records of the Board including, but not limited to, correspondence and minutes of the meetings of the Board.

The Treasurer shall be the fiscal officer of the Board and shall be responsible for all fiscal matters of the Board including, but not limited to, the preparation of the budget and the appropriations resolution, paying or providing for the payment of expenses of operation of the Board, receiving, safekeeping and investing, or providing for the receipt, safekeeping and investment of, funds of the Board and maintaining, or providing for the maintenance of, accurate accounts of all receipts and expenditures.
The Board may provide in the Tax Agreement (as defined in Section 10 hereof) that the Department of Finance of Columbus shall assist the Treasurer with the duties of that office.

The Board shall designate by resolution, or in its by-laws, those Officers who may sign documents on behalf of the board.

The Board shall adopt an annual budget for the District. The fiscal year of the district shall be January 1 through December 31. The budget shall estimate the revenues of the District and expenses of the operation of the district. The Board shall establish an appropriations procedure to provide for payment of the operating expenses of the District and the distribution of income tax revenues in accordance with Section 10 hereof.

The Board is authorized to take such necessary and appropriate actions, or establish such programs, to facilitate economic development in the District in accordance with the purpose of this Contract.

The Board, on behalf of the District, may:

(1) Purchase, receive, hold, lease or otherwise acquire, and sell, convey, transfer, lease, sublease or otherwise dispose of, real and personal property, together with such rights and privileges as may be incidental and appurtenant thereto and the use thereof, including but not limited to, any real or personal property acquired by the District from time to time in the satisfaction of debts or enforcement of obligations, or otherwise;

(2) acquire, purchase, construct, reconstruct, enlarge, furnish, equip, maintain, repair, sell, exchange, lease or rent to others, lease or rent from others, or operate facilities for the District;

(3) make available the use or services of any District facility to one or more persons, one or more governmental agencies, or any combination thereof;

(4) apply to proper authorities of the United State pursuant to appropriate law for the right to establish, operate, and maintain foreign trade zones within the area or
jurisdiction of the district and to establish, operate and maintain such foreign trade zones;

(5) establish and maintain such funds or accounts as it deems necessary, either of its own or in conjunction with or through the JEDD Parties;

(6) promote, advertise and publicize the District, provide information relating to the District and promote the interests and economic development of the District, the JEDD Parties to this Contract as well as Pickaway County and the State of Ohio;

(7) make and enter into all contracts and agreements and authorize one or more Officers to sign all instruments necessary or incidental to the performance of its duties and the execution of its powers under this Contract;

(8) employ managers and other employees and retain or contract with consulting engineers, financial consultants, accounting experts, architects, attorneys and such other consultants and independent contractors as are necessary in its judgment to carry out the purposes of this Contract, and fix the compensation thereof, which shall be payable from any available funds of the District;

(9) receive and accept from any federal agency, state agency or other person grants for or in aid of the construction, maintenance or operation of any District facility, for research and development with respect to District facilities or for programs or other projects of the District, and receive and accept aid or contributions from any source or money, property, labor or other things of value, to be held, used and applied only for the purposes for which such grants, aid or contributions are made; and

(10) purchase fire and extended coverage and liability insurance for any District facility and for the office of the District, insurance protecting the district and its Board, Officers and employees against liability for damage to property or injury to or death of persons arising from its operations, and any other insurance that the Board may determine to be reasonably necessary.

All costs of employment, including but not limited to, compensation, salaries, benefits, taxes and insurance, shall be paid from revenues of the District. The JEDD

The Center for Public Management
Parties to this Contract shall not be the employer and shall have no liability for any costs of employment or any other costs or expenses arising from such employment. The Board may provide by resolution that the purchases or real or personal property, as well as other goods or services shall comply with applicable rules or regulations of the JEDD Parties.

This Contract grants to the Board the power and authority to adopt a resolution to levy an income tax within the District in accordance with Section 715.74(C) of the Revised Code and Section 10 hereof.

The Board is authorized to do all acts and things necessary or convenient to carry out the powers granted in this Contract.

Section 10. Income Tax. The Board at its first meeting shall adopt a resolution to levy an income tax at a rate of 2% in the District in accordance with Section 715.74(C) of the Revised Code. The income tax shall go into effect as soon as is legally permissible. The rate of the income tax shall change from time to time so that it is equal to the highest rate being levied by a municipal corporation that is a JEDD Party. The revenues of that income tax shall be used for the purposes of the District and the JEDD Parties pursuant to this Contract.

The Board shall adopt, by resolution, all of the provisions (other than the rate) of the Columbus’s income tax legislation, as it may be amended form time-to-time, as applicable to the District income tax. The income tax levied by the Board pursuant to this Contract and Section 715.74(C) of the Revised Code shall apply in the entire District throughout the term of this Contract, notwithstanding that all or a portion of the District becomes subject to annexation, merger or incorporation.

In accordance with Section 715.74(C)(2) of the Revised Code, the Board shall enter into an agreement with Columbus to administer, collect and enforce the income tax on behalf of the district (the "Tax Agreement"). The Tax Agreement shall provide that the Director of Finance of Columbus shall be the Administrator of the income tax of the District (the "Administrator"), who shall be responsible for the receipt,
safekeeping and investment of the income tax revenues collected within the District.

On the first business day of each quarter, the Administrator shall provide the District with an amount sufficient to pay the outstanding or expected expenses of the operation of the District for that quarter (including, but not limited to, the expense of administering the income tax pursuant to the Tax Agreement) in accordance with the budget and the appropriations resolution (as amended from time to time) of the Board, which amount shall not exceed .25% of the estimated income tax revenues for that calendar year. Thereafter, the Administration shall repay the JEDD Parties the costs, which they incurred to establish the District pursuant to Section 7 hereof, until each JEDD Party is paid in full.

Tax revenues [in excess of the above] shall be divided into two equal funds: the Partner Proceeds Fund (the "Partners Proceeds Fund") (1%) and the Partner Investment Reimbursement Fund (1%) (the Partners Investment Reimbursement Fund).

Revenues in the Partner Proceeds Fund shall be paid and remitted annually without need of further action of the treasurer or the Board, as follows:

1. To Columbus, seventy percent (70%)
2. To Harrison, ten percent (10%)
3. To Ashville, ten percent (10%)
4. To South Bloomfield, ten percent (10%).

The revenues so paid or remitted to the JEDD Parties shall be used by each JEDD Party for the purposes of the District and for the purposes of the JEDD Parties pursuant to this Contract, in accordance with R.C. 715.74(C)(1).

Revenues in the Partner Investment Reimbursement Fund shall be paid and remitted annually as follows:

1. The Partner Investment Reimbursement Fund shall continue to exist until the partners have been reimbursed for capital investment projects made on behalf of and
authorized by the District or any other related joint economic development districts. Capital investment projects to be paid from Partner Investment Reimbursement Fund specifically include, but are not limited to, those projects undertaken pursuant to the Annexation Moratorium Agreement. If at any point this fund is no longer needed, all revenue generated through the income tax shall be deposited in the Partner Proceeds Fund.

2. The JEDD Parties shall develop a capital improvement plan for the District that shall detail the initial infrastructure required to support the District and identify the JEDD Party that has agreed to provide such infrastructure. The capital improvement plan shall also identify infrastructure improvements made or in the process of being made prior to the establishment of the District and for which a JEDD Party is to be reimbursed.

3. Once constituted, the Board shall update the District's capital improvement plan on a frequency to be determined by the board.

4. Each JEDD Party shall be reimbursed for all project costs expended in accord with the approved capital improvement plan.

   (a) However, while it is understood that each JEDD Party will likely need to finance its projects, no financing costs are reimbursable. Each JEDD Party shall bear its own financing expense.

   (b) Columbus shall not seek reimbursement for project costs which are recovered through front foot fees paid to its water or wastewater utility. In addition, no JEDD Party will seek reimbursement for project costs that will be recovered or reimbursed through other sources such as developer assistance or reimbursement payments, or revenues from tax increment financing.

   (c) Any federal or state grant funds obtained on behalf of a JEDD Party and/or the District shall be used to reduce the total cost for infrastructure investment required by the partners and are not eligible for reimbursement.

4. On an annual basis, each JEDD Party shall submit to the Board documentation
for authorized project costs incurred by the partner during the prior year.

5. To the extent monies are available within the Partner Investment Reimbursement fund, the Board shall remit annually payment to the JEDD Parties for documented expenses. The JEDD Parties assume that the revenues to this fund will not be adequate to meet the reimbursement expenses on an annual basis. All expenses not reimbursed the first year submitted shall be District debt carried forward to future years until paid. All District debt shall be paid to the JEDD Parties proportionally at an equal pace.

The Tax Agreement shall provide that the Administrator shall make an annual report to the Board regarding the receipt and distribution of the income tax of the District.

The JEDD Parties acknowledge that property taxes levied on property within the District shall be distributed in accordance with Ohio law with no portion being distributed to other parties.

Section 11. Annexation; Zoning. The JEDD Parties agree that, so long as this Contract is in effect, the JEDD Parties will not (i) accept any annexation petitions for any property located in the District, or (ii) assist property owners to annex their property located in the District to a municipality. The JEDD Parties will not be divested of their rights or obligations under this Contract because of annexation, merger or succession of interests.

From and after the date of this Contract, Harrison shall not approve and shall use its best efforts to oppose the establishment of enterprise zones under Section 5709.61 through 5709.69 of the Revised Code, as amended from time to time, and the granting of any tax exemption pursuant to Chapter 1728 and Section 3735.67 of the Revised Code, as amended from time to time, and the use of tax increment financing under Sections 5709.73 to 5709.81 of the Revised Code, as amended from time to time, within the District without the consent of all of the JEDD Parties.

As stated in Section 4 of this Contract, on the date of execution of this Contract,
none of the area comprising the District is zoned for residential use. Upon the formation of the District, Harrison agrees to implement and maintain only business, commercial and industrial zoning within the District. For purposes hereof and to the extent permitted by law, "zoning" shall include "conditional zoning", the granting of any variance or other form of permit to use, and otherwise prescribing the uses of property within the District.

Section 12. Defaults and Remedies. A failure to comply with the terms of this Contract shall constitute a default hereunder. The JEDD Party in default shall have 60 days after receiving written notice from any other JEDD Party of the event of default to cure that default. If the default is not cured within that time period, any nondefaulting JEDD Party may sue the defaulting JEDD Party for specific performance under this Contract or for damages or both. Other than as provided in Section 6 hereof, this Contract may not be terminated because of a default unless all JEDD Parties agree to such cancellation or termination.

Section 13. Amendments. In addition to the amendments provided for in Section 5 hereof, this Contract may be amended by the JEDD Parties only in a writing approved by the legislative authorities of all of the JEDD Parties by appropriate legislation authorizing that amendment. In order for such amendment to be effective, the legislative actions of the JEDD Parties that amend this Contract must occur and be effective within a period of 90 days of each other.

Section 14. Binding Effect. This Contract shall be binding upon the JEDD Parties, and the District and their respective permitted successors, subject, however, to the specific provisions hereof. This Contract shall not inure to the benefit of anyone other than as provided in the immediately preceding sentence.

Section 15. Support of Contract. The JEDD Parties agree to cooperate with each other and to use their best efforts to do all things necessary for the creation and continued operation of the District, including, but not limited to, promoting the approval by the electors of Harrison of the resolution authorizing this Contract. In the event that
this Contract, or any of its terms, conditions or provisions, is challenged by any third party or parties in a court of law, the JEDD Parties agree to cooperate with one another and to use their best efforts in defending this Contract with the object of upholding this Contract. Each JEDD Party shall bear its own costs in any such proceeding challenging this Contract or any term or provision thereof.

Section 16. Signing Other Documents. The JEDD Parties agree to cooperate with one another and to use their best efforts in the implementation of this Contract and to sign or cause to be signed, in a timely fashion, all other necessary instruments and documents, and to take such other actions, in order to effectuate the purposes of this Contract.

Section 17. Severability. Except as provided in Section 6 hereof, in the event that any section, paragraph or provision of this Contract, or any covenant, agreement, obligation or action, or part thereof, made, assumed, entered into or taken, or any application thereof, is held to be illegal or invalid for any reason,
(1) that illegality or invalidity shall not affect the remainder hereof or thereof, any other section or provision hereof, or any other covenant, agreement, obligation or action, or part thereof, made, assumed, entered into or taken, all of which shall be construed and enforced as if the illegal or invalid portion were not contained herein or therein,
(2) the illegality or invalidity or any applications hereof or thereof shall not affect any legal and valid application hereof or thereof, and
(3) each section, paragraph, provision, covenant, agreement, obligation or action, or part thereof, shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law.

Section 18. Governing Law. This Contract shall be governed exclusively by and construed in accordance with the laws of the State, and in particular Sections 715.72 and 715.81 of the Revised Code. In the event that Section 715.72 or Section 715.81 of the Revised Code are amended or are supplemented by the enactment of a new section of the Revised Code relating to Joint Economic Developments Districts, the
JEDD Parties may agree at the time to follow either the provisions of Sections 715.72 and 715.81 existing on the date of this Contract or the provisions of Sections 715.72 and 715.81 as amended or supplemented, to the extent permitted by law.

Section 19. Captions and Heading. The captions and headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections hereof.

Section 20. Consideration, Utility Contract. The amendment, renewal or termination of a separate contract for utility services does not constitute any part of the consideration for this Contract. Further, other substantial consideration exists to support this Contract, and this Contract has been entered into between the JEDD Parties without duress or coercion related to the amendment, renewal or termination of a separate contract for utility services.

IN WITNESS WHEREOF, the JEDD Parties have caused this Contract to be duly signed in their respective names by their duly authorized officers as of the date hereinbefore written.

Signed as to the City of Columbus, Ohio

CITY OF COLUMBUS, OHIO
in the presence of:

Name: Mayor

Name: (Witnesses as to the City of Columbus, Ohio)
Approved as to legal form and correctness:

City Attorney

City of Columbus, Ohio
[Signature Page]

Signed as to the Village of Ashville, Ohio VILLAGE OF ASHVILLE, OHIO in the presence of:
By: Name: Mayor
Name: 
(Witnesses as to Village of Ashville, Ohio)

Approved as to legal form and correctness:

By: Village Solicitor Village of
Ashville, Ohio
1117828v9
[Signature Page]

Signed as to the Village of South Bloomfield, VILLAGE OF SOUTH Ohio in the presence of: BLOOMFIELD, OHIO
By: Name: Mayor
Name:
(Witnesses as to Village of South Bloomfield, Ohio)

Approved as to legal form and correctness:

By: Village Solicitor Village of South Bloomfield, Ohio
[Signature Page]

Signed as to the Township of Harrison, Pickaway County, Ohio in the presence of:

Name:

(Witnesses as to Township of Harrison, Pickaway County, Ohio
Approved as to legal form and correctness:
By: Legal Counsel to Township of Harrison, Pickaway County, Ohio TOWNSHIP OF HARRISON, PICKAWAY COUNTY, OHIO

By: Trustee

By: Trustee

By: Trustee

EXHIBIT A: MAP OF THE DISTRICT; EXHIBIT B: NORTHERN INDUSTRIAL AREA; EXHIBIT C: CEDA
APPENDIX F: JEDD PROFILES

Olmsted Township-Olmsted Falls JEDD

Community Demographic Data

<table>
<thead>
<tr>
<th>Participating Entity</th>
<th>City of Olmsted Falls</th>
<th>Olmsted Township</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 2000</td>
<td>7,962</td>
<td>10,575</td>
</tr>
<tr>
<td>Land Area Sq. Miles</td>
<td>4.1</td>
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<td>Cuyahoga</td>
<td>Cuyahoga</td>
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<tr>
<td>Persons Unemployed</td>
<td>36</td>
<td>259</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>0.82%</td>
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</tr>
<tr>
<td>Property Tax Receipts per capita</td>
<td>$204</td>
<td>$209</td>
</tr>
<tr>
<td>Local Income Tax Rate</td>
<td>1.50%</td>
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<tr>
<td>Income Tax Receipts per capita</td>
<td>$318</td>
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<tr>
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<td>Assessed Valuation per capita</td>
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<tr>
<td>Establishments</td>
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<td>111</td>
</tr>
<tr>
<td>Employment</td>
<td>1,423</td>
<td>1,441</td>
</tr>
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</table>

Background

With the encouragement of the Olmsted Chamber of Commerce, the city of Olmsted Falls and Olmsted Township (both in Cuyahoga County) began discussions about forming a JEDD in 1998. The JEDD was created in 2001 when city and township representatives, the county commissioners, and a majority of property owners within the proposed JEDD boundaries approved the joint agreement.

Operations and Governance

The JEDD agreement provides an avenue for Olmsted Township to realize the potential of undeveloped land and an opportunity for new revenue growth for land-locked Olmsted Falls. With the available land that the township can offer, coupled with the city’s ability to borrow, the two communities can together obtain financing from the bond market to pay for the water and sewer utilities that will be needed for undeveloped parcels of land. When the bonds are paid off, income tax revenue will be split evenly by the two communities.

In 2006, a request for proposals (RFP) for Master Plan Development of the JEDD was issued, and through this process, a developer was selected. It is anticipated that full development of the JEDD property could take approximately 20 years. An
The Center for Public Management

application for funding through the Ohio Department of Development’s Job Ready Sites program was recently submitted, however, funds were not awarded. One official from Olmsted Falls has indicated that they may re-apply for funding in the program’s next round.

The current JEDD area includes approximately 243 acres, and a potential JEDD expansion area of an additional 142 acres is included in a proposed master development plan. This 385-acre site, located in Olmsted Township, is the largest tract of undeveloped land in Cuyahoga County. The concept plan for the JEDD includes the use of “industrial flex space such as office space, warehouse, light industrial, and entrepreneurial users.” It is anticipated that the new development could accommodate a variety of business uses, from “specialty retail and personal services through distribution to light industrial.”

There are approximately 20 different property owners within the JEDD, including three individuals who own a substantial portion of property. At this time, no water and sewer lines have been extended into the JEDD boundaries, thus there is no development yet within the JEDD.

The JEDD contract agreement expires on December 31, 2050, and specifies a 1.50 percent income tax to be levied within the district. Income tax revenues are to be shared equally between the city and the township. The JEDD agreement also explicitly prohibits the City from annexing any territory within the district during the term of the contract without the consent of the Township.
Brimfield Township-Kent JEDD

Community Demographic Data

<table>
<thead>
<tr>
<th>Participating Entity</th>
<th>City of Kent</th>
<th>Brimfield Township</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 2000</td>
<td>27,906</td>
<td>7,963</td>
</tr>
<tr>
<td>Land Area Sq. Miles</td>
<td>8.7</td>
<td>20.5</td>
</tr>
<tr>
<td>County Location</td>
<td>Portage</td>
<td>Portage</td>
</tr>
<tr>
<td>Persons Unemployed</td>
<td>945</td>
<td>241</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>5.72%</td>
<td>5.41%</td>
</tr>
<tr>
<td>Property Tax Receipts per capita</td>
<td>$59</td>
<td>$196</td>
</tr>
<tr>
<td>Local Income Tax Rate</td>
<td>2.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Income Tax Receipts per capita</td>
<td>$370</td>
<td>N/A</td>
</tr>
<tr>
<td>Median Household Income</td>
<td>$29,582</td>
<td>$46,973</td>
</tr>
<tr>
<td>Assessed Valuation per capita</td>
<td>$13,878</td>
<td>$29,279</td>
</tr>
<tr>
<td>Payroll</td>
<td>$406,773,209.00</td>
<td>$89,090,057.00</td>
</tr>
<tr>
<td>Establishments</td>
<td>495</td>
<td>181</td>
</tr>
<tr>
<td>Employment</td>
<td>10,796</td>
<td>2,262</td>
</tr>
</tbody>
</table>

Background

In 2004, Brimfield Township and the city of Kent (both in Portage County) entered into a contractual agreement to create and operate the Brimfield-Kent Joint Economic Development District. The JEDD was designed to enhance the ability to expand infrastructure improvements, including central water and sewer services to the area, as well as provide expanded opportunities to generate revenue growth for both communities through job creation, and the resulting payroll and corporate taxes that accompany this growth. Additionally, the creation of the JEDD would also eliminate the threats of annexation by the city, a practice Kent has used on prior occasions to claim more territory.

The JEDD covers all township land north of Interstate 76, roughly 40 percent of the township’s land area. The exact land area or acreage of the Brimfield-Kent JEDD is uncertain. Though the JEDD boundaries encompass as much as 40 percent of the township’s territory, not all the land within the boundaries is JEDD territory, as land zoned for residential use cannot be included. This approach forced existing businesses, currently not paying income tax, into the newly taxed JEDD territory.

Despite being in the JEDD territory, existing businesses within the township were still required to enter the JEDD agreement before being subject to the new tax requirements of the JEDD. Entrance to the JEDD was accomplished in two ways.
an existing business could voluntarily choose to be included. Second, the city could implement the 51 percent rule, which requires a majority (at least 51 percent) of the businesses to join the JEDD in order to draft the remaining 49 percent of the businesses into the JEDD. For example, if the JEDD were able to sign up 10 businesses, they could then force nine more to join. The practice was used in the Brimfield Tallmadge JEDD to include nearly all the existing businesses. Currently, the township has about 25 previously existing businesses that are not part of the JEDD, and have chosen not to go after them because of their size, they probable account for fewer than 100 jobs collectively. The effort spent attempting to sign these remaining business up would not have been worth it. Over time they will be included, as new businesses entering the JEDD are automatically included, and a change in name or ownership classifies as a new business.

Both parties agree that forming the JEDD has helped cultivate a great working relationship among the communities, and has been a more financially beneficial alternative to the lengthy, time consuming, and expensive legal battles that existed around prior annexation attempts.

There were no significant concerns from either party during the creation of the JEDD, with both parties agreeing that the process went easier than expected. The township’s concerns were alleviated by the prohibition on annexation mandated by the JEDD contract.

Income taxes generated by the JEDD are split with 45 percent going to the township and 55 percent to the city. Officials close to the negotiations agreed that the biggest difficulty in forming the JEDD was getting businesses to agree to the two percent income tax. Businesses objected to this at first, and there was concern it would wind up in court. A meeting was held for 50 local businesses, and the end result was a negotiated phase-in of the two percent income tax, beginning at one-quarter of one percent. The city of Kent will administer tax collection for the JEDD, with taxes levied at an escalating rate, commencing on January 1, 2004. The JEDD taxes to be levied by the escalating rate are as follows:

<table>
<thead>
<tr>
<th>Years</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>0.25%</td>
</tr>
<tr>
<td>2006-2008</td>
<td>0.50%</td>
</tr>
<tr>
<td>2009-2013</td>
<td>0.75%</td>
</tr>
<tr>
<td>2014-2018</td>
<td>1.00%</td>
</tr>
<tr>
<td>2019-2023</td>
<td>1.50%</td>
</tr>
<tr>
<td>2024-2028</td>
<td>2.00%*</td>
</tr>
</tbody>
</table>

*Or at current municipal rate in effect, year 2029
There are about 80 existing accounts within the JEDD; composed mostly of small local businesses with a few large national businesses, the largest of which employ 250 to 700 people.

**Operations and Governance**

The JEDD contract requires all participating parties to contribute to the formation of the JEDD in some capacity. The Township is responsible for planning and zoning duties while the city of Kent supplies water to the JEDD and, administers the tax collection within the district. Kent previously provided water for a fee, but under JEDD negotiations the city agreed to forgive the existing surcharge.

Once the two sides agreed to form a JEDD to thwart continued annexation attempts, getting everyone on board was much easier. Contributing to this ease was the election of new trustees in the township. Getting buy-in from businesses was the most difficult component in reaching the agreement. A 51 percent rule exists for incorporating existing businesses into a JEDD. For example, if the JEDD were able to sign up 10 businesses, they could then force nine more to join. The process of signing up businesses is still going on, but it is not worth the effort for small businesses, as any new business that locates within the township is automatically included in the JEDD, or any existing business that is not initially included would be under any change in the business name or change in ownership, it is also included. The JEDD boundaries are essentially the township boundaries – anything in an industrial or commercial area is automatically included.

The general perception among those involved in creating the JEDD is that it has benefited all parties, however the process has been much slower than the township’s other JEDD with the city of Tallmadge. Potential projects are in the works including a 42 acre business and corporate center, a Pizza Hut, medical offices, and nursing home/assisted living opportunities, but these will take another three to four years before they are generating substantial amounts of money.

Those instrumental in creating the JEDD agree that the JEDD has cultivated a strong working relationship that can serve as a foundation for additional future joint ventures. Prior to the JEDD, the township was struggling to meet its financial demands, specifically with meeting payroll requirements for their police force. The creation of the JEDD has helped alleviate those financial difficulties through the creation of many new jobs including a Wal-Mart that employs about 150 people, a Lowe’s which employs about 75, and an Applebee’s that employs about 50. In addition there are several banks and small restaurants that provide additional employment and tax revenue.
**Brimfield Township-Tallmadge JEDD**

**Community Demographic Data**

<table>
<thead>
<tr>
<th>Participating Entity</th>
<th>City of Tallmadge</th>
<th>Brimfield Township</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 2000</td>
<td>16,390</td>
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<tr>
<td>Land Area Sq. Miles</td>
<td>14</td>
<td>20.5</td>
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<tr>
<td>County Location</td>
<td>Summit</td>
<td>Portage</td>
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<tr>
<td>Persons Unemployed</td>
<td>145</td>
<td>241</td>
</tr>
<tr>
<td>Unemployment Rate</td>
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<td>5.41%</td>
</tr>
<tr>
<td>Property Tax Receipts per capita</td>
<td>$132</td>
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</tr>
<tr>
<td>Local Income Tax Rate</td>
<td>2.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Income Tax Receipts per capita</td>
<td>$454</td>
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</tr>
<tr>
<td>Median Household Income</td>
<td>$49,294</td>
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<tr>
<td>Assessed Valuation per capita</td>
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<td>Payroll</td>
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</tr>
<tr>
<td>Establishments</td>
<td>418</td>
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</tr>
<tr>
<td>Employment</td>
<td>7,284</td>
<td>2,262</td>
</tr>
</tbody>
</table>

**Background**

The Brimfield Township-Tallmadge JEDD involves the city of Tallmadge and Brimfield Township located in Summit and Portage counties. The location of the JEDD itself is south of Interstate 76 in Brimfield Township. Discussions of this JEDD began in the early to mid 1990s, but the relationship between the two parties at the time was not conducive to negotiations. In 2000-2001, administration changes on both sides created a more amicable atmosphere in which to resume JEDD negotiations. The JEDD became effective in 2004, with an initial enrollment of 52 local businesses.

Following the approach taken in creating the Brimfield-Kent JEDD, the Tallmadge JEDD has turned out to be the more successful of the two JEDDs, due in part to Tallmadge’s assertive approach to creating and implementing the JEDD.

The expectation of the JEDD was to enhance the ability of the contracting parties to improve and expand infrastructure, specifically including the expansion of central water and sewer services to the area. It also gave the city of Tallmadge an influx of revenue. The township has also benefited from the city’s ability to levy an income tax. As with other JEDDs, it is anticipated this will provide expanded opportunities for revenue growth for both communities through job creation, and the resulting payroll and corporate taxes that accompany this growth.

The exact land area or acreage of the Brimfield-Tallmadge JEDD is difficult to
identify, representatives from both parties emphasized this difficulty. Both sides estimate the size of the JEDD to be roughly two thirds of the township’s 20.3 square miles. Many JEDD agreements focus on a plot of undeveloped land within a township, the approach here was different. Here, the JEDD area was established by cutting out all commercial and industrial zoned land from the township. This approach forced existing businesses, currently not paying income tax, into the newly taxed JEDD territory.

Despite being in the JEDD territory, existing businesses within the township were still required to enter the JEDD agreement before being subject to the new tax requirements of the JEDD. Entrance to the JEDD was accomplished two ways. First, an existing business could voluntarily choose to be included. Second, the city could implement the 51 percent rule, which requires a majority (at least 51 percent) of the businesses to join the JEDD in order to draft the remaining 49 percent of the businesses into the JEDD. For example, once a city recruited 10 businesses, it could then draft nine businesses of their choice. The practice was used in the Brimfield Tallmadge JEDD to include nearly all the existing businesses. Currently, the township has about 25 previously existing businesses that are not part of the JEDD, and have chosen not to go after them because of their size, they probable account for fewer than 100 jobs collectively. The effort spent attempting to sign these remaining business up would not have been worth it. Over time they will be included, as new businesses entering the JEDD are automatically included, and a change in name or ownership classifies as a new business.

Both parties agree that forming the JEDD has been beneficial in building a strong relationship between the two communities in addition to financial benefits.

Prior to the establishment of the JEDD, the city of Tallmadge had been annexing portions of the township for years, which led to some animosity among residents and town officials. The relationship reached the peak of animosity when the city annexed 254 acres of industrial property within the township. This dispute eventually went to the Ohio Supreme Court, and after 10 years of litigation, the annexation was complete. The town also made annexation attempts on some residential property in addition to its plans for other parcels of the township that they had discussed with developers. Once the JEDD was formed, the city dropped all existing annexation petitions and incorporated annexation prevention measures into the contract, prohibiting all annexation attempts for the length of the agreement – 100 years.

The JEDD has helped cultivate a great working relationship among the communities, and has been a more financially beneficial alternative to the lengthy, time consuming, and expensive legal battles.

There were no significant concerns from either party during the creation of the
JEDD, with both parties agreeing that the process went easier than expected. The township’s concerns were alleviated by the prohibition on annexation mandated by the JEDD contract.

Income tax revenue generated by the JEDD is split evenly between the city and the township. To date, the city and township have each received about $354,000, and the numbers are continuing to increase each year. This year (2008), each contracting party is expected to receive $210,000 to $215,000 in JEDD tax revenue. This increased tax revenue was a result of a 2 percent income tax, making it that much more difficult to get businesses to agree to the JEDD. Businesses initially objected to this income tax, creating concern that it might wind up in court. A meeting was held for 50 local businesses, and the end result was a negotiated phase in of the 2 percent income tax, beginning at one-quarter of one percent. The city of Kent is contractually obligated to administer the collection of taxes within the JEDD, with taxes levied at an escalating rate, commencing on January 1, 2004. The JEDD taxes to be levied by the escalating rate are as follows:

<table>
<thead>
<tr>
<th>Years</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>0.25%</td>
</tr>
<tr>
<td>2006-2008</td>
<td>0.50%</td>
</tr>
<tr>
<td>2009-2013</td>
<td>0.75%</td>
</tr>
<tr>
<td>2014-2018</td>
<td>1.00%</td>
</tr>
<tr>
<td>2019-2023</td>
<td>1.50%</td>
</tr>
<tr>
<td>2024-2028</td>
<td>2.00%*</td>
</tr>
</tbody>
</table>

*Or at current municipal rate in effect, year 2029

There are about 80 accounts within the JEDD; most are small businesses though some are large national businesses. The two largest employers have about 700 and 250 employees respectively.

**Operations and Governance**

The JEDD contract requires all participating parties to contribute to the formation of the JEDD in some capacity. The Township is responsible for planning and zoning duties. The city of Tallmadge has the responsibility of providing sewer and water, however; Portage County is better equipped to supply water to the JEDD and so the city’s responsibility lies only in situations of need. The county pays for running the lines, generally through tax increment financing. The city is also responsible for economic development, including promoting and encouraging economic development in the Tallmadge and Brimfield JEDD.

Once the two sides agreed to form a JEDD to thwart continued annexation
attempts, getting everyone on board was much easier. Contributing to this ease was the election of new trustees in the township. Getting buy-in from businesses was the most difficult component in reaching the agreement. A 51 percent rule exists for incorporating existing businesses into a JEDD. For example, if the JEDD were able to sign up 10 businesses, they could then force nine more to join. The process of signing up businesses is still going on, but it is not worth the effort for small businesses, as any new business that locates within the township is automatically included in the JEDD, or any existing business that is not initially included would be under any change in the business name or change in ownership, it is also included. The JEDD boundaries are essentially the township boundaries – anything in an industrial or commercial area is automatically included.

The Brimfield Tallmadge JEDD has lived up to its anticipated benefits because of the marketing efforts of the city of Tallmadge in attracting large businesses to sign on and join the JEDD in spite of the income tax levy. Both sides agree that the JEDD has benefited all parties. It has created a strong working relationship with long-term future benefits, including the potential of combining the city and township into one community. Prior to the JEDD, the township was really strapped for funds, and they actually had trouble meeting payroll for their police force.

Representatives from both parties agree that the JEDD has created new jobs, though neither party could estimate just how many, however they were able to confirm that the new Wal-Mart employs about 150 people; Lowe’s employs about 75, and Applebee’s about 50, as well as a 65-acre industrial park currently in the works for hundreds of additional jobs. Despite all this, there are plans for new “big box” stores and continued interest from developers. Though only about 50 percent of the JEDD has been developed, there is already a suburban and rural atmosphere to the area, providing the best of both worlds to those people looking to work closer to home, an element considered by city and town officials as a huge benefit to the area.
Kent-Franklin Township JEDD

Community Demographic Data

<table>
<thead>
<tr>
<th>Participating Entity</th>
<th>City of Kent</th>
<th>Franklin Township</th>
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<tbody>
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<td>Population 2000</td>
<td>27,906</td>
<td>5,276</td>
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<td>Land Area Sq. Miles</td>
<td>8.7</td>
<td>14.4</td>
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<tr>
<td>County Location</td>
<td>Portage</td>
<td>Portage</td>
</tr>
<tr>
<td>Persons Unemployed</td>
<td>945</td>
<td>101</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>5.72%</td>
<td>3.33%</td>
</tr>
<tr>
<td>Property Tax Receipts per capita</td>
<td>$59</td>
<td>$173</td>
</tr>
<tr>
<td>Local Income Tax Rate</td>
<td>2.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Income Tax Receipts per capita</td>
<td>$370</td>
<td>N/A</td>
</tr>
<tr>
<td>Median Household Income</td>
<td>$29,582</td>
<td>$47,750</td>
</tr>
<tr>
<td>Assessed Valuation per capita</td>
<td>$13,878</td>
<td>$26,459</td>
</tr>
<tr>
<td>Payroll</td>
<td>$406,773,209.00</td>
<td>$39,134,711.00</td>
</tr>
<tr>
<td>Establishments</td>
<td>495</td>
<td>81</td>
</tr>
<tr>
<td>Employment</td>
<td>10,796</td>
<td>1,171</td>
</tr>
</tbody>
</table>

Background

Representatives are unsure of the exact size of the JEDD but estimate the territory to encompass hundreds of acres. The JEDD agreement, which was approved in 2006, is between the city of Kent and Franklin Township, both located in Portage County. The JEDD has created several large parcels of developable land for large commercial and industrial tenants.

Approval for the JEDD could have been won through court battles; however, a cooperative approach between officials and businesses was preferred. Town officials driving the JEDD formation met face-to-face with most of the businesses, in addition to public meetings, and multiple mailings. Through this cooperative approach, the township realized that the implementation of the JEDD was critical in growing revenue and warding off annexation. This non-combative approach helped to establish a good working relationship between the two communities that resulted in a mutually beneficial agreement.

A few businesses within the proposed district had initial concerns with the additional taxes, but those concerns were minimal and from only a small minority. One particular business found the tax rate to be unreasonable at first; however, their concerns have been silenced by the success of the JEDD in generating economic development.

There was no specific development purpose driving the JEDD creation, in fact the
development within the district has been primarily based on business decisions, such as an apartment complex and a shopping plaza both choosing to join for purely economic reasons. Additional market driven projects were already in the planning and development stages when the JEDD was proposed.

Operations and Governance

Annexation was an issue surrounding the agreement; Franklin Township was seeking to eliminate any future annexation threats. The agreement mandates that any future annexation petitions of residential land must receive 90 percent approval of adjacent property owners, while completely eliminating the opportunity for annexation of commercial districts. Public safety within the JEDD is currently under the jurisdiction of the township because it is still within the township’s boundaries, but a mutual aid agreement is in the works that would share the burden of providing public safety to the JEDD.

The general consensus among those representing both Kent and Franklin is that the JEDD has proven its worth thus far in the process. The benefits have provided additional tax revenue, as well as additional water customers for the city of Kent. The new taxes have generated tens of thousands of dollars for the city and township. It is still too early to tell what the ultimate benefits will be.

Overall, representatives from both contracting parties have found the creation and implementation of the JEDD to have been smoother than anticipated. Like any large scale project, there have been a few minor kinks, but they have been manageable. The success of the JEDD has been partially attributed to the use of a paid professional overseeing the process and paper work.
Eaton Township-North Ridgeville JEDD

Community Demographic Data

<table>
<thead>
<tr>
<th>Participating Entity</th>
<th>City of North Ridgeville</th>
<th>Eaton Township</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 2000</td>
<td>22,338</td>
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<td>Land Area Sq. Miles</td>
<td>23.4</td>
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<td>County Location</td>
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<tr>
<td>Persons Unemployed</td>
<td>345</td>
<td>97</td>
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<tr>
<td>Unemployment Rate</td>
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<td>2.97%</td>
</tr>
<tr>
<td>Property Tax Receipts per capita</td>
<td>$261</td>
<td>$61</td>
</tr>
<tr>
<td>Local Income Tax Rate</td>
<td>1.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Income Tax Receipts per capita</td>
<td>$319</td>
<td>N/A</td>
</tr>
<tr>
<td>Median Household Income</td>
<td>$54,482</td>
<td>$54,776</td>
</tr>
<tr>
<td>Assessed Valuation per capita</td>
<td>$30,318</td>
<td>$15,755</td>
</tr>
<tr>
<td>Payroll</td>
<td>$188,025,896.00</td>
<td>$57,746,589.00</td>
</tr>
<tr>
<td>Establishments</td>
<td>447</td>
<td>101</td>
</tr>
<tr>
<td>Employment</td>
<td>5,934</td>
<td>1,514</td>
</tr>
</tbody>
</table>

Background

The JEDD was created in 2007 between Eaton Township and North Ridgeville, both located in Lorain County. The intent of the JEDD was to facilitate economic development, create and preserve employment opportunities, and improve the economic welfare of the people in the city and township. Eaton Township was also seeking a way to avoid annexation. The JEDD does not allow for residential properties to exist within the JEDD area.

Operations and Governance

The JEDD agreement provides that the city and the township each agree to contribute to the development and operation of the district. Currently the JEDD area is approximately 23 acres of vacant land. The previous successful JEDD with Eaton Township and Elyria was used as a guide. Therefore, Eaton did not have many concerns with formulating a JEDD. Development was important because the township knew the residential area needed services, though there was no additional income. The JEDD prevents future annexation because of income and other financial constraints.

The North Ridgeville agrees that Eaton Township will keep tax revenues generated from real property, personal property, estate taxes, or any other taxes, except shared income taxes from the territory within the district. The Township will get 20 percent and the City will get 80 percent of tax revenue. The JEDD board has the ability to use .01 percent of tax revenue for publicity and marketing of the JEDD. North
Ridgeville will supply sewer service to the district. The agreement is for 50 years with automatic renewal, income tax charges will be equivalent to North Ridgeville. The contract can be terminated by mutual consent of their legislative authorities.

The current agreement seeks to utilize the JEDD area similar to the way the land was with the Elyria JEDD. Office and professional development takes precedence over retail and strip malls. The preference is based on the greater income generated by office and professional developments. The zoning within the JEDD is under the same requirements as the township. North Ridgeville contributes in the determination of architectural design of the buildings in the JEDD. Furthermore, the agreement provides opportunity for additional parcels by request that must follow the established JEDD agreement.

Although the property is currently vacant, future plans include medical uses such as a hospital. Development is expected once the sewer lines are constructed in the JEDD area.