

TEMPORARY ORDINANCE NO. 18-23

PERMANENT ORDINANCE NO. 17-23

AN ORDINANCE AUTHORIZING A JOINT ECONOMIC DEVELOPMENT DISTRICT CONTRACT BETWEEN THE CITY OF LANCASTER AND VIOLET TOWNSHIP AND **TO DECLARE AN EMERGENCY**

WHEREAS, since 1993, Ohio Revised Code Chapter 715 has empowered local political subdivisions to create special purpose districts known as Joint Economic Development Districts ("JEDD") for the purpose of cooperatively addressing concerns associated with economic development, growth, redevelopment, and diminishing local revenues; and

WHEREAS, the Violet Township Trustees ("Township") have identified under developed property in Violet Township that would benefit from the imposition of a JEDD, and approached the City of Lancaster ("City") about creating a JEDD thereon to promote collaborative economic development in the township, City and Fairfield County; and

WHEREAS, to that end, the Township has provided the JEDD Contract attached hereto as Exhibit A, which identifies the JEDD Area to be developed, discusses the City and Township's economic development goals for the JEDD, creates a JEDD Board to manage and administer the JEDD, and levies the City's income tax on the JEDD, which the City's Income Tax Department would collect and distribute according to the Contract; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LANCASTER, STATE OF OHIO

SECTION 1. That Lancaster City Council hereby authorizes the Mayor for and in the name of the City, to negotiate and execute a Joint Economic Development District Contract, substantially similar to the Contract attached hereto as Exhibit A with changes therein not inconsistent with this Ordinance and not adverse to the City, with the Township, and execute any and all other documents necessary to effectuate the creation of the Violet Township – City of Lancaster JEDD.

SECTION 2. That this Council further hereby authorizes the Mayor for and in the name of the City, to execute any amendments or changes to the final documents, which amendments are not inconsistent with this Ordinance and not substantially adverse to the City.

SECTION 3. That this ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety, and welfare of the City and for the further reason that this ordinance must be enacted before a JEDD can be created for the benefit of economic development in the Township and City; wherefore, this ordinance shall take effect and be in force immediately upon its adoption and approval by the Mayor.

Passed: 8/14/23 after 1st reading. Vote: Yeas 9 Nays 0

Date Approved: 8/14/23

Clerk: Jessica Lee Wandy

David A. Ull
President of Council
David Scheffe
Mayor

Offered by: [Signature]

Second by: [Signature]
Requested by Economic Development Committee

VIOLET TOWNSHIP - CITY OF LANCASTER
JOINT ECONOMIC DEVELOPMENT DISTRICT CONTRACT

THIS VIOLET TOWNSHIP - CITY OF LANCASTER JOINT ECONOMIC DEVELOPMENT DISTRICT CONTRACT (the “**Contract**”) is made and entered into this [_____] day of [_____] , 2023, by and between the Township of Violet, Fairfield County (the “**Township**”) and the City of Lancaster (the “**City**” and, together with the Township, the “**Contracting Parties**” and each a “**Contracting Party**”) in accordance with the terms and provisions set forth herein.

WHEREAS, the Township and the City desire to promote collaborative economic development efforts by means of creating a joint economic development district (the “**JEDD**”) pursuant to Ohio Revised Code Sections (“**R.C.**”) 715.72 through 715.82 (the “**Act**”), which JEDD shall facilitate economic development and redevelopment to create or preserve jobs and employment opportunities within the meaning of Division (C) of R.C. 715.72, thereby improving the economic welfare of the people in the Township, the City, and the State of Ohio (the “**State**”) generally; and,

WHEREAS, the Township, which is located entirely within Fairfield County, Ohio (“**Fairfield County**”), and the City, which also is located within Fairfield County, are within the territorial boundaries required for Contracting Parties, all in accordance with Division (C)(1) of R.C. 715.72; and,

WHEREAS, the legislative authorities of the Township and the City each have approved, 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 Resolution No. [_____] , adopted by the Township on [_____] , 2023, and Ordinance No. [_____] , adopted by the City on [_____] , 2023.

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

Section 1. Definitions. In addition to “Contract”, “City”, “State” and “Township” defined above, the following capitalized words and terms shall have the following meanings:

“Board” shall mean the Board of Directors of the JEDD established in accordance with the JEDD Statute and this Contract.

“Development Agreement” means any development and compensation agreements to which the Township is party and which provide, as a condition to the provision of certain incentives for a project as described in such agreement, the property owner, business owner, or developer, as applicable, will cause the subject property to become part of the JEDD.

“Effective Date” means the date immediately succeeding the occurrence of all of the following: (i) the City’s and Township’s execution of this Contract, (ii) the thirty-second day after the adoption of the Township’s resolution authorizing this Contract, and (iii) the expiration of any

statutory period permitting a referendum of the Township's resolution or the City's ordinance authorizing this Contract.

"Gross Revenues" means the proceeds of the JEDD Income Tax, less refunds.

"Income Tax Resolution" means the resolution adopted by the Board at its initial meeting and at a meeting before the beginning of each subsequent year in which the Board will levy the JEDD Income Tax levying the JEDD Income Tax on income earned by persons employed or residing within the JEDD and the net profits of businesses operating within the JEDD in accordance with Division (F)(5) of R.C 715.72 and as depicted in the schedule for the collection of the tax in **EXHIBIT D**, attached hereto.

"JEDD Administrative Account" means the "Violet Township - City of Lancaster Joint Economic Development District Administrative Account" as an account of the JEDD maintained by the City, which shall be used to pay JEDD Administrative Costs as provided in this Contract.

"JEDD Administrative Costs" means all administrative costs of the JEDD other than tax collection fees, including but not limited to insurance premiums and any audit fees of the JEDD as well as any legal expenses of the JEDD.

"JEDD Area" means the real property depicted on **EXHIBIT B** attached hereto and incorporated herein by this reference.

"JEDD" means the Violet Township - City of Lancaster Joint Economic Development District created pursuant to the JEDD Statute and this Contract and includes the real property described and depicted in **EXHIBIT B** to this Contract.

"JEDD Income" means (i) the income earned by persons working in the JEDD and (ii) the net profits of businesses located in the JEDD; provided, however, that JEDD Income only includes income and net profits generated on property that is classified as commercial/industrial (i.e., Class 2) for real property tax purposes.

"JEDD Income Tax" means the tax on JEDD Income levied by the Board in accordance with the provisions of this Contract.

"JEDD Income Tax Agreement" means that agreement to be entered into by and between the Board and the City providing for the City to (i) administer, collect and distribute the JEDD Income Tax in accordance with the Contract and (ii) act as the fiscal agent of the JEDD and the Board.

"JEDD Parcel" means a parcel of real property located in the JEDD Area.

"JEDD Statute" means Ohio Revised Code Section 715.72.

"Net Revenues" means Gross Revenues less (a) the School JEDD Payments (as defined herein), (b) costs incurred by the City and Township to establish the JEDD, (c) to the extent the funds available to the Board are insufficient for such purposes, any amount required to pay costs of any audits of the JEDD mandated by the State or any liability imposed on the JEDD or the

Board by a court of competent jurisdiction, and (d) any amount paid or reimbursed pursuant to Section 11.

Section 2. Interpretations.

Any reference herein to the City, the Township or the Board or to any officer or employee of the City, the Township or the Board, includes the entities, officers or employees succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law, or the entities, officers or employees lawfully performing their respective functions, duties or responsibilities.

Any reference herein to a section or provision of the Constitution of the State, the Ohio Revised Code, the Charter of the City or legislation of the City or the Township or any statute of the United States of America, includes that section or provision as amended, modified, revised, supplemented or superseded from time to time; provided, however, that no amendment, modification, revision, supplement or superseding section or provision shall be applicable to this Contract solely by reason of this Section if such amendment, modification, revision, supplement or superseding section or provision constitutes an impairment of the rights or obligations of the City, the Township or the Board under this Contract.

Unless the context clearly indicates otherwise, words importing the singular number include the plural number and vice versa. The terms "hereof", "hereby", "herein", "hereto", "hereunder" and similar terms refer to this Contract. The term "hereafter" means after, and the term "heretofore" means before, the date of this Contract. Words of any gender include the correlative word of the other genders unless the context clearly indicates otherwise.

Unless the context clearly indicates otherwise, any reference to a "Section" is a reference to a section of this Contract.

The captions and headings in this Contract are solely for convenience of reference and do not define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses herein.

Section 3. Creation of JEDD and Purpose.

The Township and the City, as contracting parties within the meaning of Division (A)(1) of R.C. 715.72, by their combined action evidenced by the approval of legislation identified above and by the duly authorized execution of this Contract, hereby create the JEDD, which shall be known as the "**Violet Township – City of Lancaster Joint Economic Development District.**" The JEDD shall be a joint economic development district operating pursuant to the Act.

Each Contracting Party hereby acknowledges and agrees as follows with respect to this Contract and the JEDD that:

- A. It is entering into this Contract freely and without duress or coercion;
- B. The creation of the JEDD and the levy of the JEDD Income Tax within the JEDD as provided herein will enable the Township, the City, and the JEDD to more

effectively promote economic development within the JEDD, the Township, and the City;

- C. The JEDD shall, and it is the purpose of the JEDD to, facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State, Fairfield County, the Township, and the City in accordance with the Economic Development Plan set forth in EXHIBIT A attached to and incorporated by reference into this Contract; and,
- D. Consideration exists to support this Contract.

Section 4. Territory of the JEDD.

The territorial boundaries of the JEDD are depicted and identified in EXHIBIT B attached hereto and incorporated by reference into this Contract. The territory of the JEDD is located entirely within the territorial boundaries of the Township. In accordance with Division (E)(1)(b) of R.C. 715.72, no electors reside within the territory comprising the JEDD as of the date hereof.

Section 5. Formation of the JEDD.

It is the intent of the Contracting Parties that this Contract be approved without an election by complying with the requirements of subsection (M)(1) of R.C. 715.72. The Contracting Parties represent and warrant as follows:

- A. The resolution approving this Contract has been approved by a unanimous vote of the Township Trustees;
- B. The majority of record owners of property located within the JEDD have consented by means of a petition as contemplated under the Act that the JEDD be formed; and
- C. The territory to be included in the JEDD is zoned in a manner appropriate to the proposed function of the JEDD.

Section 6. Term.

The initial term of this Contract commences on the date that the Contract is first effective after the expiration of the referendum period allowed under Division (M)(4) of R.C. 715.72, and shall endure for a period of fifty (50) years. This Contract is to automatically extend for successive renewal terms each that are twenty-five (25) years in duration unless either the Township or the City provides written notice to the other that its respective legislative authority has, by resolution or ordinance, terminated the Contract not earlier than 365 days and not later than 180 days prior to the commencement of any renewal periods. The Contracting Parties may, by mutual written consent, agree to extend the term of this Contract beyond the originally contemplated term of fifty (50) years or the originally contemplated successive renewal terms of twenty-five (25) years, as applicable. This Contract may only be terminated in compliance with applicable statutory provisions and in accordance with this Contract. The Contract is to continue in existence

throughout its term and is binding on the Contracting Parties and on either Contracting Party's succeeding entities, whether such entities succeed by annexation, merger, or consolidation.

The provision herein for the initial term and any extension of this Contract recognizes that the accrual of benefits to the Contracting Parties resulting from this Contract may take decades.

Section 7. Amendments to the Contract Other than to Amend to Add, Remove, or Exclude Property.

The Contracting Parties may amend or modify the terms of this Contract or terminate this Contract at any time by mutual agreement. An amendment or modification to this Contract will not be effective or binding on the Contracting Parties unless the legislative authorities of both Contracting Parties pass the appropriate legislation agreeing to and authorizing the amendment to this Contract within sixty (60) days of each other.

This Contract may only be terminated pursuant to its terms as set forth in Section 6 or in accordance with this Section. If the Contracting Parties mutually agree to terminate this Contract prior to the conclusion of its initial or renewal term, such agreement to terminate must provide for the unwinding of this Contract and must be approved by the legislative authorities of both Contracting Parties within sixty (60) days of each other. Upon termination of this Contract, the City shall keep and maintain the records of the JEDD pertaining to income tax collection and distribution in accordance with the City's records retention policy.

If any provisions of Section 10 or Section 13 of this Contract become null and void or illegal, or the performance of any provision of Section 10 or Section 13 of this Contract becomes impossible, through any subsequent change, amendment, or enactment of state law or through a ruling of any court that has jurisdiction over the Contracting Parties, the Contracting Parties agree to negotiate in good faith to reach mutual agreement regarding the manner and method of amending this Contract to bring the Contract into compliance with the then-applicable statutory provisions or case law and to maintain the intent of the Contracting Parties under this Contract and/or to rebalance the equities between the Contracting Parties consistent with the intent of this Contract. In the event that the Contracting Parties are unable to reach a new agreement that is authorized and approved by the legislative authorities of both Contracting Parties, then the Contracting Parties may either mutually agree to terminate this Contract in accordance with the provisions of the preceding paragraph, or either Contracting Party may apply to the Fairfield County Common Pleas Court to interpret the contract consistent with the then-applicable statutes or case law, and if necessary modify or terminate this Contract in order to comply with the then-applicable statutes or case law and to preserve the equities of the Contracting Parties as set forth in this Contract.

Section 8. Actions upon Termination. Upon termination of this Contract:

- A. the Board shall remain in office for six (6) months to provide for an orderly termination of the JEDD; and

- B. the levy of the JEDD Income Tax shall cease, but the JEDD Income Tax levied prior to the termination shall be collected and distributed in accordance with Section 13 of this Contract; and
- C. 15% of any remaining assets of the JEDD shall be distributed to the City and 85% of such remaining assets shall be distributed to the Township; provided, however, if any such assets cannot be liquidated, the City and the Township must agree on the value of such assets for their distribution; and
- D. the records of the JEDD shall be given into the custody of the Township and shall be available for inspection or audit by the City or the Township.

Section 9. Addition, Removal, or Exclusion of Property to or from the JEDD.

Subject to any applicable provisions of the Ohio Revised Code now existing or hereafter adopted, this Contract, including **EXHIBITS A, B, C, and D** hereto, may be amended from time-to-time to add to, remove from, or exclude property within the JEDD. Property may be added to the JEDD upon the mutual agreement of the Contracting Parties accompanied by petitions signed by the majority of record owners of the property to be added to the JEDD and a majority of the owners of the businesses, if any, to be added to the JEDD. Property added to, removed from, or excluded within the JEDD must meet all of the requirements of Section 4 herein and subsection (L) of R.C. 715.72; all procedures per the latter-cited authority must be followed in connection with any such addition, removal, or exclusion of property to or from the JEDD. Property is not to be removed or excluded from the JEDD without the agreement of both Contracting Parties.

Section 10. Contributions and Covenants of the Contracting Parties.

- A. In compliance with applicable law, the Township and the City may each agree to provide certain public infrastructure improvement contributions as each may authorize by subsequent authorizing legislation.
- B. The Contracting Parties agree that it is the current intent of the Contracting Parties that there are no shared governmental services that shall be provided to the JEDD. However, if the Board of the Directors of the JEDD, by resolution, formally petitions the City or the Township, the Contracting Parties shall undertake good faith efforts to explore the use of shared governmental services, to the extent that such cooperative efforts will benefit the Township and the City, as well as the JEDD.
- C. The Contracting Parties agree to collaborate through the JEDD with respect to capital improvements in the event that the Contracting Parties determine that economic development in the JEDD creates a demand for public infrastructure improvements serving the JEDD or the area surrounding the JEDD.
- D. The Contracting Parties will continue to provide such services as they currently may be provided to the territory within the JEDD, with the City providing such services it may provide the territory within the JEDD, if any, and the Township providing such current services it may provide the territory within the JEDD.

- E. Except as set forth in Section 13 with respect to the JEDD Income Tax to be levied in the JEDD, the Township shall retain all of its interest in all other tax revenues generated in the territory in the JEDD, including but not limited to real estate, personal property, and service tax levies. Pursuant to Division (U) of R.C. 715.72 and R.C. 715.81, as applicable, neither Contracting Party shall grant any tax exemption or abatement for any property in the JEDD without the express written consent of the other Contracting Party.
- F. The City agrees to collect, administer, and enforce the JEDD Income Tax applicable in the JEDD in accordance with this Contract. The City may do so by engagement with a third-party tax collection and administration provider. Upon the execution of this Contract and the levying of the JEDD Income Tax hereunder and in consideration of the City providing such tax collection services, the City shall retain three percent (3.0%) of the Gross Revenues collected annually as its administrative fee.
- G. To implement the process of forming this JEDD, and during the time period prior to the JEDD undertaking its own administrative functions, the Township agrees to contribute a one-time payment in the amount of \$7,500.00 (“Seed Funds”), to offset costs, including legal fees, incurred to form the JEDD, which such costs include but are not limited to the costs of preparing this Contract, drafting petitions, and preparing enabling legislation. The City and Township agree to deploy any Seed Funds balance remaining after the JEDD’s formation to such purposes set forth in this Contract, including Subsection H hereunder.
- H. The City and Township shall jointly cooperate in carrying out the Economic Development Plan for the JEDD set forth in **EXHIBIT A**. The City and the Township agree that the Board may use any available revenues of the JEDD, including any Seed Funds balance, to pay any costs of carrying out the Economic Development Plan for the JEDD and may, from time-to-time, modify the Economic Development Plan to better accomplish the public purposes of the JEDD. The City and the Township agree that the Board or either Contracting Party may execute any agreement, cooperative agreement, financing agreement, or other arrangement with any private entity and with any other political subdivision, including but not limited to Fairfield County, the Township, and the City, to provide or facilitate the provision of public infrastructure improvements to benefit the JEDD or whenever otherwise necessary or convenient to carry out the powers granted in this Contract, including, without limitation, any agreement related to any tax increment financing program, special assessment program, or bond financing undertaking by any Contracting Party or political subdivision in cooperation with any Contracting Party.
- I. The JEDD will pay all JEDD Administrative Costs; provided that the JEDD shall obtain written agreement of the Contracting Parties prior to entering into any contract or other obligation involving the expenditure of Gross Revenues, including incurring legal expenses or otherwise engaging legal counsel to represent the JEDD.

- J. The City shall be responsible for accounting and record-keeping services associated with the JEDD income tax collection and distribution.
- K. The Township shall be responsible for filing with the Director of Development of the State the documents required by Division (O) of R.C. 715.72 relating to the establishment of the JEDD.
- L. The Township shall provide fire services within the JEDD at a level sufficient to enable economic development as contemplated by the JEDD and this Contract.

Section 11. Board of Directors of the JEDD.

The Board is hereby established to govern the JEDD. The initial Board is to consist of three (3) members appointed as set forth in Division (P)(2) of R.C. 715.72, and shall expand to five (5) members at such time when business is conducted within the JEDD and persons are employed within the JEDD, as follows:

- A. The initial Township member of the Board is the President of the Board of Township Trustees, who shall serve an initial term of two years. All terms thereafter shall be for a period of four (4) years. All future Township members of the Board are to be appointed by a majority vote of the Board of Township Trustees.
- B. The initial City member of the Board is the Mayor of the City, who shall serve an initial term of one (1) year. All terms thereafter shall be for a period of four (4) years. All future City members of the Board are to be appointed by the Mayor.
- C. The third member of the Board will be appointed by the Township member, and the City member, and shall serve an initial term of three (3) years. All terms thereafter shall be for a period of four (4) years. For the first term beginning after membership of the board expands to five (5) members, this member shall be appointed by the Township member, the City member, the business owner representative, and the employee representative in accordance with Division (P)(1)(e) of R.C. 715.72. Such member of the Board will serve as the Chairperson of the Board, as required under Division (P)(2) of R.C. 715.72.
- D. A future fourth member of business owner representatives within the JEDD will be selected pursuant to appointment procedures to be established by the Board.
- E. A future fifth member of persons employed within the JEDD will be selected pursuant to appointment procedures to be established by the Board.

The members of the Board are to serve without compensation. Members may be reappointed to the board, but no member shall serve more than two (2) consecutive terms on the board. Necessary and authorized expenses incurred by members on behalf of the JEDD will be reimbursed from JEDD funds in accordance with procedures established by the Board.

The Board is to elect the following officers (collectively, with the Chairperson, hereinafter referred to as the “**Officers**”) 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 Officers are to be elected at the first meeting of the Board and thereafter every other year for two-year terms and serve until their respective successors take office. The Board is to establish a procedure for conducting those elections. The Officers are to perform such duties as provided herein and such additional duties as may be provided from time-to-time by the Board. The Board may employ such additional personnel or professional services as may be necessary to assist the Board or the Officers in the performance of their duties.

Section 12. Power, Duties, and Functions of Board.

The Board must meet at least once each calendar year on a date determined by the Board. The Board is to adopt procedures for holding and conducting regular and special meetings. The Contracting Parties shall provide the Board with necessary meeting space. The City shall provide any necessary clerical and administrative assistance that the Board may need from time-to-time, including telephone services and a mailing address.

A majority of board members constitutes a quorum for Board meeting purposes. The Board must 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 is 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 Chairperson is to preside over and conduct the meetings of the Board in accordance with its by-laws or other procedures adopted by the Board. Pursuant to Division (P)(5) of R.C. 715.72, the Board is a public body for the purposes of Ohio's Sunshine Laws, including R.C. 121.22, and as such all meetings of the Board, whether regularly scheduled or special meetings, must comply with the provisions thereof.

The Vice Chair is to act as Chairperson in the temporary absence of the Chairperson. The Secretary is responsible for the records of the Board including, but not limited to, correspondence and minutes of the meetings of the Board. The Treasurer is the fiscal officer of the Board and is 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, and providing for the maintenance of, accurate accounts of all receipts and expenditures. The Board is to designate by resolution, or in its by-laws, those Officers who may sign documents on behalf of the Board.

The Board must adopt an annual budget for the JEDD, which budget shall also be subject to the written approval City's Finance Director and Township Fiscal Officer, which approval shall not be unreasonably withheld. The fiscal year of the JEDD is the same as the fiscal year of the City. The budget estimates the revenues of the JEDD and the expenses of the operation of the JEDD. The Board is to establish an appropriations procedure to provide for payment of the long-term maintenance of the JEDD as required under Division (F)(5)(d) of R.C. 715.72 and the distribution of JEDD Income Tax revenues in accordance with Section 13 herein.

The Board, on behalf of the JEDD, must:

- A. Establish and maintain such funds or accounts as it deems necessary, either of its own, or in conjunction with or through the Contracting Parties to this Contract;
- B. 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;
- C. Adopt a resolution to levy the JEDD Income Tax within the JEDD in accordance with Division (F)(5) of R.C. 715.72 and Section 13 herein;
- D. Use any revenues of the JEDD available to the Board to carry out the Economic Development Plan for the JEDD and, from time-to-time, modify the Economic Development Plan to better accomplish the public purposes of the JEDD;
- E. Apply for, receive, and accept from any federal agency, state agency, or other person or entity grants for or in aid of the construction, maintenance, or operation of any JEDD facility, or for programs or other projects of the JEDD, and receive and accept aid or contributions from any source of money, property, labor, or other things of value, to be held, used, and applied only for the benefit of the JEDD and the purposes for which such grants, aid, or contributions are made;
- F. Purchase liability insurance protecting the JEDD, its Board or Officers against any liability and/or to purchase any necessary bonds to insure any Officer;
- G. Be authorized to execute any agreement, cooperative agreement, financing agreement, or other arrangement with any private entity and with any other political subdivision or governmental entity as may be permitted by law, including but not limited to Fairfield County, the Township, and the City, to provide or facilitate the provision of public infrastructure improvements that benefit of the JEDD or whenever otherwise necessary or convenient to carry out the powers granted in this Contract, including, without limitation, any agreement related to any economic development program, tax increment financing program, special assessment program, release of any surplus funds in the JEDD Administrative Account (defined below), or bond financing undertaking by any Contracting Party or political subdivision in cooperation with any Contracting Party;
- H. Be authorized to do all acts and things necessary or convenient to carry out the powers granted in R.C. 715.72 through R.C. 715.82 or any successor provisions thereto; and,
- I. Be authorized to do all acts and things necessary or convenient to carry out the powers granted in this Contract.

Section 13. JEDD Income Tax to be Levied in the JEDD.

- A. The Board, at its initial meeting, and at a meeting before the beginning of each subsequent year in which the Board will levy the JEDD Income Tax, shall adopt the Income Tax Resolution. Each annual Income Tax Resolution is to be effective until it is replaced by a subsequent Income Tax Resolution. All JEDD Income Tax

collected from any business or entity within the JEDD or any person working within the JEDD, less refunds, is subject to this Contract and included in the Gross Revenues. The JEDD Income Tax shall go into effect as soon as legally permissible.

- B. The Income Tax Resolution will establish the JEDD Income Tax rate for persons employed or residing within the JEDD and applicable to net profits of businesses operating within the JEDD; provided that the JEDD Income Tax rate will be the maximum income tax rate levied by the City, which is presently two and thirty hundredths percent (2.30%). In the event that the income tax rate levied by the City is reduced below 2.30%, the JEDD Income Tax rate shall be adjusted to be equal to the then-maximum rate levied by the City.

- C. The annual Income Tax Resolution shall designate:
 - (i) An amount not to exceed one percent (1.0%) of Gross Revenues to pay JEDD Administrative Costs budgeted for the current fiscal year and any outstanding JEDD Administrative Costs from prior fiscal years to be paid to the JEDD Administrative Account; provided that:
 - (A) any surplus in the JEDD Administrative Account at the time of the Income Tax Resolution must be considered in determining the amount of Gross Revenues necessary to pay JEDD Administrative Costs in the current fiscal year; and
 - (B) moneys available in the JEDD Administrative Account may be paid only with written authorization by the Treasurer of the JEDD and only for appropriate and lawful expenses of the JEDD and the Board as provided hereunder.
 - (ii) An amount not to exceed three percent (3.0%) of Gross Revenues to pay the City to administer the JEDD Income Tax collection.
 - (iii) Ten percent (10%) of the Net Revenues are to be paid to the City and used by the City for any lawful purpose, including but not limited to expenses related to the JEDD and its purposes.
 - (iv) During the period of any CRA Exemption as defined in the applicable Development Agreement entered into with respect to a JEDD Parcel, an aggregate amount of ten percent (10%) of the Gross Revenues collected in the JEDD with respect to such JEDD Parcel are to be paid to the local school district, as applicable, and Eastland-Fairfield Career & Technical Schools according to the percentages and terms set forth in the applicable Development Agreement (the "School JEDD Payments").
 - (v) The remaining Net Revenues shall be disbursed to the Township and used by the Township for any lawful purpose, including but not limited to expenses related to the JEDD and its purposes.

- D. Pursuant to Division (F)(5)(c) of R.C. 715.72, the Board shall enter into the JEDD Income Tax Agreement as expeditiously as possible upon the JEDD's creation, for the City to administer, collect, and enforce the JEDD Income Tax on behalf of the JEDD in accordance with this Contract, unless the City has contracted with a third-party tax collection and administration provider, in which case the City may delegate administration, collection, and enforcement responsibilities to said provider. The JEDD Income Tax Agreement is to provide that the City is responsible for the receipt, safeguarding, and investment of the JEDD Income Tax revenues collected within the JEDD, unless the City has contracted with a third-party tax collection and administration provider, in which case the City may delegate receipt, safeguarding, and investment responsibilities to said provider. The City annually will deliver a written report to the Board and the Township, at least within sixty (60) days of the end of the fiscal year, regarding the receipt and distribution of the JEDD Income Tax of the JEDD during the previous fiscal year. The Contracting Parties, the Board, and their agents may regularly inspect such records upon reasonable notice. The funds in the JEDD are to be distributed by the JEDD on such regular periods as may be established by the Board (i.e., monthly, quarterly or such other period as determined by the Board).

The Board may establish procedures by which the JEDD Income Tax levied on employee wages earned within the JEDD is to be collected from employees employed within the JEDD or withheld by businesses located within the JEDD, and the Board is to establish procedures by which the JEDD Income Tax on net profits of businesses earned within the JEDD is to be collected from one or more businesses located within the JEDD. Such procedures may provide for the payment of withholding or estimated taxes by those employees or businesses and the reconciliation of JEDD Income Taxes paid on net profits of businesses between fiscal years.

Section 14. Defaults and Remedies.

A failure to comply with the terms of this Contract constitutes a default hereunder. The Contracting Party in default shall have sixty (60) days after receiving written notice from the other Contracting Party of the event of default and demand to cure the default. If the default is not cured within that time period, then the non-defaulting Contracting Party may sue the defaulting Contracting Party for specific performance under this Contract or for damages or both. This Contract may not be terminated because of default under the Contract by either Contracting Party unless termination occurs as provided for in Section 6 or Section 7 of this Contract.

The Contracting Parties acknowledge and agree the nature of this Contract is unique and monetary damages are inadequate to fully compensate a non-defaulting Contracting Party. Accordingly, the Contracting Parties agree that specific performance is an appropriate and available remedy for a breach of contract action brought pursuant to this Contract in addition to any other remedy available at law and equity. Both Contracting Parties also agree that because monetary damages are inadequate to fully compensate a non-defaulting Contracting Party, a non-defaulting Contracting Party has the right to seek an injunction or other equitable relief to prevent the continued breach of this Contract by a defaulting Contracting Party.

Section 15. Support of Contract.

This Contract is binding on the Contracting Parties and their lawful successors and assigns. The Contracting 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 JEDD. 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 Contracting 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 Contracting Party shall bear its own costs in any such proceeding challenging this Contract or any term or provision herein.

Section 16. Severability.

With the exception of Section 10 or Section 13 of this Contract, if any other paragraph, provision, or section of this Contract is held to be illegal or invalid for any reason, then:

- A. That illegality or invalidity does not affect the remainder of any other paragraph, provision, or section, all of which is to be construed and enforced as if the illegal or invalid portion was not contained therein;
- B. The illegality or invalidity of any paragraph, provision, or section does not affect any legality or applicability of any other paragraph, provision, or section of this Contract; and,
- C. Each paragraph, provision, or section of this Contract is deemed to be effective, operative, made, assumed, entered into, or taken in the manner and to the full extent permitted by law.

If any paragraph, provision, or part thereof of Section 10 and/or of Section 13 of this Contract is held to be illegal or invalid for any reason, then provisions of Section 7 are to be applied.

Section 17. Governing Law.

This Contract is to be governed exclusively by and construed in accordance with the laws of the State of Ohio, and in particular, R.C. 715.72 through R.C. 715.82 in effect as of the date when the Contracting Parties respectively circulated petitions to record owners of real property located within the JEDD and owners of businesses operating within the JEDD, unless the Contracting Parties agree to amend this Contract in accordance with Section 7 herein. If any amendment or subsequent enactment of one or more new sections of the Ohio Revised Code relating to joint economic development districts renders any existing sections of R.C. 715.72 through R.C. 715.82 illegal or impossible, then the provisions of Section 7 of this Contract are to be applied.

Section 18. 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 herein.

This Contract may be executed in one or more counterparts, each of which is to be regarded as an original and all of which together constitute but one and the same instrument.

[Balance of Page Intentionally Left Blank - Signature Page Follows]

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

**TOWNSHIP OF VIOLET,
FAIRFIELD COUNTY, OHIO**

By: _____
Trustee

By: _____
Trustee

By: _____
Trustee

Approved as to form:

CITY OF LANCASTER

By: _____
Mayor

Approved as to form:

Stephanie L. Hall, Law Director

EXHIBIT A

ECONOMIC DEVELOPMENT PLAN

Introduction

The purpose of this plan, established pursuant to Ohio Revised Code Section (“**R.C.**”) 715.72(F)(3), is to set forth the economic development objectives of the Violet Township - City of Lancaster Joint Economic Development District (the “**JEDD**”). This plan serves as a framework for the JEDD’s efforts to guide income growth, attract employers, retain and grow the economic base, and improve public infrastructure in Violet Township (the “**Township**”) and the City of Lancaster (the “**City**”) as well as throughout the region as a whole.

The JEDD is comprised of unincorporated developable land located in Violet Township, Situated along Columbus-Lancaster Road, the JEDD is northwest of the City of Lancaster. The Township will provide fire protection services. JEDD Income Tax collection services will be provided by the City.

The JEDD is a collaborative approach between the Township and the City to support planned commercial and industrial growth in the Township.

Goals

The JEDD represents a regional approach to economic development in Fairfield County, thereby improving the economic welfare of the residents of the Township, the City, and the State of Ohio. The JEDD will foster and support business growth, particularly growth that is anticipated to occur on developable land within the Township’s JEDD boundaries.

EXHIBIT B

JEDD AREA

The territorial boundaries of the JEDD are comprised of real estate situated in Violet Township, Fairfield County, Ohio, identified by the Fairfield County Auditor as Tax Year 2022 parcel number(s)* listed below and depicted on the map below, including any subsequent combinations or subdivisions.

0360073400

* The parcel number(s) listed are currently identified in the records of the office of the Fairfield County Auditor as of the date of this Contract.



EXHIBIT C

FORM OF INCOME TAX RESOLUTION

**BOARD OF DIRECTORS
VIOLET TOWNSHIP - CITY OF LANCASTER
JOINT ECONOMIC DEVELOPMENT DISTRICT**

The Board of Directors (the “Board”) of the VIOLET TOWNSHIP - CITY OF LANCASTER Joint Economic Development District (the “JEDD”), met on [____], [____], 2023 at [___] [a.m./p.m.] at [Address], with the following members participating:

M. _____ introduced the following resolution and M. _____ moved its passage:

RESOLUTION NO. 2023-[__]

RESOLUTION LEVYING INCOME TAX

WHEREAS, Ohio Revised Code Section 715.72(F)(5) authorizes a joint economic development district, such as the JEDD, to levy an income tax on income earned by persons working in the district and the net profits of businesses located in such district; and

WHEREAS, the Violet Township-Lancaster Joint Economic Development District Contract (the “Contract”), dated as of [____], 2023, by and between Violet Township, Fairfield County, Ohio (the “Township”) and the City of Lancaster, Ohio (the “City”), which Contract governs the JEDD and the area within the JEDD, requires this Board to levy an income tax within the JEDD at a rate or rates calculated in accordance with the Contract.

NOW, THEREFORE, BE IT RESOLVED by the Board that:

Section 1. This Board hereby levies an income tax on income earned by persons working in the JEDD and upon the net profits of businesses located in the JEDD at a rate of two and thirty hundredths percent (2.30%), which rate, except as otherwise provided by Section 2 hereof, shall not be adjusted without prior approval of this Board and shall not, in any event, exceed the rate of income tax levied by the City. The income tax shall go into effect for taxable years beginning on or after January 1, 2024 and shall remain effective until this Board adopts the next annual income tax resolution. The City shall collect, administer, and enforce the income tax within the JEDD in accordance with the Contract and the City’s rules and regulations currently in effect and as may be amended from time to time regarding the collection, administration, and enforcement of income tax, including Chapter 183 of the Codified Ordinances of the City, effective January 1, 2018, as the same may be amended from time to time, as well as the JEDD Income Tax

Collection and Distribution Contract to be entered into by and between the City and the Township, a copy of which is on file with the JEDD (the "Income Tax Contract"). All income tax collected from any business or entity within the JEDD, or any person working or residing within the JEDD, shall be included in the total income tax revenue collected within the JEDD, subject to the terms of the Contract and the Income Tax Contract.

Section 2. All JEDD Income Tax collected from any business or entity within the JEDD or any person working within the JEDD will be included in the total JEDD Income Tax revenue collected within the JEDD. With respect to any parcel subject to the JEDD, the JEDD Income Tax with respect to that parcel (the "Gross Revenues") will be allocated as follows: (a) an amount not to exceed one percent (1.0%) shall be allocated to the Board of Directors of the JEDD (the "Board") and deposited in the "JEDD Administrative Account" for the payment of JEDD Administrative Costs (as defined in the JEDD Contract) budgeted for the current fiscal year and any outstanding JEDD Administrative Costs from prior fiscal years and during any period that a parcel in the JEDD is subject to a CRA exemption, (b) an amount not to exceed three percent (3%) shall be allocated to the City as its fee to administer the JEDD Income Tax collection, and, (c) during any period that a parcel in the JEDD is subject to a CRA exemption, an amount equal to ten percent (10.0%) of the Gross Revenues shall be paid to the applicable school districts in accordance with the development and compensation agreement applicable to such parcel). Of the remaining amount (the "Net Revenue"), ten percent (10%) will be retained by the City, and the remainder shall be paid to the Township. The Township and the City may apply such amounts to any lawful expenditures, including the costs of infrastructure improvements benefiting the JEDD.

Section 3. This Board hereby finds and determines that all formal actions taken relative to the passage of this Resolution were taken in an open meeting of this Board, and that all deliberations of this Board and of its committees, if any, which resulted in formal action, were taken in meetings open to the public, in full compliance with applicable legal requirements, including Ohio Revised Code Section 121.22.

Section 4. This Resolution shall be in full force and effect immediately upon its passage.

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M. _____ seconded the motion and, after discussion, a roll call vote was taken and the results were:

Voting Aye: _____

Voting Nay: _____

Passed: [____], 2023

BOARD OF DIRECTORS, VIOLET
TOWNSHIP-LANCASTER JOINT
ECONOMIC DEVELOPMENT DISTRICT

Attest: _____
Secretary

Chairperson

CERTIFICATE

The undersigned Secretary of the Board of Directors of the Violet Township-Lancaster Joint Economic Development District hereby certifies that the foregoing is a true copy of a resolution duly adopted by the Board of Directors of said District on [____], 2023.

Secretary, Violet Township-Lancaster Joint
Economic Development District

EXHIBIT D

SCHEDULE FOR COLLECTION OF INCOME TAXES

The Board of the JEDD will levy an income tax within the JEDD in accordance with Ohio Revised Code Section 715.72 on all employee wages earned within the JEDD and all net profits of all businesses earned within the JEDD.

For each fiscal year during which the Contract is effective, the Board shall levy the income tax on employee wages earned within the JEDD Area and on net profits of businesses earned with the JEDD Area at a rate equal to the rate determined pursuant to Section 13 of the Contract.

The JEDD Income Tax rate shall initially be established at the City income tax rate of two and thirty hundredths percent (2.30%), in accordance with Section 715.72(F) of the Revised Code. This income tax shall go into effect within sixty (60) days of the adoption of a resolution adopted by the JEDD Board, as provided therein. The rate of the income tax shall change from time to time so that it is not more than the highest rate of the municipal income tax levied by the City; no action by the Board shall be required to effect a change to reduce such rate in order to be in compliance with these provisions. The Board may by resolution adopt any other changes to the income tax rate, so long as such changes are in compliance with Section 715.72(F) of the Revised Code.

The Board may establish procedures by which the income tax levied on employee wages earned within the JEDD is to be collected from employees employed within the JEDD or withheld by businesses located within the JEDD, and the Board shall establish procedures by which the income tax on net profits of businesses earned within the JEDD is to be collected from one or more businesses located within the JEDD. Such procedures may provide for the payment of withholding or estimated taxes by those employees or businesses and the reconciliation of income taxes paid on net profits of businesses between fiscal years.

The Board shall enter into an income tax collection and distribution administrator agreement with the City to administer, collect and enforce the income tax on behalf of the Board in accordance with the Contract and the administrator agreement. The administrator agreement shall provide that the City is responsible for the receipt, safeguarding, investment and distribution of the income taxes collected within the JEDD.

The resolution levying the income tax within the JEDD shall provide that the JEDD Income Tax with respect to a parcel (the "Gross Revenues") will be allocated as follows: (a) an amount not to exceed one percent (1.0%) shall be allocated to the Board for the payment of JEDD Administrative Costs (as defined in the JEDD Contract) budgeted for the current fiscal year and any outstanding JEDD Administrative Costs from prior fiscal years and during any period that a parcel in the JEDD is subject to a CRA exemption, (b) an amount not to exceed three percent (3%) shall be allocated to the City as its fee to administer the JEDD Income Tax collection, and, (c) during any period that a parcel in the JEDD is subject to a CRA exemption, an amount equal to ten percent (10.0%) of the Gross Revenues shall be paid to the applicable school districts in accordance with the development and compensation agreement applicable to such parcel). Of the remaining amount (the "Net Revenue"), ten percent (10%) will be retained by the City, and the

remainder shall be paid to the Township. The Township and the City may apply such amounts to any lawful expenditures, including the costs of infrastructure improvements benefiting the JEDD.

The income tax levied by the Board pursuant to the Contract and Section 715.72(F)(5) of the Ohio Revised Code shall apply in the entire JEDD throughout the term of the Contract, notwithstanding that all or a portion of the JEDD may become subject to annexation, merger or incorporation. In the event of conflict between the City's income tax ordinance and the Contract, the Contract shall prevail.