



## CANTON LAW DEPARTMENT

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(330) 489-3251

Kevin R. L'Hommedieu  
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Jason P. Reese  
David L. Smith  
Thomas A. Burns  
*Assistant Law Directors*

March 9, 2012

Neal Fitzgerald, Esq.  
5735 Wales Avenue N.W.  
Massillon, Ohio 44646

Dear Mr. Fitzgerald:

**CRIMINAL DIVISION**  
(330) 489-3395

Tyrone D. Hauritz  
*City Prosecutor*

Jennifer L. Fitzsimmons  
*First Assistant Prosecutor*

Kristen Guardado  
*DV Prosecutor/Senior  
Trial Counsel*

Katie M. Erchick  
Anthony J. Flex  
Branden L. Paxos  
Tasha Forchione  
Anthony P.A. Rich  
*Assistant Prosecutors*

Re: Jackson Township-City of Canton Joint Economic  
Development District Tax Agreement

Enclosed is a fully executed original of the above-referenced  
agreement for your files. If you need anything further, please let me know.

Sincerely,

Jason P. Reese  
Assistant Law Director

JPR/tk  
Enclosure

cc: William J. Healy, II, Mayor  
Mike McEnaney, Income Tax

**JACKSON TOWNSHIP-CITY OF CANTON  
JOINT ECONOMIC DEVELOPMENT DISTRICT  
TAX AGREEMENT**

This Jackson Township-City of Canton Joint Economic Development District Tax Agreement (the "Tax Agreement") is made and entered into as of MARCH 7, 2011, 2012, by and between the Board of Directors (the "Board") of the Jackson Township-City of Canton Joint Economic Development District the "District") and the City of Canton (the "City") in accordance with the terms and provisions set forth herein.

A. The City and the Township of Jackson (the "Township"), each authorized and directed by its legislative authority, entered into the Jackson-Canton Joint Economic Development District Contract (the "Contract") as of August 23, 2011, to create the District and to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the District, the City, the Township, Stark County (the "County") and the state of Ohio (the "State").

B. Pursuant to Sections 715.72 - 715.81 of the Revised Code and Article 2 (C), 3, 4 (H), 4 (I) and 12 and of the provisions of the attached CEDA and Annexation Agreement, the Township and City approved the JEDD on August 23, 2011.

C. Section 11 of the Contract provides that the Board shall enter into a Tax Agreement with the City.

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

Section 1. Authority; Purpose. This Tax Agreement is entered into pursuant to Section 11 of the Contract and Ordinance No. 119/2011 adopted by the City Council on July 25, 2011, and Resolution No. 11-099 adopted by the Township on August 22, 2011, and Resolution No. 12-005 adopted by the Board on FEBRUARY 14, 2012, for the City Treasurer to administer, collect and enforce the income tax on behalf of the District, which income tax has been levied in the District by the Board pursuant to the Contract.

Section 2. Administrator. The Treasurer of the City shall be the Administrator of the income tax of the District (the "Administrator"), who shall be responsible for the receipt, safekeeping and investment of the income tax revenues collected within the District. The Administrator may utilize the personnel and facilities of the City's Division of Taxation and others to assist in carrying out the duties of the Administrator under this Tax Agreement. The Administrator may delegate and assign those duties as deemed necessary or advisable.

Section 3. Duties. The Administrator shall assume and perform the following:

- (a) identify all taxpayers within the District;
- (b) notify those taxpayers and employers within the District concerning the District income tax;
- (c) create, print and distribute District income tax forms and related documents;
- (d) establish funds or accounts for receipt of the income tax revenues and establish and implement accounting procedures therefor;
- (e) establish a distinct mailing address, which may be a post office box, for receipt of the income tax forms and payments;
- (f) receive, count, verify, record and deposit into the appropriate account all income tax payments;
- (g) take all necessary action, including legal action if necessary (for which the City's Department of Law may be utilized if determined appropriate by the Administrator and the City's Director of Law), to collect all income taxes in the District;
- (h) conduct correspondence and communication with the City, the Board, taxpayers and others in the District, concerning the income tax;
- (i) make refunds of income tax payments when and where appropriate;
- (j) invest the income tax revenues in accordance with the Contract, the Bylaws of the Board and the law; and
- (k) do all things and take such other actions as necessary to fulfill the purpose of the Contract and this Tax Agreement.

The Administrator shall distribute the income tax revenues as provided in Section 11 of the Contract. In accordance with Board Resolution No. 12-004, 1% of the income tax collected shall be set aside for the long term maintenance of the District; provided, however, the amount set aside shall not exceed \$500 annually without consent of the contracting parties.

Section 4. Assistance to the Treasurer. The Treasurer of the City and the City's Income Tax Department as directed by the City Treasurer shall assist the Treasurer of the Board with the duties of that office in accordance with Section 9 of the Contract. The City Treasurer shall assist the Board Treasurer in the estimation of revenues of the District.

Section 5. Tax Code. In accordance with the Contract and Resolution No.12-004 of the Board, the Board adopts Sections 181.01 through 181.17 of Chapter 181 of the Codified Ordinances of the City (other than the rate) as amended from time to time, as applicable to the District income tax. The Administrator shall determine the applicability of the provisions of those Code Sections to the District income tax and shall use those Code Sections as a guide in the administration of the District income tax. It is the intent of the Board that the adoption

and use of these provisions will provide for the most efficient and cost effective administration of the District income tax. The Administrator may adjust or modify those provisions as deemed necessary to apply to the District income tax. If deemed advisable by the Administrator, the Administrator may prepare more specific rules and regulations for the administration of the District income tax.

Section 6. Quarterly Report. The Administrator shall make a quarterly report to the Board regarding the receipt and distribution of the income tax of the District.

Section 7. Term. The initial term of the Tax Agreement shall commence on the date hereof and shall terminate December 31, 2061, unless otherwise terminated prior to that date as provided herein. This Agreement will be renewed for an additional fifty (50) year term unless either party, by official legislative action, gives written notice to the other party of its intent not to renew on or before ninety (90) days prior to the extension of the initial term.

This Tax Agreement may be terminated at any time by mutual consent of the City and the Board as authorized by the Council of the City and the Board as provided herein. In order for such termination, to be effective, the legislative actions of the parties that terminate this Tax Agreement must occur and be effective within a period of 90 days of each other.

This Tax Agreement also shall be terminated if the Contract is terminated for any reason. Upon termination of this Tax Agreement, the City shall have no further obligation under this Contract.

Section 9. Amendments. This Tax Agreement may be amended by the City and the Board only in a writing approved by the Council of the City and the Board by appropriate legislation authorizing that amendment. In order for such amendment to be effective, the legislative actions of the parties that amend this Tax Agreement must occur and be effective within a period of 90 days of each other.

Section 10. Binding Effect. This Tax Agreement shall inure to the benefit of and shall be binding upon the District, the City, the Township and their respective permitted successors, subject, however, to the specific provisions hereof. This Tax Agreement shall not inure to the benefit of anyone other than as provided in the immediately preceding sentence.

Section 11. Support of Tax Agreement. The City and the Board agree to cooperate with each other and to use their best efforts to do all things necessary for the collection, administration and distribution of the District income tax in accordance herewith and with the Contract. In the event that this Tax Agreement, or any of its terms, conditions or provisions, is challenged by any third party or parties in a court of law, the City and the Board agree to cooperate with one another and to use their best efforts in defending this Tax Agreement with

the object of upholding this Tax Agreement. The City and the Board shall each bear its own costs in any such proceeding challenging this Tax Agreement or any term or provision thereof, provided that the Board shall reimburse the City for such costs to the extent funds of the District are available and appropriated therefor.

Section 12. Signing Other Documents. The parties agree to cooperate with one another and to use their best efforts in the implementation of this Tax Agreement and to sign or cause to be signed, in a timely fashion, all other necessary instruments and documents, and to take such other actions, in order to effectuate the purposes of this Tax Agreement.

Section 13. Severability. In the event that any section, paragraph or provision of this Tax Agreement, or any covenant, agreement, obligation or action, or part thereof, made, assumed, entered into or taken, or any application thereof, is held to be illegal or invalid for any reason,

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

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

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

Section 14. Governing Law. This Tax Agreement shall be governed exclusively by and construed in accordance with the laws of the State, and as applicable Sections 715.72 to 715.81 of the Revised Code. In the event that Sections 715.72 to Section 715.81 of the Revised Code is amended or is supplemented by the enactment of a new section of the Revised Code relating to Joint Economic Development Districts, the parties may agree at the time to follow either the provisions of Sections 715.72 to 715.81 existing on the date of this Tax Agreement or the provisions of Sections 715.72 to 715.81 as amended or supplemented, to the extent permitted by law.

Section 15. Captions and Headings. The captions and headings herein are for convenience only and In no way define, limit or describe the scope or intent of any provisions or sections hereof.

IN WITNESS WHEREOF, the City, the Board and the District have caused this Tax Agreement to be duly signed in their respective names by their duly authorized officers as of the 5th day of March, 2012.

Signed as to the City in the presence of: CITY OF CANTON  
Jiri Rosp  
By: Wm Healy II  
Its: Mayor

Signed as to the Board in the presence of: JACKSON TOWNSHIP-CITY OF CANTON  
JOINT ECONOMIC DEVELOPMENT  
DISTRICT BY ITS BOARD OF DIRECTORS  
Marilyn Lyon  
By: Randy Gonzalez  
Randy Gonzalez, Chairperson  
By: Thomas A. Chiappini  
Thomas A. Chiappini, Secretary/Treasurer

Approved as to legal form and correctness: SR  
Joseph Martuccio  
Joseph Martuccio, Canton Law Director

STATE OF OHIO  
SS:  
COUNTY OF STARK

On this 7th day of March, 2012, before me, a Notary Public in and for said County and State, personally appeared William Healy II of the City of Canton, Ohio, who acknowledged that with due authorization and as such officer on behalf of the City he did sign said instrument on behalf of the City and who acknowledged that the same is his voluntary act and deed individually as said officer and the voluntary and corporate act and deed of the City.

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

Renee C. Biggums  
Notary Public



**Renee C. Biggums**  
Notary Public State of Ohio  
My Commission Expires May 19, 2013

My commission expires:

STATE OF OHIO

SS:

COUNTY OF STARK

On this 14<sup>th</sup> day of FEBRUARY, 2012, before me, a Notary Public in and for said County and State, personally appeared Randy Gonzalez, Chairperson and Thomas A. Chiappini, Secretary/Treasurer, for the Board of Directors of the Jackson Township-City of Canton Joint Economic Developmental District, who acknowledged that with due authorization and as such officers on behalf of the Board they did sign said instrument on behalf of the Board and who acknowledged that the same is their voluntary act and deed individually as said officers and the voluntary and corporate act and deed of the Board.

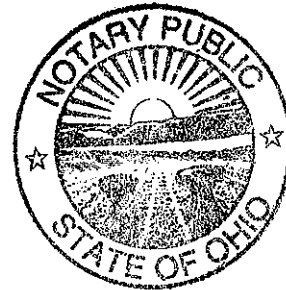
IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day aforesaid.

*Neal L. Fitzgerald*

Notary Public

My commission expires:

NEAL L. FITZGERALD, ATTORNEY AT LAW  
Notary Public, State of Ohio  
My Commission Has No Expiration Date  
Under Section 147.03 R. C.  
Recorded in Stark County



consultants and independent contractors as are necessary in its judgment to carry out the purposes of this Contract, and fix the compensation thereof, which shall be payable from any available funds of the District;

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

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

The Board may enter into an agreement with the Township for the Township to administer and implement employment and discharge of, and salaries, benefits and work rules established for, employees of the District. All costs of employment, including, but not limited to, compensation, salaries, benefits, taxes and insurance, shall be paid from revenues of the District. The City or Township shall not be the employer and shall have no liability for any costs of employment or any other costs or expenses arising from such employment. The Board may provide by resolution that the purchases of real or personal property, other goods or services shall comply with applicable rules or regulations of the City or the Township.

This Contract grants to the Board the power and authority to adopt a resolution to levy an income tax within the District in accordance with Section 715.74(C) of the Revised Code and Section 11 hereof that can only be levied in the district based on income earned by persons working in the district.

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

The City and the Township may continue to exercise all of the powers and may perform all of the functions and duties set forth in Section 715.81 of the Revised Code.

#### Section 11. Allocation of Tax Revenues and Duration

##### (A) Non-Income Tax.

(1) For purposes of this Article, "Township taxes" means the taxes against the real and tangible personal property that would have been charged by and/or payable to the Township if no annexation had occurred. It is agreed that the Property shall remain in Jackson Township



Township and City shall fully cooperate with State and County officials to create an additional taxing district, if necessary.

(2) This Agreement is intended to provide Township during the term of this Agreement with one hundred percent (100%) of the tax revenue it would have received from the Property if the annexation had not taken place, including current and future real property and personal property tax revenue under Township millage rates in effect at the time of collection.

(3) The parties agree that during the term of this Agreement, all Township taxes collected by the Stark County Auditor after the annexation is accepted by the City by resolution or ordinance will be paid directly to Township. This would also include Township taxes generated as a result of new businesses located on or in the Property after annexation. All such taxes shall be paid at whatever Township millage or other taxing rate is existing at the time the collection is made by the Stark County Auditor.

(4) The parties further agree that, during the term of this Agreement, taxes for any Township levy, which as of the date of execution are general fire, EMS, police and road levies, that the Township would have received but for the annexation of the property, shall be paid to the Township at the time collection is made by the Stark County Auditor, under millage rates in effect at the time of the collection. Canton will not be responsible for any payments to Jackson that will be lost to Jackson from a taxing district that would become part of the incorporated area of the City of Canton.

(5) In the event that any such taxes, which by the terms of this Agreement are to be paid to Township, are collected by the Stark County Auditor and paid to City instead of Township, City agrees to promptly remit to Township an amount equal to said taxes it receives. Payment by City to Township of any taxes erroneously received shall be made within thirty (30) days of the receipt of such funds from the County Auditor, or of discovery of such error.

(6) Notwithstanding the above, any amounts of real property and personal property taxes that City may be entitled to receive for City millage only, over and above the amount Township receives or would have received under then existing Township millage rates if the annexation had not taken place, shall be paid to City.

(B) Income Tax. The Board at its first meeting shall adopt a resolution to levy an income tax at a rate of 2% in the District in accordance with Section 715.74(C) of the Revised Code that can only be levied in the district based on income earned by persons working within the district. The income tax shall go into effect upon the effective date of this Contract. The rate of the income tax shall change from time to time so that it is equal to the rate of the municipal

income tax levied by the City. The revenues of that income tax shall be used for the purposes of the District and the contracting parties pursuant to this Contract.

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

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

The City will continue to receive 100% income tax revenue collected from any Canton City residents. In addition, any upfront investment or annual cost from either party paid to secure a CEDA, JEDD, Annexation or any other agreement will be reimbursed prior to the City paying to the Township 50% of any remaining income tax collected by the City in the Township, or any new entity that was located in the former Township. Upfront investment and annual cost will be specified in this agreement.

Canton agrees to pay on a quarterly basis 50% of any and all new income tax to Township for any income tax collected by the City in the Township, or any new entity that was located in the former Township. Township shall receive the tax revenues set forth herein for the duration of this Agreement

To the extent that the District's expenditures authorized hereunder for any fiscal quarter exceed the District's share of revenues of the District income tax, such excess expenditures shall be paid for in equal shares by the City and the Township.

The Tax Agreement shall provide that the Administrator shall make a quarterly report to the Board regarding the receipt and distribution of the income tax of the District and the operating income and expenses of the District for the preceding quarter and projections for the next quarter.

Section 12. Annexation. The City agrees not to engage in any Annexation of any property in Jackson Township unless the Township Trustees agree to the Annexation.

Section 13. Defaults and Remedies. A failure to comply with the terms of this Contract

## 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 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

BOARD OF DIRECTORS OF THE JACKSON/CANTON  
JOINT ECONOMIC DEVELOPMENT DISTRICT  
RESOLUTION

RESOLUTION NO. 12-004

ADOPTED: 1/24/12

SUBJECT: Income Tax

The Board of Directors of the Jackson/Canton Joint Economic Development District met in regular session on the 24th day of January, 2012 with the following members present:

Randy Gonzalez  
William J. Healy  
John E. Pizzino  
Thomas A. Chiappini

Pizzino moved for the adoption of the following resolution:

BE IT RESOLVED THAT, pursuant to attached Sections 10 and 11(B) of the Jackson/Canton Joint Economic Development District Contract and attached ORC Section 715.74(C), we hereby levy an income tax, effective March 1, 2012 at a rate of 2% in the District in accordance with ORC Section 715.74(C) that can only be levied in the district based on income earned by persons working within the district.

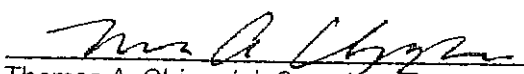
BE IT RESOLVED THAT 1% of the income tax collected shall be set aside for the long term maintenance of the Jackson/Canton Joint Economic Development District; provided, however, the amount set aside shall not exceed \$500 annually without consent of the contracting parties.

BE IT FURTHER RESOLVED that the administration, collection, enforcement and distribution of the income tax shall be in accordance with the City of Canton's income tax legislation, as it may be amended from time to time, as applicable to the District income tax.

Healy seconded the motion and upon roll call the vote resulted as follows:

Mr. Gonzalez	<u>yes</u>
Mr. Healy	<u>yes</u>
Mr. Pizzino	<u>yes</u>
Mr. Chiappini	<u>yes</u>

The foregoing is a true and correct counterpart of Resolution Number 12-004, duly adopted on January 24, 2012 and filed with me as the Board of Directors Secretary/Treasurer on January 27, 2012.

  
Thomas A. Chiappini, Secretary/Treasurer