

RESOLUTION NO. 36-2014

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A JOINT ECONOMIC DEVELOPMENT DISTRICT AGREEMENT BY AND BETWEEN THE CITY OF MONROE AND THE TOWNSHIP OF TURTLECREEK.

WHEREAS, petitions have been filed with the City of Monroe for the creation of the Turtlecreek-Monroe Raceway Joint Economic Development District; and

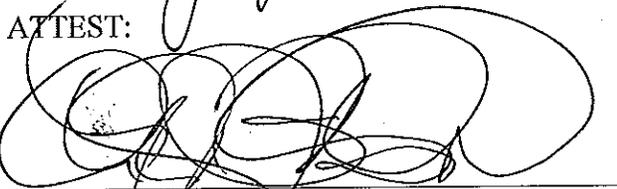
WHEREAS, the City of Monroe and the Township of Turtlecreek desire to create and provide for the operation of the Township and City Joint Economic Development District in accordance with Ohio Revised Code Sections 715.72 through 715.81 for their mutual benefit and for the benefit of their residents

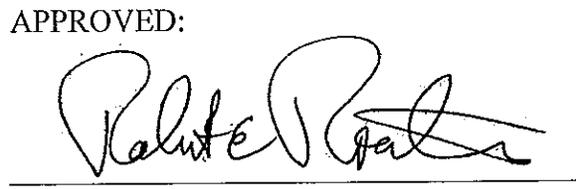
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONROE, STATE OF OHIO, THAT:

SECTION 1: The City Manager is hereby authorized to enter into an agreement by and between the City of Monroe and the Township of Turtlecreek for the creation of the Turtlecreek-Monroe Raceway Joint Economic Development District pursuant to the terms and conditions set forth on Exhibit "1" attached hereto and made a part hereof.

SECTION 2: This measure shall take effect and be in full force from and after the earliest period allowed by law.

PASSED: July 22, 2014

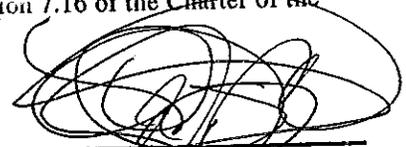
ATTEST: 
Clerk of Council

APPROVED: 
Mayor

First Reading July 8, 2014

I, the undersigned Clerk of Council of the City of Monroe, Ohio, hereby certify that the foregoing (ordinance or resolution) was published as Required by Section 7.16 of the Charter of the City of Monroe.

This legislation was enacted in an open meeting pursuant to the terms and provisions of the Sunshine Law, Section 121.22 of the Ohio Revised Code.


Clerk of Council
City of Monroe, Ohio"

Robert [unclear]

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EXHIBIT A TO PETITION

**TURTLECREEK-MONROE RACEWAY JOINT
ECONOMIC DEVELOPMENT DISTRICT AGREEMENT**

This Turtlecreek-Monroe Raceway Joint Economic Development District Agreement (hereinafter "Agreement") is made and entered into this [] day of [], 2014, by and between the Township of Turtlecreek (hereinafter "Township") and the City of Monroe (hereinafter "City"), collectively the "Parties" and individually a "Party" in accordance with the terms and provisions set forth herein.

WHEREAS, the Township and the City are entering into this Agreement to create and provide for the operation of the Township and City Joint Economic Development District in accordance with Ohio Revised Code Sections 715.72 through 715.81 for their mutual benefit and for the benefit of their residents; and

WHEREAS, the Township and the City are contiguous communities, and the Township is located entirely in Warren County, Ohio (hereinafter "Warren County"), and the City is located in both Warren County and Butler County, Ohio (hereinafter "Butler County"); and

WHEREAS, the legislative authorities of the Township and the City have each approved, authorized and directed the Township and the City respectively to make and enter into this Agreement, by and through their respective officers in accordance with Resolution No. [], adopted by the Township on [], 2014 and Ordinance No. [], enacted by the City on [], 2014; and

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

Section 1. Contracting Parties and Creation of District.

The Township, a township existing and operating under the laws of the State of Ohio (hereinafter the "State") and the City, a municipal corporation existing and operating under the laws of the State and their respective successors, in all or in part, are the contracting Parties to this Agreement. The Parties, by their combined action evidenced by the adoption of legislation identified above and by signing of this Agreement, hereby create a joint economic development district in accordance with the terms and provisions of this Agreement, which shall be known as the Turtlecreek-Monroe Raceway Joint Economic Development District (hereinafter "District"). Each Party hereby acknowledges that it is entering into this contract freely and without duress or coercion. Each Party hereby acknowledges that the creation of the District and the levy of an income tax within the District will enable the Township, the City, and the District to more efficiently provide governmental services to the area within the District at the expense of the employees working and businesses located within the District, and that such activities constitute substantial consideration for the Parties to enter into this Agreement.

Section 2. 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, Warren County, Township, and City. The District shall have the power to carry out the economic development plan required by Ohio Revised Code Section 715.75(C). A copy of the economic development plan for the District appears in Exhibit A attached hereto and is incorporated by reference into this contract.

Section 3. Territory of the District.

The territorial boundaries of the District are described in Exhibit B attached hereto and incorporated by reference into this contract. The territory of the District is located entirely within Warren County. The Township and the City are contiguous, as required by Ohio Revised Code Section 715.72(C). In accordance with Ohio Revised Code Section 715.73, no electors reside within the territory comprising the District and no part of the territory comprising the District is currently zoned for residential use.

Section 4. Formation of the District.

It is the intent of the Parties that this contract be approved without an election by complying with the requirements of Ohio Revised Code Section 715.77(A)(1). The resolution approving this Agreement has been approved by a unanimous vote of the Township Trustees; a majority of the property owners have requested that the District be formed; and the territory to be included in the District is currently zoned "Mixed Use Center" within the meaning of the Warren County Rural Zoning Code, with a planned unit development district overlay, as is appropriate to the function of the District.

The Township shall be responsible for filing with the County Commissioners of Warren County and the City shall be responsible for filing with the County Commissioners of Butler County the documents required by Ohio Revised Code Sections 715.75 and 715.76, respectively. The Township shall be responsible for filing with the Director of Development Services of the State the documents required by Ohio Revised Code Section 715.771. Each Party shall separately bear its own costs related to the establishment of the District, including professional engineering, legal counsel, or other services that may be necessary.

Section 5. Term.

The initial term of this Agreement shall commence on the date that the Agreement is first effective, being the date that is thirty-one days after the Agreement is approved in accordance with Ohio Revised Code Section 715.77(A)(4), and shall be for a period of 99 years. This Agreement shall automatically extend for three renewal terms that are each 10 years in duration unless (i) either the Township or City notifies the other Party in writing at least one year prior to the expiration of the original term or any renewal term that it does not intend to renew this Agreement, or (ii) either the Township or the City notifies the other Party in writing at least one year prior to the expiration of the original term or any renewal term that it is requesting to extend

this Agreement beyond the originally contemplated term of 99 years or the originally contemplated three renewal terms of 10 years each, as applicable, in which case this Agreement shall extend in accordance with such written request if such written request is accepted by the other Party. This Agreement can only be terminated in compliance with applicable statutory provisions and in accordance with Section 6 of this Agreement. The Agreement shall continue in existence throughout its term and shall be binding on the contracting Parties and on either Party's succeeding entities, whether such entities succeed by annexation, merger, or otherwise.

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

Section 6. Amendments to the Agreement Other than to Amend to Add Property.

Except as otherwise provided in Section 7 or in the final three sentences of this paragraph, the Parties may amend or modify the terms of this Agreement or terminate this Agreement at any time by mutual agreement. An amendment or modification to this Agreement shall not be effective nor binding on the Parties unless the legislative authorities of both Parties pass the appropriate legislation agreeing to and authorizing the amendment to this Agreement within sixty (60) days of each other. In no event during the twenty-five (25) year period after the term of this Agreement begins pursuant to Section 5 hereof shall this Agreement be amended to enable the Business Rate (as defined in Section 11) to be determined in a manner other than the manner set forth in the version of Section 11 in place during the period this Agreement originally was on file with the office of the Fiscal Officer of the Township in accordance with Ohio Revised Code Section 715.75. In addition, in no event during the twenty-five (25) year period after the term of this Agreement begins pursuant to Section 5 hereof shall the provisions in this Agreement related to the Budget (as defined and described in the version of Section 11 in place during the period this Agreement originally was on file with the office of the Fiscal Officer of the Township in accordance with Ohio Revised Code Section 715.75) be amended without the approval of the individual who signed the petition to form the District on behalf of the business owners or that individual's successor. The Parties hereby agree that, during the twenty-five (25) year period after the term of this Agreement begins pursuant to Section 5 hereof, notwithstanding any other provision of this Agreement, the language of this Section 6 shall not be modified from the version of Section 6 in place during the period this Agreement originally was on file with the office of the Fiscal Officer of the Township in accordance with Ohio Revised Code Section 715.75 without the approval of the individual who signed the petition to form the District on behalf of the business owners or that individual's successor.

If any provisions of Section 8 or Section 11 of this Agreement become null and void or illegal, or the performance of any provision of Section 8 or Section 11 of this Agreement becomes impossible, through any subsequent change, amendment or enactment of state law or through a ruling of any court that has jurisdiction over the Parties, the Parties agree to negotiate in good faith to reach mutual agreement regarding the manner and method of amending this Agreement to bring the Agreement into compliance with then applicable statutory provisions or case law and to maintain the intent of the Parties under this Agreement and/or to rebalance the equities between the Parties consistent with the intent of this Agreement. In the event that the Parties are unable to reach a new agreement that is authorized and approved by the legislative authorities of both Parties, then the Parties may either mutually agree to terminate this

Agreement in accordance with the provisions of the next paragraph, or either Party may apply to a court of competent jurisdiction to interpret the contract consistent with then applicable statutes or case law, and if necessary modify or terminate this Agreement in order to comply with then applicable statutes or case law and to preserve the equities of the Parties as set forth in this Agreement.

This Agreement may only be terminated pursuant to its terms as set forth in Section 5 or in accordance with this Section. If the Parties mutually agree to terminate this Agreement, such agreement to terminate must state with specificity how this Agreement will be unwound and the agreement to terminate must be approved by the legislative authorities of both Parties within sixty (60) days of each other. Upon termination of this Agreement, the City shall keep and maintain the records of the District in accordance with the City's records retention policy.

Section 7. Addition of Property to the District.

Subject to any applicable provisions of the Ohio Revised Code now existing or hereafter adopted, this Agreement, including Exhibits A, B, and C hereto, may be amended from time to time to add property to the District. Property may be added to the District upon the filing of a request by the majority of the owners of the property to be added to the District and a majority of the owners of the businesses to be added to the District with either Party. Upon agreement of both Parties, the Agreement, including Exhibits A, B, and C hereto, shall be amended to add such property to the territory of the District pursuant to the request of the majority of the owners of that property and a majority of the owners of those businesses. Property added to the District shall meet all of the requirements of Section 3 herein and Ohio Revised Code Section 715.73, and all procedures of Ohio Revised Code Section 715.761 shall be followed. Property shall not be removed from the District without the agreement of both Parties.

Section 8. Contributions and Covenants of the Parties.

- A. This Section shall be considered an Annexation Agreement pursuant to Ohio Revised Code Section 709.192. The territory within the District shall not be annexed to the City during the original term or during any renewal term of this Agreement. To the extent not prohibited by law, the City shall not accept any such annexation within the District during the original term or during any renewal term of this Agreement.
- B. The City shall not withdraw from the Township unless the Township agrees to such withdrawal in writing. The City shall not file any petition pursuant to Ohio Revised Code Section 503.07, or any similar or successor statute, to change the lines or boundaries of the Township or to form a new township, unless agreed to in writing by the Township.
- C. The City shall provide police services within the District in accordance with the existing mutual aid agreements between the City and the Township, as the same may be amended from time to time. Fire and emergency medical services shall be provided to the territory jointly by the City and the Township in accordance with

the existing mutual aid agreements between the City and the Township, as the same may be amended from time to time. The Township shall have the right to issue and reissue levies in all areas of the Township, including the territory in the District, for the provision of such services.

- D. The City shall provide periodic capital improvements and long-term maintenance of the roadways, off ramps, sidewalks, intersections, signage, and other public infrastructure at the interchange of Interstate 75 and State Route 63 in support of the District. The City shall extend its traffic management system to manage a traffic signal at the entrance of the territory comprising the District, which will allow for the efficient flow of traffic to and from the District. The system connection will be made by installing wireless communication equipment in the traffic control box and City preemption equipment at the traffic signal at the entrance of the territory comprising the District.
- E. The Township shall be responsible for the acceptance, dedication, and maintenance of all existing or future township roads located within the territory in the District. The Township shall have no responsibility for maintenance of state, county, or city roads located within the District. The Township shall provide a new fire and emergency medical service facility to serve the District and the western areas of the Township, which facility shall first become operational at some time during the initial term of this Agreement; provided, that the Township shall not be obligated to provide a new fire and emergency medical service facility to serve the District unless and until the Township determines, in its sole discretion, that the Township has sufficient funds available or sufficient financing available, other than the revenues available to the Township under this Agreement, to pay the costs associated with such facility.
- F. The Township and the City may each agree in separate agreements to provide public infrastructure improvements for the benefit of the District.
- G. Except as set forth in Section 11 as to the income tax to be levied in the District, the Township shall retain all of its interest in all other tax revenues generated in the territory in the District, including but not limited to, real estate, personal property, and service tax levies. The City and Township will share equally in any lodging taxes collected from within the District. Pursuant to Ohio Revised Code Section 715.81, neither Party shall grant any tax exemption or abatement for any property in the District without the express written consent of the other Party. The contracting Parties acknowledge and consent to the existing exemption of real property taxes by Warren County pursuant to Ohio Revised Code Section 5709.78 on the property located in the District.
- H. The City and Township shall jointly cooperate in carrying out the economic development plan for the District. The City and the Township agree that the Board of Directors for the District (hereinafter "Board") may use any available revenues of the District to carry out the economic development plan for the District and may, from time to time, modify the economic development plan to

better accomplish the public purposes of the District. The City and the Township agree that the Board or any Party may execute any agreement, cooperative agreement, financing agreement, or other arrangement with any private entity and with any other political subdivision, including, without limitation, the City, the Township, Warren County, and the Warren County Port Authority, to provide or facilitate the provision of public infrastructure improvements to benefit the District 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 Party or political subdivision in cooperation with any Party.

Section 9. Board of Directors of the District.

The Board is hereby established to govern the District. The Board shall consist of five members appointed as set forth in Ohio Revised Code Section 715.78(A)(1). The initial Township member of the Board shall be the President of the Board of Township Trustees. Subject to any restrictions in Ohio Revised Code Section 715.78, all future Township members of the Board shall be appointed by a majority vote of the Board of Township Trustees and shall serve at the pleasure of the Board of Township Trustees. The initial City member of the Board shall be the City Manager of the City. Subject to any restrictions in Ohio Revised Code Section 715.78, all future City members of the Board shall be appointed by City Council and shall serve at the pleasure of City Council. The representative, if any, who represents the business owners located in the District shall be appointed by a majority of all business owners subject to any restrictions in Ohio Revised Code Section 715.78. The initial representative of the business owners located in the District shall be designated by the individual who signed the petition to form the District on behalf of such business owners. Each business entity shall be entitled to only one vote regardless of the number of owners of the business entity. The representative, if any, who represents the employees working in the District shall be appointed by a majority of all employees working in the District subject to any restrictions in Ohio Revised Code Section 715.78. The initial representative of the employees located in the District shall be designated by the individual who signed the petition to form the District on behalf of the business owners located in the District until the employees located in the District can appoint their representative. The fifth member of the Board shall be appointed by the Township member, the City member, the business owner representative, and the employee representative in accordance with Ohio Revised Code Section 715.78(A)(1)(e). The Board shall establish procedures for appointing future business owner and employee representatives.

The members of the Board shall serve without compensation. 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 (hereinafter, 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 Chairperson shall be the Board Member specified in Ohio Revised Code Section 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. The Board may employ such additional personnel or professional services to assist the Board or the Officers in the performance of their duties.

Section 10. Power, Duties, and Functions of Board.

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. The Parties shall provide the Board with necessary meeting space. The City shall also provide any necessary clerical and administrative assistance that the Board may need from time to time including telephone services and a mailing address.

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 Agreement. 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. Pursuant to Ohio Revised Code Section 715.78(D), the Board is a public body for the purposes of Ohio Revised Code Section 121.22, the Ohio Public Meetings Act. All meetings of the Board, whether regularly scheduled or special meetings, must comply with the provisions of Ohio Revised Code Section 121.22 as amended.

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, and providing for the maintenance of, accurate accounts of all receipts and expenditures. 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 as provided in Section 11 herein. 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 the expenses of the operation of the District as provided in Section 11 herein. The Board shall establish an appropriations procedure to provide for payment of the long-term maintenance of the District and the distribution of income tax revenues in accordance with Section 11 herein.

The Board, on behalf of the District, shall:

- A. establish and maintain such funds or accounts as it deems necessary, either of its own, or in conjunction with or through the Parties to this Agreement;
- 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 Agreement;
- C. adopt a resolution to levy an income tax within the District in accordance with Ohio Revised Code Section 715.74(C) and Section 11 herein;
- D. use any revenues of the District available to the Board to carry out the economic development plan for the District and, from time to time, modify the economic development plan to better accomplish the public purposes of the District;
- 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 District facility, or for programs or other projects of the District, 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 District and the purposes for which such grants, aid or contributions are made;
- F. purchase liability insurance protecting the District, 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, including, without limitation, the City, the Township, Warren County, and the Warren County Port Authority, to provide or facilitate the provision of public infrastructure improvements that benefit of the District 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, or bond financing undertaking by any Party or political subdivision in cooperation with any Party;
- H. be authorized to do all acts and things necessary or convenient to carry out the powers granted in Ohio Revised Code Sections 715.72 through 715.81; and
- I. be authorized to do all acts and things necessary or convenient to carry out the powers granted in this contract.

Section 11. Income Tax to be Levied in the District.

- A. The Board at its initial meeting and at a meeting before the beginning of each subsequent year in which the Board will levy an income tax shall adopt a resolution to levy an income tax on employee earnings and the net profits of businesses throughout the District in accordance with Ohio Revised Code Section 715.74(C) (the "Income Tax Resolution"). Each annual Income Tax Resolution shall be effective until it is replaced by a subsequent Income Tax Resolution. Pursuant to Ohio Revised Code Section 715.74(C), all income tax collected from any business or entity within the District or any person working within the District shall be subject to this Agreement and included in the total income tax revenue collected within the District (collectively, the "Total Revenues"). The income tax shall go into effect as soon as legally permissible.
- B. The Income Tax Resolution shall establish the income tax rate for employees working in the District (the "Employee Rate"), which Employee Rate shall at all times during the term of this Agreement equal the rate levied in the City. As of the date of execution of this Agreement by the Parties, the City income tax rate is one and-one half percent (1.5%). In each annual Income Tax Resolution, the Board shall adjust the Employee Rate as necessary so that it matches the rate of income taxation in the City.
- C. The Income Tax Resolution also shall establish the income tax rate applicable to net profits of businesses in the District (the "Business Rate"), which Business Rate shall initially be established at the City income tax rate of one and-one half percent (1.5%). The Business Rate shall not, in any event, exceed the City income tax rate. For the fiscal year beginning on January 1, 2016, the Board shall adjust the Business Rate to the rate that is the lessor of the City's income tax rate or the rate which, if applied to the total net profits of businesses earned within the District for the 2014 fiscal year on an annualized basis, would equal the annual budget of the District during the 2016 fiscal year, as provided for herein (the "Budget"), less the actual income tax revenue produced by the Employee Rate for the 2014 fiscal year on an annualized basis, as provided more fully by Exhibit D attached hereto.

For each fiscal year during which this Agreement is in effect, "Total Revenues" for a fiscal year shall equal the sum of all income tax collected from any business or entity within the District for the fiscal year and all income tax collected from any person working within the District for the fiscal year. For each fiscal year during which this Agreement is in effect, "Revenue Surplus" for a fiscal year shall equal the excess or deficiency, if any, of Total Revenues for that year over the Budget applicable to that year. Revenue Surplus may be positive or negative and revenue surpluses and deficiencies shall be treated in the same manner.

For each fiscal year thereafter beginning on or after January 1, 2017, the Board shall adjust the Business Rate in the same manner and shall use total net profits earned within the District during the fiscal year that is two years prior to the fiscal

year in which the adjusted Business Rate will apply and actual income tax revenue produced by the Employee Rate during the fiscal year that is two years prior to the fiscal year in which the adjusted Business Rate will apply.

The base amount of the Budget shall initially equal \$670,500 and shall consist of the following items:

- (i) \$275,000 per year for use by the Township;
- (ii) \$275,000 per year for use by the City;
- (iii) \$80,000 per year for use by the City to provide periodic capital improvements and long-term maintenance of the roadways, off ramps, sidewalks, intersections, signage, and other public infrastructure at the interchange of Interstate 75 and State Route 63 in support of the District;
- (iv) \$27,000 per year for use by the District; and
- (v) \$13,500 per year as compensation to the City for services provided under the District Income Tax Collection and Distribution Agreement.

The Budget shall be prorated for the remainder of the fiscal year in which the Agreement is executed. The aggregate total amount of the Budget, and each individual item within the Budget, may be adjusted upward by the applicable regional consumer price index ("CPI") each year commencing with the first full fiscal year following the execution of this Agreement. If the Total Revenues of the District are insufficient to cover the Budget, the Board shall apply the Total Revenues to the Budget pro rata, such that each item shall receive its proportionate share of the total amount of Total Revenues available, and any unpaid Budget items shall continue to be due as expenses of the District and shall be added to the Budget that is two years after the fiscal year generating the deficiency. If the Total Revenues of the District are sufficient to cover the Budget, then any Total Revenues in excess of the Budget shall be distributed equally between the Township and the City, subject to the requirements to apply at least two percent (2%) of the Total Revenues to the City for income tax administration and at least four percent (4%) of Total Revenues to the District and the amount of such excess for that fiscal year shall be subtracted from the Budget for the fiscal year that is two years after the fiscal year generating the excess. The individual items within the Budget may be adjusted by the Parties to better effectuate the purposes of this Agreement, but without the prior written consent of a majority of the property owners and a majority of the business owners located within the District the aggregate total amount of the Budget may not be increased above the base amount of \$670,500 except for (a) the annual CPI increase provided for by this Section 11, and (b) any increase in the Budget attributable to a shortfall in Total Revenues in the fiscal year two years prior, provided for by this Section 11.

- D. The Income Tax Resolution shall designate that: (i) at least two percent (2%) of the Total Revenues collected in the District shall be set aside to compensate the City for services provided by the City to the District under the District Income Tax Collection and Distribution Agreement; (ii) at least four percent (4%) of the

Total Revenues collected in the District shall be set aside to be used by the District for the purposes of implementing the economic development plan and establishing or maintaining any public spaces or public improvements within or in support of the District as may be determined by the Board; and (iii) any Total Revenues collected in the District in excess of the Budget shall be distributed equally between the Township and the City, subject to the requirements to apply at least two percent (2%) of the Total Revenues to the City for income tax administration and at least four percent (4%) of Cash Revenues to the District.

- E. The Board shall resolve that, pursuant to this Agreement, the City will collect, administer, and enforce the income tax within the District in accordance with this Agreement 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, excluding sections 886.05, 886.07, 886.16, 886.30 and 886.32 of the Monroe Municipal Income Tax Code.

In furtherance of this Section 11(B) and pursuant to Ohio Revised Code Section 715.74(C)(2), the Board shall enter into an agreement with the City (hereinafter, the "District Income Tax Collection and Distribution Agreement") as expeditiously as possible to administer, collect and enforce the income tax on behalf of the District in accordance with this Agreement. The District Income Tax Collection and Distribution Agreement shall provide that the City is responsible for the receipt, safeguarding, and investment of the income tax revenues collected within the District and that the City shall make an annual written report to be mailed to the Board and the Township within sixty (60) days of the end of the fiscal year regarding the receipt and distribution of the income tax of the District during the previous fiscal year. The City agrees to collect, administer, and enforce the income tax applicable in the District in accordance with this Agreement.

The Board may establish procedures by which the income tax levied on employee wages earned within the District is to be collected from employees employed within the District or withheld by businesses located within the District, and the Board shall establish procedures by which the income tax on net profits of businesses earned within the District is to be collected from one or more businesses located within the District. 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.

Section 12. Annexation Restriction.

This Agreement shall be considered an Annexation Agreement pursuant to Ohio Revised Code Section 709.192. The City hereby agrees that it shall not annex any real property within the District, as the District may be expanded from time to time, during the term of this Agreement or any renewal thereto. To the extent not prohibited by law, the City shall not accept

any such annexation within the District during the original or any renewal term of this Agreement.

Section 13. Defaults and Remedies.

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

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

Section 14. Binding Effect.

This Agreement shall be binding upon the Parties, the District, the property owners located within the District, the business owners located within the District, the employees employed within the District, and their respective successors. This Agreement shall not inure to the benefit of anyone other than as provided in the immediately preceding sentence.

Section 15. Support of Contract.

The 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. In the event that this Agreement, 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 Agreement with the object of upholding this Agreement. Each Party shall bear its own costs in any such proceeding challenging this Agreement or any term or provision herein.

Section 16. Severability.

With the exception of Section 8 or Section 11 of this Agreement, if any other paragraph, provision or section of this Agreement is held to be illegal or invalid for any reason, then:

- (i) that illegality or invalidity shall not affect the remainder of any other paragraph, provision or section, all of which shall be construed and enforced as if the illegal or invalid portion were not contained herein;
- (ii) the illegality or invalidity of any paragraph, provision or section shall not affect any legality or applicability of any other paragraph, provision, or section of this Agreement; and
- (iii) each paragraph, provision, or section of this Agreement shall be 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 8 or Section 11 of this Agreement is held to be illegal or invalid for any reason, then provisions of Section 6 shall be applicable.

Section 17. Governing Law.

This Agreement shall be governed exclusively by and construed in accordance with the laws of the State of Ohio, and in particular, Ohio Revised Code Sections 715.72 through 715.81 in effect as of the date when the owners of property in the District and the owners of business in the District filed their respective petitions consenting to the formation of the District. A copy of Ohio Revised Code Sections 715.72 through 715.81 in effect as of the date when the owners of property in the District and the owners of business in the District filed their respective petitions consenting to the formation of the District is attached hereto as Exhibit C. In the event that any of Ohio Revised Code Sections 715.72 through 715.81 is amended or is supplemented by the enactment of one or more new sections of the Ohio Revised Code relating to Joint Economic Development Districts, the Parties shall follow the provisions of Ohio Revised Code Sections 715.72 through 715.81 when the owners of property in the District and the owners of business filed their respective petitions consenting to the formation of the District, unless the Parties agree to amend this Agreement in accordance with Section 6 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 Ohio Revised Code Sections 715.72 through 715.81 illegal or impossible, then the provisions of Section 6 of this Agreement shall apply.

Section 18. 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 herein.

Section 19. Third-Party Beneficiaries.

The business entity that signed the petition to form the District on behalf of the business owners and that entity's successors are intended third-party beneficiaries of the provisions of Section 6 and Section 11 of this Agreement, and such business entity and its successors shall have the right to enforce the terms of Section 6 and Section 11 of this Agreement as they apply to such business entity and its successors.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly signed in their respective names by their duly authorized officers.

CITY OF MONROE

TURTLECREEK TOWNSHIP, WARREN
COUNTY, OHIO

William J. Brock
City Manager

Daniel F. Jones
President, Board of Trustees

APPROVED AS TO FORM

J. Philip Callahan, Esq.
City Attorney

J. Caleb Bell, Esq.
Township Legal Representative

CITY'S FISCAL OFFICER'S CERTIFICATE

The undersigned, City Auditor of the City of Monroe, Ohio, hereby certifies that the moneys required to meet the obligations of the City during the year 2014 under the foregoing Agreement have been lawfully appropriated by the City Council of City of Monroe, Ohio for such purpose and are in the treasury of the City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Ohio Revised Code Sections 5705.41 and 5705.44.

City Auditor
City of Monroe, Ohio

Dated: April __, 2014

TOWNSHIP'S FISCAL OFFICER'S CERTIFICATE

The undersigned, Fiscal Officer of Turtlecreek Township, Ohio, hereby certifies that the moneys required to meet the obligations of the Township during the year 2014 under the foregoing Agreement have been lawfully appropriated by the Board of Trustees of Turtlecreek Township, Ohio for such purpose and are in the treasury of the Township or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Ohio Revised Code Sections 5705.41 and 5705.44.

Fiscal Officer
Turtlecreek Township, Ohio

Dated: April __, 2014

EXHIBIT A

ECONOMIC DEVELOPMENT PLAN

Introduction

The purpose of this plan, established pursuant to Ohio Revised Code Section 715.75(C), is to set forth the economic development objectives of the Monroe-Turtlecreek Joint Economic Development District (the "District"). This plan shall serve as a framework for District efforts to engineer economic growth in Turtlecreek Township (the "Township") and the City of Monroe (the "City") as well as throughout the region as a whole.

Background

The District is located on 120 acres at the northeast corner of Union Road and State Route 63 in Turtlecreek Township in Warren County, Ohio. The property within the District, the site of a former prison, is ripe for redevelopment. It sits at the epicenter of the rapidly-growing southwestern Ohio region where the Cincinnati and Dayton metropolitan areas meet. Although the Township was organized in 1804, and the City was founded in 1917, the most significant growth throughout the region has occurred in recent years, fueled by the region's high-performing schools, outstanding quality of life, and the region's convenient location to Interstates 71 and 75, as well as U.S. Route 42.

The District, together with its partners the Township and the City, will strive to fuel continued growth in the region. The District will work to maintain and expand business opportunities in the Township and the City that will further advance the quality of life for area residents. It will promote high-quality development to fulfill the needs of businesses in the area as well as residents throughout the community.

Goals

The immediate priority of the District, upon formation, will be to develop appropriate governmental services in support of the commercial racetrack and entertainment complex proposed for the District. This raceway complex is expected to create hundreds of new jobs while elevating the District's profile as a business destination. The District will work closely with other local governments, including the Township, the City, Warren County, and the Warren County Port Authority, and with Miami Valley Gaming & Racing, LLC, the entity leading the new development, to ensure that the District can maximize the potential benefits of the raceway for the Township, the City, Warren County, and the region as a whole.

Schedule for New, Expanded, and Additional Services, Facilities, and Improvements

The District will facilitate the provision of the following new, expanded, and additional services, facilities, and improvements:

- Provision of periodic capital improvements and long-term maintenance of the roadways, off ramps, sidewalks, intersections, signage, and other public infrastructure at the interchange of Interstate 75 and State Route 63 in support of the District;

EXHIBIT A

- Provision of the City's traffic management system to manage a traffic signal at the entrance of the territory comprising the District, which will allow for the efficient flow of traffic to and from the District. The system connection will be made by installing wireless communication equipment in the traffic control box and City preemption equipment at the traffic signal at the entrance of the territory comprising the District, by the City of Monroe, Ohio to serve the District;
- Provision of a new fire and emergency medical service facility by the Township to serve the District and the western areas of the Township, which facility shall first become operational at some time during the initial term of the Turtlecreek-Monroe Raceway Joint Economic Development District Agreement (the "Agreement"); provided, that the Township shall not be obligated to provide a new fire and emergency medical service facility to serve the District unless and until the Township determines, in its sole discretion, that the Township has sufficient funds available or sufficient financing available, other than the revenues available to the Township under the Agreement, to pay the costs associated with such facility;
- Provision of safe, adequate, and efficient vehicular and pedestrian traffic patterns in the District area;
- Encouragement of economic development, job creation, and commercial investment in order to retain and create jobs; and
- Provision of governmental services, including enhanced police, fire, and emergency medical service protection.

Schedule for Collection of Income Taxes

The Board of the District will levy an income tax within the District in accordance with Ohio Revised Code Section 715.74(C) on all employee wages earned within the District and all net profits of all businesses earned within the District.

For each fiscal year during which the Agreement is effective, the Board shall levy the income tax on employee wages earned within the District at a rate equal to the rate then levied by the City within the corporate boundaries of the City. For each fiscal year during which the Agreement is effective, the Board shall levy the income tax at the rate determined pursuant to Section 11 of the Agreement on net profits of businesses earned within the District (the "Business Rate").

The Business Rate shall initially be established at the City income tax rate of one and-one half percent (1.5%). The Business Rate shall not, in any event, exceed the City income tax rate. For the fiscal year beginning on January 1, 2016, the Board shall adjust the Business Rate to the rate that is the lessor of the City's income tax rate or the rate which, if applied to the total net profits of businesses earned within the District for the 2014 fiscal year on an annualized basis, would equal the annual budget of the District during the 2016 fiscal year, as provided for herein (the "Budget"), less the actual income tax revenue produced by the Employee Rate for the 2014 fiscal year on an annualized basis, as provided more fully by Exhibit D attached hereto. For each fiscal year during which this Agreement is in effect, "Total Revenues" for a fiscal year shall equal the sum of all income tax collected from any business or entity within the District for the fiscal year and all income tax collected from any person working within the District for the fiscal

EXHIBIT A

year. For each fiscal year during which this Agreement is in effect, "Revenue Surplus" for a fiscal year shall equal the excess or deficiency, if any, of Total Revenues for that year over the Budget applicable to that year. Revenue Surplus may be positive or negative and revenue surpluses and deficiencies shall be treated in the same manner. For each fiscal year thereafter beginning on or after January 1, 2017, the Board shall adjust the Business Rate in the same manner and shall use total net profits earned within the District during the fiscal year that is two years prior to the fiscal year in which the adjusted Business Rate will apply and actual income tax revenue produced by the Employee Rate during the fiscal year that is two years prior to the fiscal year in which the adjusted Business Rate will apply.

The Board may establish procedures by which the income tax levied on employee wages earned within the District is to be collected from employees employed within the District or withheld by businesses located within the District, and the Board shall establish procedures by which the income tax on net profits of businesses earned within the District is to be collected from one or more businesses located within the District. 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 base amount of the Budget shall initially equal \$670,500 and shall consist of the following items:

- (i) \$275,000 per year for use by the Township;
- (ii) \$275,000 per year for use by the City;
- (iii) \$80,000 per year for use by the City to provide periodic capital improvements and long-term maintenance of the roadways, off ramps, sidewalks, intersections, signage, and other public infrastructure at the interchange of Interstate 75 and State Route 63 in support of the District;
- (iv) \$27,000 per year for use by the District; and
- (v) \$13,500 per year as compensation to the City for services provided under the District Income Tax Collection and Distribution Agreement.

The Budget shall be prorated for the remainder of the fiscal year in which the income tax commences. The aggregate total amount of the Budget, and each individual item within the Budget, may be adjusted upward by the applicable regional consumer price index ("CPI") each year commencing with the first full fiscal year following the execution of the Agreement. If the Total Revenues of the District are insufficient to cover the budgeted operating expenses of the District, the Board shall apply the Total Revenues to the Budget pro rata, such that each item shall receive its proportionate share of the total amount of Total Revenues available, and any unpaid Budget items shall continue to be due as expenses of the District and shall be added to the Budget that is two years after the fiscal year which generates the deficiency. If the Total Revenues of the District are sufficient to cover the Budget, then any Total Revenues in excess of the Budget shall be distributed equally between the Township and the City, subject to the requirements to apply at least two percent (2%) of the Total Revenues to the City for income tax administration and at least four percent (4%) of Total Revenues to the District and the amount of such excess for that fiscal year shall be subtracted from Budget for the fiscal year that is two years after the fiscal year generating the excess. The individual items within the Budget may be adjusted by the Parties to better effectuate the purposes of this Agreement, but without the prior

EXHIBIT A

written consent of a majority of the property owners and a majority of the business owners located within the District the aggregate total amount of the Budget may not be increased above the base amount of \$670,500 except for (a) the annual CPI increase provided for by this Section 11, and (b) any increase in the Budget attributable to a shortfall in Total Revenues in the fiscal year two years prior, provided for by Section 11 of the Agreement.

The Board shall resolve that, pursuant to the Agreement, the City will collect, administer, and enforce the income tax within the District in accordance with this Agreement 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, excluding sections 886.16, 886.30 and 886.32 of the Monroe Municipal Income Tax Code.

In furtherance of Section 11(B) of the Agreement and pursuant to Ohio Revised Code Section 715.74(C)(2), the Board shall enter into an agreement with the City (hereinafter, the "District Income Tax Collection and Distribution Agreement") as expeditiously as possible to administer, collect and enforce the income tax on behalf of the District in accordance with this Agreement. The District Income Tax Collection and Distribution Agreement shall provide that the City is responsible for the receipt, safeguarding, and investment of the income tax revenues collected within the District and that the City shall make an annual written report to be mailed to the Board and the Township within sixty (60) days of the end of the fiscal year regarding the receipt and distribution of the income tax of the District during the previous fiscal year. The City agrees to collect, administer, and enforce the income tax applicable in the District in accordance with this Agreement.

The resolution levying the income tax within the District shall designate that at least two percent (2%) of the Cash Revenues collected in the District shall be set aside to compensate the City for services provided by the City to the District under the District Income Tax Collection and Distribution Agreement.

The resolution levying the income tax within the District shall designate that at least four percent (4%) of the Cash Revenues collected in the District shall be set aside to be used by the District for the purposes of implementing the economic development plan and establishing or maintaining any public spaces or public improvements within or in support of the District as may be determined by the Board.

The resolution levying the income tax within the District shall designate that any Cash Revenues collected in the District in excess of the Budget shall be distributed equally among the Township and the City, subject to the requirements to apply at least two percent (2%) of Cash Revenues to the City for income tax administration and at least four percent (4%) of Cash Revenues to the District.

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EXHIBIT A

The area described in this Economic Development Plan is outlined in red in the following graphic:

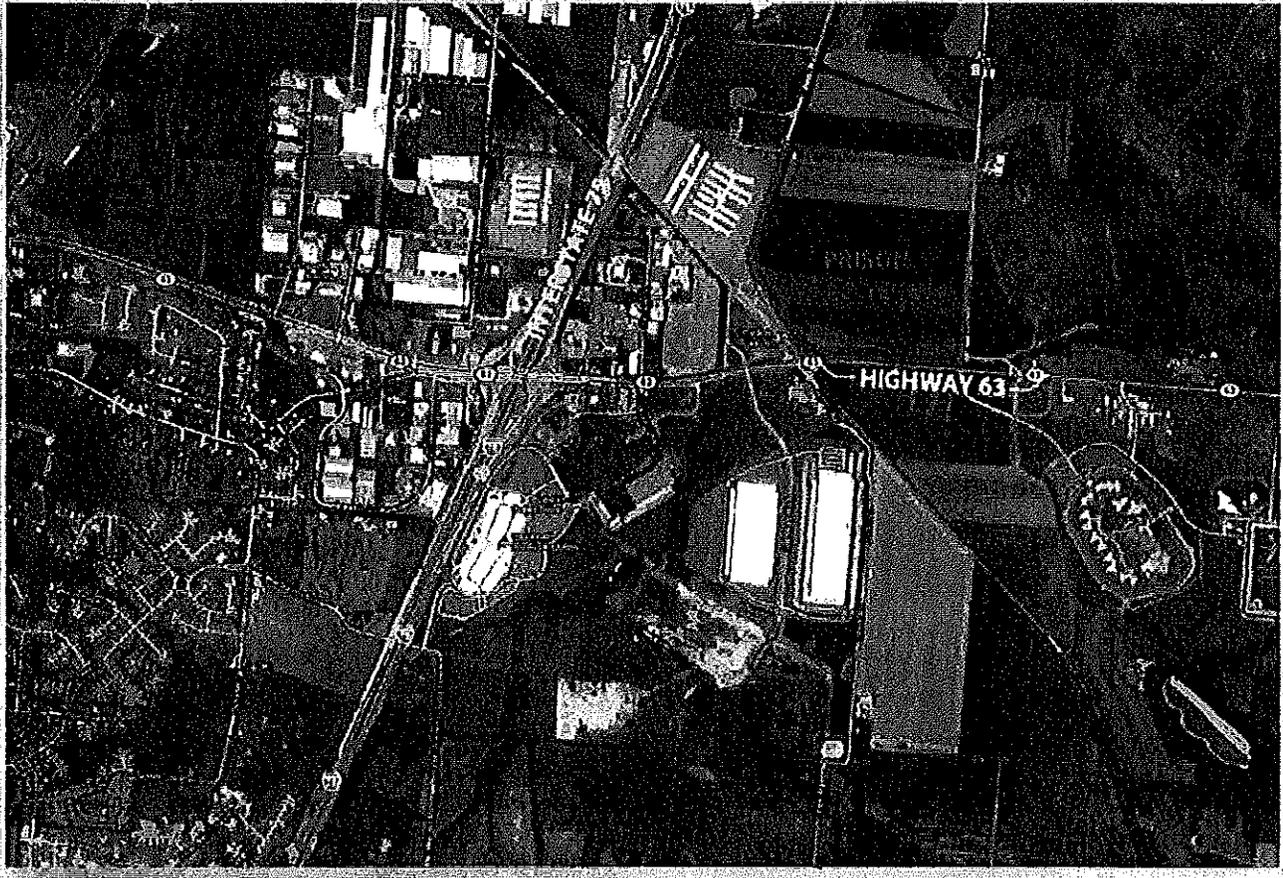


EXHIBIT B

LEGAL DESCRIPTION AND MAP
OF TERRITORY TO BE INCLUDED IN
TURTLECREEK-MONROE RACEWAY JOINT ECONOMIC
DEVELOPMENT DISTRICT

The District includes the real property described below and shown on the attached site map.

Situated in Turtlecreek Township, City of Lebanon, County of Warren, State of Ohio and being all of Warren County Parcel No. 11064000200 (formerly part of Warren County Parcel Nos. 11064000140 and 12363000030) and being all of the real property conveyed by the State of Ohio pursuant to Section 6 of Amended and Substituted House Bill 386 enacted by the 129th General Assembly of the State of Ohio, with the following legal description:

Situated in Sections 6 T3E R3N and 36, Township 4 East, Range 3 North MRS, Township of Turtlecreek, County of Warren, State of Ohio, and being part of that real estate conveyed to the State of Ohio by deed recorded in Deed Book 124, Page 110 (all references to deeds, microfiche, plats, surveys, etc. refer to the records of the Warren County, Ohio Recorder's Office, unless noted otherwise) and being more particularly bounded and described as follows:

BEGINNING at the southeast corner of Section 6, also being in the centerline of State Route No. 63;

Thence North 5°33'50" East, leaving the centerline of said State Route No. 63, along the east line of said Section 6 for a distance of 30.00 feet to the existing north right-of-way of State Route No. 63;

Thence leaving the east line of said Section 6 along the existing north right-of-way of State Route No. 63 the following five (5) courses:

- 1) North 84°26'10" West for a distance of 783.45 feet;
- 2) North 5°33'50" East for a distance of 25.00 feet;
- 3) North 84°26'10" West for a distance of 35.61 feet;
- 4) South 5°33'50" West for a distance of 25.00 feet;
- 5) North 84°26'10" West for a distance of 181.51 feet to the west line of said State of Ohio tract also being the east line of a 5.223 acre tract conveyed to HLF Financial LLC by deed recorded in Official Record Volume 4946, Page 341;

Thence leaving the existing north right-of-way of State Route No. 63 along the west line of said State of Ohio tract and east line of said HLF Financial LLC tract the following four (4) courses:

- 1) North 29°34'19" West for a distance of 1062.09 feet;
- 2) North 20°56'35" West for a distance of 234.30 feet;
- 3) North 4°26'35" West for a distance of 270.60 feet;
- 4) North 20°03'25" East for a distance of 702.17 feet;

EXHIBIT B

Thence leaving the west line of said State of Ohio tract along a new division line the following two (2) courses:

- 1) South 84°42'21" East for a distance of 2633.66 feet;
- 2) South 5°17'39" West for a distance of 2063.74 feet to the south line of Section 36, also being in the centerline of said State Route No. 63;

Thence North 84°36'40" West, along the south line of said Section 36 and the centerline of State Route No. 63 for a distance of 1055.66 feet to the place of beginning and containing 120.7273 acres, being 70.9643 acres from Warren County Ohio Auditor's parcel number 11064000140 (Section 6) and being 49.7630 acres, total (49.0360) acres net and 0.7270 acres existing right-of-way State Route No. 63) from Warren County Ohio Auditor's parcel number 12363000030 subject however to all covenants, conditions, reservations or easements of record contained in any instrument of record to the above described tract of land.

Being part of that real estate conveyed to the State of Ohio by deed recorded in Deed Book 124, Page 110 of the Warren County, Ohio Recorder's Office.

This description was prepared from a field survey performed by Woolpert, Inc. in November of 2011 with bearings based upon the State of Ohio State Plane Coordinate System for the State of Ohio (South Zone).

EXHIBIT B

The Turtlecreek-Monroe Raceway Joint Economic Development District shall include portions of the following parcel, as identified in the records of the County Auditor of Warren County, Ohio as of [], 2014:

Parcel Number
11064000200

EXHIBIT C

OHIO REVISED CODE SECTIONS 715.72 THROUGH 715.82 EFFECTIVE AS OF DATE OF PETITIONS

715.72 Alternative procedures and requirements for creating joint economic development district.

(A) As used in sections 715.72 to 715.81 of the Revised Code:

(1) "Contracting parties" means one or more municipal corporations, one or more townships, and, under division (D) of this section, one or more counties that have entered into a contract under this section to create a joint economic development district.

(2) "District" means a joint economic development district created under sections 715.72 to 715.81 of the Revised Code.

(3) "Contract for utility services" means a contract under which a municipal corporation agrees to provide to a township or another municipal corporation water, sewer, electric, or other utility services necessary to the public health, safety, and welfare.

(B) Sections 715.72 to 715.81 of the Revised Code provide alternative procedures and requirements to those set forth in sections 715.70 and 715.71 of the Revised Code for creating and operating a joint economic development district. Sections 715.72 to 715.81 of the Revised Code apply to municipal corporations and townships that are located in the same county or in adjacent counties.

(C) One or more municipal corporations, one or more townships, and, under division (D) of this section, one or more counties may enter into a contract pursuant to which they create as a joint economic development district one or more areas for the purpose of facilitating economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in this state and in the area of the contracting parties.

(1) Except as otherwise provided in division (C)(2) of this section, the territory of each of the contracting parties shall be contiguous to the territory of at least one other contracting party, or contiguous to the territory of a township, municipal corporation, or county that is contiguous to another contracting party, even if the intervening township or municipal corporation is not a contracting party.

(2) Contracting parties that have entered into a contract under section 715.70 or 715.71 of the Revised Code creating a joint economic development district prior to November 15, 1995, may enter into a contract under this section even if the territory of each of the contracting parties is not contiguous to the territory of at least one other contracting party, or contiguous to the territory of a township or municipal corporation that is contiguous to another contracting party as otherwise required under division (C)(1) of this section. The contract and district shall meet the requirements of sections 715.72 to 715.81 of the Revised Code.

EXHIBIT C

(D) If, on or after the effective date of this amendment but on or before June 30, 2009, one or more municipal corporations and one or more townships enter into a contract or amend an existing contract under this section, one or more counties in which all of those municipal corporations or townships are located also may enter into the contract as a contracting party or parties.

715.73 Criteria for including areas.

The area or areas to be included in a joint economic development district shall meet all of the following criteria:

(A) The area or areas shall be located within the territory of one or more of the contracting parties and may consist of all of that territory.

(B) No electors shall reside within the area or areas on the effective date of the contract creating the joint economic development district, as determined under section 715.77 of the Revised Code.

(C) The area or areas shall not include any parcel of land owned in fee by or leased to a municipal corporation or township, unless the municipal corporation or township is a contracting party or has given its consent to have the parcel of land included in the district by the adoption of an ordinance or resolution.

715.74 Contract provisions.

(A) The contract creating a joint economic development district shall provide for the amount or nature of the contribution of each contracting party to the development and operation of the district and may provide for the sharing of the costs of the operation of and improvements for the district. The contributions may be in any form to which the contracting parties agree and may include, but are not limited to, the provision of services, money, real or personal property, facilities, or equipment. The contract may provide for the contracting parties to share revenue from taxes levied by one or more of the contracting parties, if those revenues may lawfully be applied to that purpose under the legislation by which those taxes are levied. The contract shall specify and provide for new, expanded, or additional services, facilities, or improvements. The contract may provide for expanded or additional capacity for or other enhancement of existing services, facilities, or improvements.

(B) The contract shall enumerate the specific powers, duties, and functions of the board of directors of the district described under section 715.78 of the Revised Code and shall provide for the determination of procedures that are to govern the board.

(C)(1) The contract may grant to the board the power to adopt a resolution to levy an income tax within the district and the contract may designate certain portions of the district where such an income tax may be levied. The income tax shall be used for the purposes of the district or any

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portion of the district in which the contract authorizes an income tax and for the purposes of the contracting parties pursuant to the contract. The income tax may be levied in the district based on income earned by persons working within the district and based on the net profits of businesses located in the district, but the income of an individual who resides in the district shall not be subject to such income tax unless the income is received for personal services performed in the district. The income tax of the district shall follow the provisions of Chapter 718. of the Revised Code, except that no vote shall be required. The rate of the income tax shall be no higher than the highest rate being levied by a municipal corporation that is a contracting party.

(2) If the board adopts a resolution to levy an income tax, it shall enter into an agreement with a municipal corporation that is a contracting party to administer, collect, and enforce the income tax on behalf of the district.

(3) A resolution levying an income tax under this section shall require the contracting parties to annually set aside a percentage, to be stated in the resolution, of the amount of the income tax collected for the long-term maintenance of the district.

(4) An income tax levied under this section shall apply in the district or any portion of the district in which the contract authorizes an income tax throughout the term of the contract creating the district, notwithstanding that all or a portion of the district becomes subject to annexation, merger, or consolidation.

(D) The contract creating a joint economic development district shall continue in existence throughout its term and shall be binding on the contracting parties and on any parties succeeding to the contracting parties, whether by annexation, merger, or consolidation. Except as provided in division (E) of this section, the contract may be amended, renewed, or terminated with the approval of the contracting parties or any parties succeeding to the contracting parties. If the contract is amended to add area to an existing district, the amendment shall be adopted in the manner prescribed under section 715.761 of the Revised Code.

(E) If two or more contracting parties previously have entered into a separate contract for utility services, then amendment, renewal, or termination of the separate contract for utility services shall not constitute any part of the consideration for the contract creating a joint economic development district. A contract creating a joint economic development district shall be rebuttably presumed to violate this division if it is entered into within two years prior or five years subsequent to the amendment, renewal, or termination of a separate contract for utility services that two or more contracting parties previously have entered into. The presumption stated in this division may be rebutted by clear and convincing evidence of both of the following:

(1) That other substantial consideration existed to support the contract creating a joint economic development district;

(2) That the contracting parties entered into the contract creating a joint economic development district freely and without duress or coercion related to the amendment, renewal, or termination of the separate contract for utility services.

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(F) A contract creating a joint economic development district that violates division (E) of this section is void and unenforceable.

715.75 Hearing and notice.

Before the legislative authority of any of the contracting parties adopts an ordinance or resolution approving a contract to create a joint economic development district, the legislative authority of each of the contracting parties shall hold a public hearing concerning the contract and district. Each legislative authority shall provide at least thirty days' public notice of the time and place of the public hearing in a newspaper of general circulation in the municipal corporation, township, or county, as applicable. During the thirty-day period prior to the public hearing and until the filing is made under section 715.76 of the Revised Code, all of the following documents shall be available for public inspection in the office of the clerk of the legislative authority of a municipal corporation and county that is a contracting party and in the office of the fiscal officer of a township that is a contracting party:

(A) A copy of the contract creating the district;

(B) A description of the area or areas to be included in the district, including a map in sufficient detail to denote the specific boundaries of the area or areas and to indicate any zoning restrictions applicable to the area or areas;

(C) An economic development plan for the district that consists of both of the following schedules:

(1) A schedule for the provision of the new, expanded, or additional services, facilities, or improvements described in division (A) of section 715.74 of the Revised Code;

(2) A schedule for the collection of an income tax levied under division (C) of section 715.74 of the Revised Code.

A public hearing held under this section shall allow for public comment and recommendations on the contract and district. The contracting parties may include in the contract any of those recommendations prior to approval of the contract.

Before any of the contracting parties approves a contract under section 715.76 of the Revised Code, the contracting parties shall deliver a copy of the contract to the board of county commissioners of each county in which a contracting party is located. Any such county may enter into an agreement with the contracting parties regarding the provision of services by the county within the proposed district and may enter into an agreement with the contracting parties to extend services to the area or areas to be included in the district. A county that is a contracting party under division (D) of section 715.72 of the Revised Code is entitled to a copy of the contract as if the county were not a contracting party. Such a county may enter into an agreement with the other contracting parties regarding its provision or extension of services within the proposed district as contemplated by the contract.

EXHIBIT C

715.76 Ordinances and resolution approving contract.

After the public hearings required under section 715.75 of the Revised Code have been held, each contracting party may adopt an ordinance or resolution approving the contract to create a joint economic development district. After each contracting party has adopted an ordinance or resolution, the contracting parties jointly shall file with the legislative authority of each county within which a contracting party is located all of the following documents:

- (A) A signed copy of the contract;
- (B) A description of the area or areas to be included in the district, including a map in sufficient detail to denote the specific boundaries of the area or areas and to indicate any zoning restrictions applicable to the area or areas;
- (C) The economic development plan described in division (C) of section 715.75 of the Revised Code;
- (D) Certified copies of the ordinances and resolutions of the contracting parties relating to the contract and district;
- (E) A certificate of each contracting party that the public hearings required by section 715.75 of the Revised Code have been held, the date of the hearings, and evidence of publication of the notice of the hearings;
- (F) A petition signed by a majority of the owners of property located within the area or areas to be included in the district;
- (G) A petition signed by a majority of the owners of businesses, if any, located within the area or areas to be included in the district.

The petitions described in divisions (F) and (G) of this section shall specify that all of the documents described in divisions (A) to (C) of section 715.75 of the Revised Code are available for public inspection in the office of the clerk of the legislative authority of each municipal corporation and county that is a contracting party or the office of the fiscal officer of each township that is a contracting party.

The legislative authority of a county that is a contracting party under division (D) of section 715.72 of the Revised Code is entitled to all of the documents described in divisions (A) to (G) of this section as if the county were not a contracting party.

Not later than ten days after all of the documents described in divisions (A) to (G) of this section have been filed, each contracting party shall give notice to those owners of property within the area or areas to be included in the district who did not sign the petition described in division (F) of this section and whose property is located within the boundaries of that contracting party and

EXHIBIT C

to those owners of businesses, if any, within the area or areas to be included in the district who did not sign the petition described in division (G) of this section and whose property is located within the boundaries of that contracting party. Notice shall be given by certified mail and shall specify that the owners of property and businesses are located within the area or areas to be included in the district and that all of the documents described in divisions (A) to (C) of section 715.75 of the Revised Code are available for public inspection in the office of the clerk of the legislative authority of each municipal corporation and county that is a contracting party or the office of the fiscal officer of each township that is a contracting party. The contracting parties shall equally bear the cost of providing notice under this section.

If the contracting parties do not file all of the documents described in divisions (A) to (G) of this section, the legislative authority of a county that is not a contracting party within which a contracting party is located may adopt a resolution disapproving the creation of the joint economic development district. In addition, the legislative authority of the county may adopt a resolution disapproving the creation of the district if it determines, in written findings of fact, that each contracting party did not enter into the contract freely and without duress or coercion.

715.761 Adding area by amendment.

(A) The contracting parties may amend the contract to add to a joint economic development district any area that was not originally included in the district when the contract took effect. Area may be added only if the area satisfies the criteria prescribed under section 715.73 of the Revised Code.

(B) An amendment adding area to a district shall be approved by a resolution or ordinance adopted by each of the contracting parties. The contracting parties shall conduct public hearings on the amendment, provide notice, and deliver a copy of the amendment to the legislative authority of the county in which the added area is located in the manner required under section 715.75 of the Revised Code for original contracts. The legislative authority of a county that is a contracting party under division (D) of section 715.72 of the Revised Code is entitled to a copy of the amendment as if the county were not a contracting party. The contracting parties shall make available for public inspection a copy of the amendment, a description of the area to be added to the district, and a map of that area in sufficient detail to denote the specific boundaries of the area and to indicate any zoning restrictions applicable to the area.

(C) After adopting resolutions or ordinances approving the addition of the area, the contracting parties jointly shall file with the legislative authority of the county in which the added area is located the documents required to be filed under section 715.76 of the Revised Code, except that:

- (1) A copy of the amendment to the contract shall be filed in lieu of a copy of the contract.
- (2) The description and map shall be of the area to be added instead of the entire area of the district.
- (3) The economic development plan need not be filed.

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- (4) Certified copies of the resolutions and ordinances approving the amendment shall be filed.
- (5) The certificates otherwise required under division (E) of section 715.76 of the Revised Code shall certify that the hearings required under division (B) of this section have been held, shall indicate the date of those hearings, and shall include evidence that notice of the hearings was published.
- (6) The petition otherwise required under division (F) of section 715.76 of the Revised Code shall be signed by a majority of the owners of property located in the area to be added to the district, the petition otherwise required under division (G) of that section shall be signed by a majority of the owners of businesses, if any, located in the area to be added to the district, and the petitions shall specify that the documents described in division (B) of this section are available for public inspection as otherwise required under section 715.75 of the Revised Code.
- (D) The resolution of a board of township trustees approving an amendment adding area to an existing joint economic development district is not required to be submitted to the electors of the township.

715.77 Election on contract approval.

(A)(1) A board of township trustees that is a party to a contract creating a joint economic development district pursuant to sections 715.72 to 715.82 of the Revised Code may choose to not submit its resolution approving the contract to the electors of the township if all of the following conditions are satisfied:

- (a) The resolution has been approved by a unanimous vote of the members of the board of township trustees or, if a county is one of the contracting parties under division (D) of section 715.72 of the Revised Code, the resolution has been approved by a majority vote of the members of the board of township trustees;
- (b) The creation of the joint economic development district is proposed at the request of a majority of the owners of land included within the proposed district;
- (c) The territory to be included in the proposed joint economic development district is zoned in a manner appropriate to the function of the proposed district.

(2) Unless the legislative authority of a county adopts a resolution under section 715.76 of the Revised Code disapproving the creation of a joint economic development district within thirty days after the filing made under that section, the legislative authority of each such county shall adopt a resolution acknowledging the receipt of the required documents, approving the creation of the joint economic development district, and, if the board of township trustees has not invoked its authority under division (A)(1) of this section, directing that the resolution of the board of township trustees approving the contract creating the joint economic development district be submitted to the electors of the township for approval at the next succeeding general, primary, or

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special election. If the board of township trustees chooses to submit approval of the contract to the electors of the township, the legislative authority of the county shall file with the board of elections at least ninety days before the day of the election a copy of the resolution of the board of township trustees approving the contract. The resolution of the legislative authority of the county also shall specify the date the election is to be held and shall direct the board of elections to conduct the election in the township.

(3) If the resolution of the legislative authority of the county is not adopted within the thirty-day period after the filing made under section 715.76 of the Revised Code, the joint economic development district shall be deemed approved by the county legislative authority and, if the board of township trustees has not invoked its authority under division (A)(1) of this section, the board of township trustees shall file its resolution with the board of elections for submission to the electors of the township for approval at the next succeeding general, primary, or special election. In such case, the board of township trustees shall file the resolution at least ninety days before the specified date the election is to be held and shall direct the board of elections to conduct the election in the township.

(4) Any contract creating a joint economic development district in which a board of township trustees is a party shall provide that the contract is not effective earlier than the thirty-first day after its approval, including any approval by electors required in this section.

If the board of township trustees chooses pursuant to division (A)(1) of this section not to submit the approval of the contract to the electors, the resolution of the board of township trustees approving the contract is subject to a referendum of the electors of the township when requested through a petition. When signed by ten per cent of the number of electors in the township who voted for the office of governor at the most recent general election, a referendum petition asking that the resolution be submitted to the electors of the township may be presented to the board of township trustees. Such a petition shall be presented within thirty days after the board of township trustees adopts the resolution. The board of township trustees shall, not later than four p.m. of the tenth day after receipt of the petition, certify the text of the resolution to the board of elections. The board of elections shall submit the resolution to the electors of the township for their approval or rejection at the next general, primary, or special election occurring at least ninety days after such certification.

(B) The ballot shall be in the following form:

“Shall the resolution of the board of township trustees approving the contract with
(here insert name of each municipal corporation and other township that is a contracting party)
for the creation of a joint economic development district be approved?”

FOR THE RESOLUTION AND CONTRACT

AGAINST THE RESOLUTION AND CONTRACT”

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If a majority of the electors of the township voting on the issue vote for the resolution and contract, the resolution shall become effective immediately and the contract shall go into effect on the thirty-first day after this election or thereafter in accordance with terms of the contract.

715.771 Filing documents with director of development.

Upon the creation of a joint economic development district under section 715.72 of the Revised Code, one of the contracting parties shall file a copy of each of the documents described in divisions (A) to (G) of section 715.76 of the Revised Code with the director of development.

715.78 Board of directors of joint economic development district.

(A) A board of directors shall govern each joint economic development district created under section 715.72 of the Revised Code.

(1) 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 municipal corporations that are contracting parties;

(b) One member representing the townships that are contracting parties;

(c) One member representing the owners of businesses located within the district;

(d) One member representing the persons working within the district;

(e) One member representing the counties that are contracting parties, or, if no contracting party is a county, one member selected by the members described in divisions (A)(1)(a) to (d) of this section.

The members of the board shall be appointed as provided in the contract. Of the members initially appointed to the board, the member described in division (A)(1)(a) of this section shall serve a term of one year; the member described in division (A)(1)(b) of this section shall serve a term of two years; the member described in division (A)(1)(c) of this section shall serve a term of three years; and the members described in divisions (A)(1)(d) and (e) of this section shall serve terms of four years. Thereafter, terms for each member shall be for four years, each term ending on the same day of the same month of the year as did the term that it succeeds. A member may be reappointed to the board, but no member shall serve more than two consecutive terms on the board.

The member described in division (A)(1)(e) of this section shall serve as chairperson of a board described under division (A)(1) of this section.

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(2) 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 following members:

- (a) One member representing the municipal corporations that are contracting parties;
- (b) One member representing the townships that are contracting parties;
- (c) One member representing the counties that are contracting parties, or if no contracting party is a county, one member selected by the members described in divisions (A)(2)(a) and (b) of this section.

The members of the board shall be appointed as provided in the contract. Of the members initially appointed to the board, the member described in division (A)(2)(a) of this section shall serve a term of one year; the member described in division (A)(2)(b) of this section shall serve a term of two years; and the member described in division (A)(2)(c) of this section shall serve a term of three years. Thereafter, terms for each member shall be for four years, each term ending on the same day of the same month of the year as did the term that it succeeds. A member may be reappointed to the board, but no member shall serve more than two consecutive terms on the board.

The member described in division (A)(2)(c) of this section shall serve as chairperson of a board described under division (A)(2) of this section.

(B) A board described under division (A)(1) or (2) of this section has no powers except as described in sections 715.72 to 715.81 of the Revised Code and in the contract creating the joint economic development district.

(C) Membership on the board of directors of a joint economic development district is not the holding of a public office or employment within the meaning of any section of the Revised Code or any charter provision prohibiting the holding of other public office or employment. Membership on such a board is not a direct or indirect interest in a contract or expenditure of money by a municipal corporation, township, county, or other political subdivision with which a member may be affiliated. Notwithstanding any provision of law or a charter to the contrary, no member of a board of directors of a joint economic development district shall forfeit or be disqualified from holding any public office or employment by reason of membership on the board.

(D) The board of directors of a joint economic development district is a public body for the purposes of section 121.22 of the Revised Code. Chapter 2744. of the Revised Code applies to such a board and the district.

715.79 Annexation, merger, or consolidation proceedings barred.

(A) No annexation proceeding pursuant to Chapter 709. of the Revised Code that proposes the annexation to, merger of, or consolidation with a municipal corporation of any unincorporated

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territory within a joint economic development district, or joint economic development zone that is subject to division (I)(2) of section 715.691 of the Revised Code, shall be commenced for a period of three years after the contract creating the district or zone is approved by the majority of the electors under section 715.77 or 715.691 of the Revised Code. This division does not apply if the contract is terminated during this period or if each board of township trustees whose territory is included within the district or zone and whose territory is proposed to be annexed, merged, or consolidated adopts a resolution consenting to the commencement of the proceeding. Each such board of township trustees shall file a copy of the resolution with the clerk of the legislative authority of each county within which a contracting party is located.

(B) The contract creating a joint economic development district, or joint economic development zone that is subject to division (I)(2) of section 715.691 of the Revised Code, may prohibit any annexation proceeding by a contracting municipal corporation of any unincorporated territory within the district or zone beyond the three-year period described in division (A) of this section.

(C) No contracting party is divested or relieved of its rights or obligations under the contract creating a joint economic development district, or joint economic development zone that is subject to division (I)(2) of section 715.691 of the Revised Code, because of annexation, merger, or consolidation.

715.80 Binding agreements concerning zoning, other regulatory and proprietary matters.

Contracting parties may enter into binding agreements pursuant to the contract creating a joint economic development district, or joint economic development zone that is subject to division (I)(2) of section 715.691 of the Revised Code, with respect to the substance and administration of zoning and other land-use regulations, building codes, permanent public improvements, and other regulatory and proprietary matters determined to be for a public purpose. No contract, however, shall exempt the territory within the district or zone from the procedures of land use regulation applicable pursuant to municipal corporation, township, and county regulations, including, but not limited to, zoning procedures.

715.81 Authority of municipal corporations and townships.

The powers granted under sections 715.72 to 715.81 of the Revised Code are in addition to and not in the derogation of all other powers granted to municipal corporations, townships, and counties pursuant to law. When exercising a power or performing a function or duty under a contract entered into under section 715.72 of the Revised Code, a municipal corporation may exercise all of the powers of a municipal corporation, and may perform all the functions and duties of a municipal corporation, within the joint economic development district, pursuant to and to the extent consistent with the contract. When exercising a power or performing a function or duty under a contract entered into under either section 715.691 or 715.72 of the Revised Code, a township may exercise all of the powers of a township, and may perform all the functions and duties of a township, within the joint economic development district, or joint economic

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development zone that is subject to division (I)(2) of section 715.691 of the Revised Code, pursuant to and to the extent consistent with the contract.

When exercising a power or performing a function or duty under a contract entered into under division (D) of section 715.72 of the Revised Code, a county may exercise all of the powers of a county, and may perform all the functions and duties of a county, within the joint economic development district, pursuant to and to the extent consistent with the contract.

No political subdivision shall grant any tax exemption under Chapter 1728, or section 3735.67, 5709.62, 5709.63, or 5709.632 of the Revised Code on any property located within the district, or zone that is subject to division (I)(2) of section 715.691 of the Revised Code, without the consent of the contracting parties. The prohibition against granting a tax exemption under this section does not apply to any exemption filed, pending, or approved before the effective date of the contract entered into under either section 715.691 or 715.72 of the Revised Code.

715.82 Issuing industrial development bonds.

A municipal corporation may issue bonds and exercise all other powers under Chapter 165. of the Revised Code for one or more projects or parts thereof located in a joint economic development district created pursuant to a contract entered into under section 715.70, 715.71, or 715.72 to 715.82 of the Revised Code to which the municipal corporation is a party, or in a township adjacent to that municipal corporation, if the legislative authority of the municipal corporation determines that the project is in furtherance of the public purposes of the state to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the municipal corporation and the township. As used in this section, "project" has the same meaning as in division (H) of section 165.01 of the Revised Code, except that a project described in this section is not required to be located within the territorial boundaries of the municipal corporation.

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BUSINESS PROFITS TAX RATE AND BUDGET

- X = Business Profits Tax Rate for current fiscal year: $X = \frac{B-E}{P}$
- B = Annual Budget for current fiscal year: \$670,500 + CPI adjustment* - S
- Y = Annual Budget for second previous fiscal year
- P = Business profits reported for second previous fiscal year**
- R = Businesses Profits Tax Receipts for second previous fiscal year
- W = Employee Wages Reported for second previous year
- M = Maximum Income Tax Rate for second previous year = Employee Income Tax Rate for second previous year; City Income Tax rate
- E = Total Employee Income Taxes for second previous year: $E = W \times M$
- S = Revenue Surplus for second previous year: $S = E + R - Y$

* For purposes of examples CPI is assumed to be zero.

**P is assumed to be \$10,000,000. Because P must be known in order to calculate the Business Rate, business taxpayers will need to file net profits tax returns every year even if the Business Rate is zero.

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2014

Assume JEDD commences on July 1, 2014

Budget	\$335,250	(\$670,500 prorated for half year)
Employee taxes --1.5%	300,000	
Business taxes-- 1.5%	75,000	
Revenues	375,000	
Surplus	39,750	

2015

Budget	\$670,500
Employee taxes—1.5%	600,000
Business taxes – 1.5%	150,000
Revenues	750,000
Surplus	79,500

2016

Business tax rate 2016 B \$630,750 – 2014 E annualized \$600,000 divided by P
 $\$30,750/\$10,000,000 = 0.31\%$

Budget	\$630,750	(\$670,500 + CPI* - 2014 surplus \$39,750)
Employee taxes – 1.5%	600,000	
Business taxes – 0.31%	30,750	
Revenues	630,750	
Surplus	0	

2017

Business tax rate 2017 B \$591,000 – 2015 E \$600,000 divided by P
 $-\$9,000/\$10,000,000 = 0\%$ (negative tax rates default to zero)

Budget	\$591,000	(\$670,500 + CPI* - 2015 surplus \$79,500)
Employee taxes – 1.5%	400,000	
Business taxes – 0%	0	
Revenues	400,000	
Surplus	(191,000)	

2018

Business tax rate 2018 B \$670,500– 2016 E \$600,000 divided by P
 $\$70,500/\$10,000,000 = 0.70\%$

Budget	\$670,500	(\$670,500 + CPI* - 2016 surplus -\$0)
Employee taxes – 1.5%	500,000	
Business taxes – 0.70%	70,500	
Revenues	570,000	
Surplus	(100,000)	

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2019

Business tax rate 2019 B \$861,500 – 2017 E \$400,000 divided by P
 $\$461,500/\$10,000,000 = 4.62\%$ Default to max 1.5%

Budget	\$861,500 (\$670,500 + CPI* - 2017 surplus (\$191,000))
Employee taxes – 1.5%	650,000
Business taxes – 1.5%	150,000
Revenues	800,000
Surplus	(61,500)

2020

Business tax rate 2020 B \$770,500 – 2018 E \$500,000 divided by P
 $\$270,500/\$10,000,000 = 2.21\%$ Max 1.5%

Budget	\$770,500 (\$670,500 + CPI* - 2018 surplus (\$100,000))
Employee taxes – 1.5%	650,000
Business taxes – 1.5%%	150,000
Revenues	800,000
Surplus	29,500

2021

Business tax rate 2021 B \$732,000 – 2019 E \$650,000 divided by P
 $\$82,000/\$10,000,000 = 0.82\%$

Budget	\$732,000 (\$670,500 + CPI* - 2019 surplus (\$61,500))
Employee taxes – 1.5%	650,000
Business taxes – 0.82%	82,000
Revenues	732,000
Surplus	0

2022

Business tax rate 2022 B \$641,000 – 2020 E \$650,000 divided by P
 $-\$9,000/\$10,000,000 = 0\%$

Budget	\$641,000 (\$670,500 + CPI* - 2020 surplus \$29,500)
Employee taxes – 1.5%	625,000
Business taxes – 0%	0
Revenues	625,000
Surplus	(16,000)

