

COOPERATIVE DEVELOPMENT AGREEMENT

This COOPERATIVE DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of this [2^{3rd}] day of [Nov], 2015 by and between the CITY OF MARYSVILLE, OHIO (the "City"), a municipal corporation duly organized and validly existing under the laws of, and a political subdivision of, the State of Ohio (the "State") and having an address for purposes hereof at 209 South Main Street, Marysville, Ohio 43040 and MILLCREEK TOWNSHIP, UNION COUNTY, OHIO (the "Township" and, together with the City, the "Cooperative Parties"), a political subdivision of the State and having an address for the purposes hereof at 10420 Watkins Road, Marysville, Ohio 43040.

RECITALS

WHEREAS, the Cooperative Parties, which are neighboring communities in Union County, Ohio, share a mutual interest in economic development that creates and preserves jobs and employment opportunities throughout Union County, thereby improving the economic welfare of the residents of the City, the Township, and the State of Ohio (the "State") as a whole; and

WHEREAS, the Cooperative Parties seek a collaborative approach to fostering and supporting business growth in their communities, including specifically growth that is anticipated to occur in certain real property located within the territorial boundaries of the Township and depicted on Exhibit A hereto (the "Cooperative District"); and

WHEREAS, Ohio Revised Code ("ORC") Section 9.482 authorizes contracts for services between political subdivisions, and ORC Chapter 715 empowers municipal corporations and townships to establish a joint economic development district, or "JEDD", for the purposes of facilitating economic development by means of, among other things, providing for appropriate infrastructure and public services to support such growth and establishing an income tax to pay the costs thereof; and

WHEREAS, the Cooperative Parties have determined to pursue the creation of a JEDD with respect to the Cooperative District pursuant to the terms hereof and will, to that end, enter into an agreement creating and governing the JEDD according to the terms set forth in Exhibit B; and

WHEREAS, the legislative authorities of the City and the Township each have approved, authorized and directed the City and the Township, respectively, to make and enter into this Agreement by and through their respective officers in accordance with Ordinance No. [40-15], adopted by the City on [11/23], 2015, and Resolution No. [510], enacted by the Township on [10/5], 2015.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and promises herein contained, the sufficiency of which are acknowledged by the parties hereto, the City and the Township hereby agree as follows:

Section 1. Term.

(a) This Agreement shall be and remain in full force and effect from the date hereof and until [11/23], 2065 (the "Initial Term"), at which time, unless otherwise terminated by either or both of the Cooperative Parties, this Agreement automatically shall renew for two successive terms of twenty-five (25) years each (each, a "Renewal Term"). During the final year of the Initial Term and the final year of each Renewal Term, either of the Cooperative Parties may, by written notification to the other party following authorization by its legislative authority, cause this Agreement to terminate at the end of such term. The provision herein for the Initial Term of this Agreement recognizes that the accrual of benefits to the parties from this Agreement may take decades.

(b) This Agreement may be terminated at any time by mutual consent of Cooperative Parties as authorized by their respective legislative authorities as provided herein. Unless otherwise agreed, in order for such termination to be effective, the legislative actions of the Cooperative Parties that terminate this Agreement must occur and be effective within a period of ninety (90) days of each other.

Section 2. Covenants of the City and the Township.

(a) Territory. The Cooperative Parties hereby agree to the covenants of this Section 2 with respect to any parcel of real property located, either in whole or in part, within the Cooperative District, which would include any developable land, including but not limited to commercial, industrial, manufacturing, business, etc. identified in the Millcreek Zoning Resolution or any adopted supplement. It is the intent of the Cooperative Parties that this territory of the Cooperative District, as depicted in Exhibit A, may be amended from time to time so that it conforms with Township rezoning. An amendment to the territory of the Cooperative District requires written consent of the Township Board of Trustees and the Marysville City Manager or chief administrative officer. Any other amendment to the Agreement shall be made in accordance with Section 5(h) hereof.

(b) Water and Sewer Service. Throughout the term of this Agreement, the City will not provide or permit access to its municipal water and sewer services to any parcel of real property within the Cooperative District, unless and until the following conditions have occurred:

(i) Either: (A) the parcel has been added to the territory of the JEDD, as defined in Section 3 hereof, under the procedures set forth in either ORC Section 715.72 et seq. relating to the establishment of the JEDD, ORC Section 715.761 relating to the expansion thereof; or (B) the parcel receives access to municipal water and sewer services provided by the City as of the date of this Agreement; and

- (ii) The owner of the parcel of real property shall have executed and delivered to the City, and the City shall have recorded with the County Recorder of Union County, Ohio at the cost of the owner of the parcel of real property, an instrument prescribed by the City to serve as evidence of a covenant running with the land with respect to the obligation of the owner and any future owner thereof to pay any applicable income tax levied by the JEDD throughout its term and any renewal thereof and to cause any businesses and employees located thereon to pay any applicable income tax levied by the JEDD throughout its term and any renewal thereof; and
- (iii) The owner or owners of any business located within the parcel of real property at the time of the extension of municipal water and sewer services, regardless of whether the owner or owners petitioned to join the JEDD, shall have executed and delivered to the City an instrument prescribed by the City to serve as the commitment of such business to cooperate in all respects with the operation of the JEDD, including through payment without dispute of any applicable income tax levied by the JEDD throughout its term and any renewal thereof.

Unless and until ORC Chapter 715 is amended to provide for the inclusion of residential property in a joint economic development district, this Section 2(b) shall not apply to any parcel of real property within the Cooperative District that is used for, or will upon improvement thereof be used for, residential purposes.

(c) Sewer. The Cooperative Parties shall cooperate in good faith and take all steps necessary to secure any amendments to the Union County-Marysville Water/Sewer Service Agreement as may be necessary to support the JEDD.

(d) Public Infrastructure Improvements. The Cooperative Parties shall collaborate through the JEDD with respect to capital improvements in the event that the Cooperative Parties determine that economic development in the territory of the JEDD (the "JEDD District") creates a demand for public infrastructure improvements serving the JEDD District or the area surrounding the JEDD District including, but not limited to, and solely upon joint agreement of the Cooperative Parties, paying costs of infrastructure improvements within the JEDD District or, upon joint agreement of the Cooperative Parties, otherwise benefitting the JEDD District, which infrastructure improvements may include improvements relating to roads, water and sewer, electric, natural gas, fiber, cable, or any other capital improvements directly supporting non-residential development within the Cooperative District, but which infrastructure improvements shall not include ordinary maintenance or repairs (collectively, the "Infrastructure Improvements"). In determining whether to pay the costs of the roadway improvements, the JEDD shall prioritize improvements recommended by the Union County Thoroughfare Plan as amended from time to time, or traffic studies prepared in connection with proposed development within or in the vicinity of the JEDD District. The JEDD may deviate from the Union County Thoroughfare Plan upon the approval of the Cooperating Parties provided that a completed traffic study or other study supports the alternative improvements.

(e) Road Maintenance. Upon joint agreement of the Cooperative Parties, the Township will enter into a service agreement with Union County with respect to the maintenance and repair

of dedicated and accepted Union County roads within the JEDD District, using the Union County Thoroughfare Plan or data from traffic studies whenever available to prioritize maintenance and repair projects.

Section 3. Terms of the JEDD.

(a) JEDD Agreement. The Cooperative Parties will take all steps necessary to create and enter into a joint economic development district agreement (the "JEDD Agreement") under ORC Section 715.72 et seq. in substantially the form attached hereto as Exhibit B, which JEDD Agreement shall contain the following terms and provisions:

(b) JEDD Board. The JEDD Agreement shall provide for the governance of the JEDD by a board (the "Board") appointed as follows, pursuant to ORC Section 715.78(A)(1):

- (i) The initial City member of the Board shall be [___]. Subject to any applicable restrictions in ORC 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.
- (ii) The initial Township member of the Board shall be [___]. Subject to any applicable restrictions in ORC 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.
- (iii) The representative of the business owner or owners located in the JEDD District shall be appointed by mutual agreement of the City member and the Township member, provided that if the City member and the Township member do not so appoint a representative under this Section 3(b)(iii) within thirty (30) days after (A) the effective date of the JEDD Agreement, (B) the end of a term of office for a business owner representative, or (C) the occurrence of any other vacancy in the office of business owner representative, the chairperson of the Board shall notify the business with the greatest number of employees working in the JEDD District that said business is entitled to appoint the business owner representative, provided that any such appointment shall be made in writing by a duly authorized officer of the appointing business and delivered to the chairperson of the Board.
- (iv) The representative of the employees working in the JEDD District shall be appointed by mutual agreement of the City member and the Township member, provided that if the City member and the Township member do not so appoint a representative under this Section 3(b)(iv) within thirty (30) days after (A) the effective date of the JEDD Agreement, (B) the end of a term of office for a business owner representative, or (C) the occurrence of any other vacancy in the office of business owner representative, the chairperson of the Board shall notify the business with the greatest number of employees working in the JEDD District that said business is entitled to appoint the employee representative, provided that any such appointment shall be made in writing by a duly authorized officer of the appointing business and delivered to the chairperson of the Board.

- (v) The fifth member of the Board shall be nominated by the Board of County Commissioners of Union County and appointed by a majority vote of the Township member, the City member, the business owner representative, and the employee representative.
- (vi) The Board shall establish procedures for appointing future business owner and employee representatives.

Section 4. Power

(a) Territory. The JEDD District initially will include the first property or properties within the Cooperative District seeking access to the municipal water and sewer services of the City after the date hereof and not satisfying the exemption criteria set forth by Section 2(b)(i) and (ii) hereof. The Cooperative Parties will, from time to time and as necessary to accommodate proposed business development, cooperate with respect to additions of properties to the JEDD District under ORC Section 715.761, including where applicable and permitted under ORC Chapter 715 any properties located outside of the boundaries of the Cooperative District. For the avoidance of doubt, this Agreement shall not be interpreted to prohibit the Cooperative Parties from adding to the JEDD District a property outside of the Cooperative District or a property that does not meet the requirements of Section 2(b) hereof.

(b) Term. The JEDD Agreement shall have a term of thirty (30) years from its effective date and will automatically renew for two terms of fifteen (15) years each, unless either party acts to prevent such renewal according to terms of the JEDD Agreement.

(c) Income Tax. The JEDD Agreement will provide for an income tax on income earned by persons working within the JEDD District and based on net profits of businesses located in the JEDD District at a rate equal to the income tax levied in the City at the time of the JEDD Agreement, subject to adjustment by the Board of Directors of the JEDD (the "JEDD Board") in the event of any change in the City income tax rate. The tax will be administered by the City, and its proceeds will be distributed as follows:

- (i) To the JEDD Board, seventy percent (70%), including (A) fifty-five percent (55%) of total JEDD District income tax revenue for costs of Infrastructure Improvements; (B) ten percent (10%) for JEDD Board economic development marketing by contract with the Union County Economic Development Partnership; and (C) five percent (5%) for JEDD Board administrative expenses;
- (ii) To the City, fifteen percent (15.0%), including payment to the City of three percent (3.0%) for its services in administering the JEDD income tax; and
- (iii) To the Township, fifteen percent (15.0%), which may be used, among other things, for costs incurred by the Township pursuant to Section 2(d) and (e) hereof.

(a) City Contributions. The City will agree in the JEDD Agreement to provide the following services to the JEDD District: water and sewer service, collection of JEDD income tax, and services as fiscal officer to the JEDD, including administration of JEDD budgets and accounts.

(b) Township Contributions. The Township will agree in the JEDD Agreement to provide the following services to the JEDD District: maintenance and repair of dedicated and accepted Township roads, police and fire protection, and zoning.

(c) Authority. The JEDD Agreement will authorize the JEDD Board, among other things and with the consent and agreement of the City, the Township and, where applicable, the County, to pay certain costs of such Infrastructure Improvements as may be necessary to support growth within the JEDD District.

(d) Incentives. Pursuant to ORC Section 715.81, throughout the term of the JEDD, each Contracting Party shall obtain the express written consent of the other Contracting Party prior to granting any tax exemption or abatement for any property in the JEDD District.

Section 4. Annexation Moratorium.

This Agreement shall be considered an Annexation Agreement pursuant to ORC Section 709.192. The City hereby agrees that, during the Initial Term or any Renewal Term of this Agreement, it shall not annex any real property within the Cooperative District. To the extent not prohibited by law, the City shall not accept any such annexation within the Cooperative District during the Initial Term or any Renewal Term of this Agreement.

Section 5. Other.

(a) Notices. Any notice or consent required or permitted to be given by or on behalf of either party to the other shall be given by mailing such notice or consent by United States certified or registered mail, postage prepaid and return receipt requested, or via a reputable express overnight mail service which provides proof of delivery addressed to the parties as set forth below or at such other address as may be specified from time to time in writing delivered to the other party. Notices shall be effective upon receipt or refusal, as the case may be.

If to the City: 209 South Main Street
Marysville, Ohio 43040
Attn: Law Director

If to the Township: 10420 Watkins Road
Marysville, Ohio 43040
Attn: Legal Counsel

(b) Waivers. All waivers of the provision of this Agreement must be in writing and signed by the appropriate authorities of the City and Township, and all amendments hereto must be in writing and signed by the appropriate authorities of the City and Township. No consent or waiver, express or implied, by either party to or of any breach of any covenant, condition, or duty

of the other party shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty to be observed by the other party.

(c) Severability. In the event that any portions, sections or subsections of this Agreement are rendered invalid by the decision of any court or by the enactment of any law, ordinance or regulation, such provision of this Agreement will be deemed to have never been included therein and the balance of the Agreement shall continue in full force and effect.

(d) Authority. Each party to this Agreement hereby represents and warrants that it is executing this Agreement with the full and proper authority and that the parties whose names appear hereon are duly authorized and empowered to make and execute this Agreement and that this Agreement is supported by consideration.

(e) Counterparts. This Agreement may be executed in counterpart, and in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same Agreement.

(f) Further Actions. The Cooperative Parties agree to execute such additional documents, and take such further actions, as may reasonably be required to carry out the provisions and intent of this Agreement.

(g) In General. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement by either party hereto, or any successor to such party, such party (or successor) shall, within fifteen (15) days of receipt of written notice from the other, proceed to cure or remedy such default or breach. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the party in default or breach of its obligations. All rights and remedies shall be cumulative and shall not be construed to exclude any other remedies allowed at law or in equity.

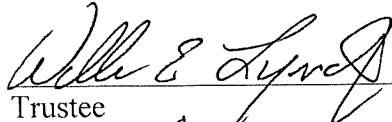
(h) Amendments and Modifications. Except as otherwise provided herein, this Agreement may be amended by the Cooperative Parties only in writing and only following formal legislative approval of such amendment by both the Township Board of Trustees and Marysville City Council.

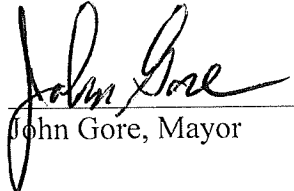
[Signature Page Follows]

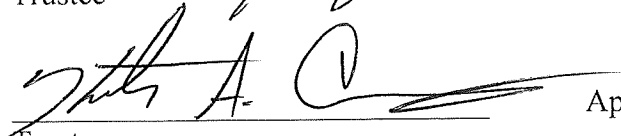
IN WITNESS WHEREOF, the City and the Township have caused this Agreement to be executed by their duly authorized officers as of [11/23], 2015.

TOWNSHIP OF MILLCREEK,
UNION COUNTY, OHIO

CITY OF MARYSVILLE, OHIO

By: 
Trustee

By: 
John Gore, Mayor

By: 
Trustee

Approved as to form and correctness:

By: 
Trustee

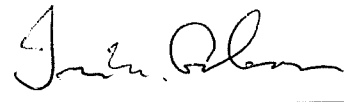

Tim Aslaner, Director of Law

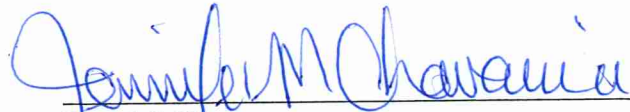
EXHIBIT A

MAP OF COOPERATIVE DISTRICT

[Map of Cooperative District]

CITY'S FISCAL OFFICER'S CERTIFICATE

The undersigned, Fiscal Officer of the City of Marysville, Ohio, hereby certifies that the moneys required to meet the obligations of the City during the year 2015 under the foregoing Agreement have been lawfully appropriated by the City Council of the City of Marysville, 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.

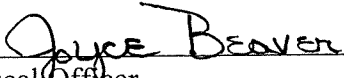


Fiscal Officer
City of Marysville, Ohio

Dated: 4/23, 2015

TOWNSHIP'S FISCAL OFFICER'S CERTIFICATE

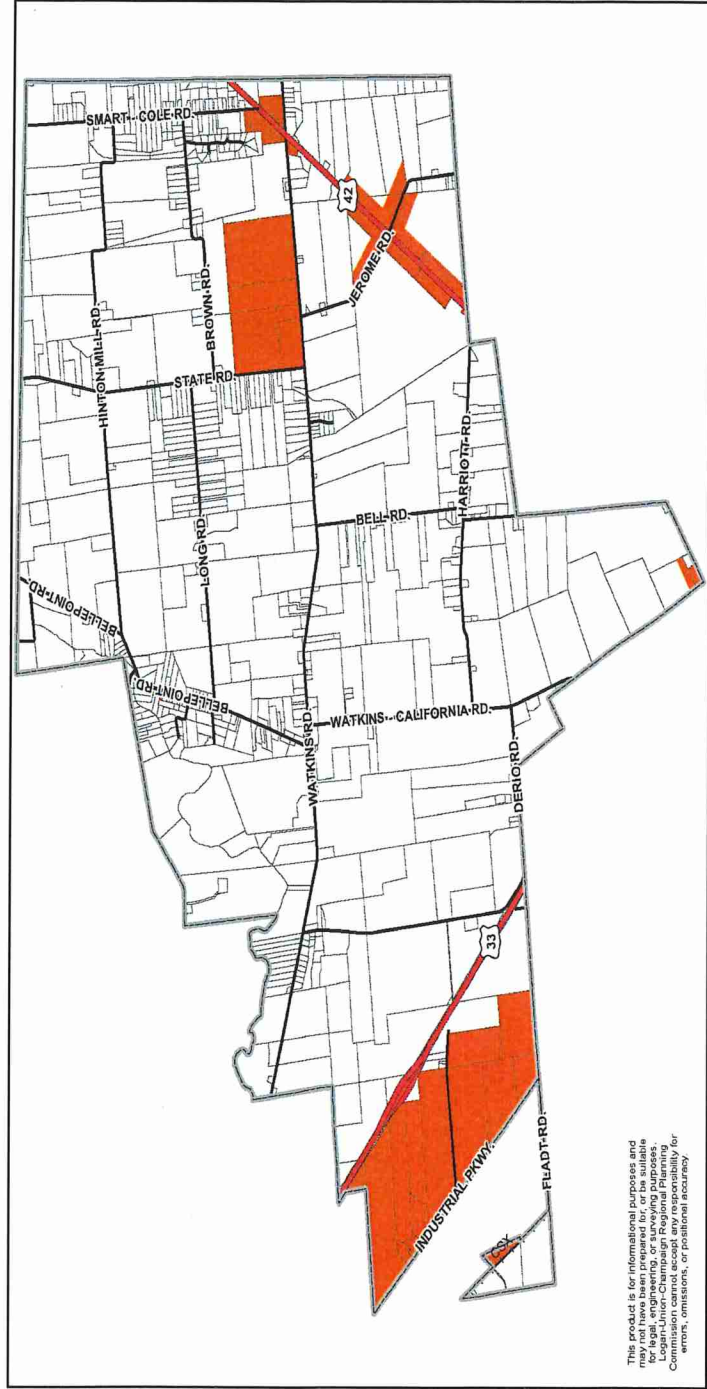
The undersigned, Fiscal Officer of Millcreek Township, Ohio, hereby certifies that the moneys required to meet the obligations of the Township during the year 2015 under the foregoing Agreement have been lawfully appropriated by the Board of Trustees of Millcreek Township, Ohio for such purpose and are 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
Millcreek Township, Ohio

Dated: [0/23], 2015

PROPOSED COOPERATIVE DISTRICT MAP



This product is for informational purposes and may not have been prepared for, or be suitable for, use in any other context. The user assumes all liability for any use of this product. The Commission cannot accept any responsibility for errors, omissions, or positional accuracy.

Current Commercial Zoning

Roads

- US Highway
- County/Township
- +— Railroad

Current Zoning/Status Legend Map
Created on: 04 September, 2012

0 0.2 0.4 0.8 1.2 Miles

N

**Millcreek Township
Union County**