

2
3 CITY OF CUYAHOGA FALLS, OHIO

4
5 ORDINANCE NO. 43 - 2017

6
7 AN ORDINANCE AUTHORIZING THE MAYOR TO
8 EXECUTE THE SUMMIT COUNTY
9 INTERGOVERNMENTAL MEMORANDUM OF
10 UNDERSTANDING FOR JOB CREATION AND
11 RETENTION AND TAX REVENUE SHARING, AND
12 DECLARING AN EMERGENCY.
13

14 WHEREAS, job losses result in social and human costs which can be a significant burden
15 to the area, the region and State; and
16

17 WHEREAS, the City, the County of Summit ("County") and communities throughout
18 Summit County recognize that it is imperative to cooperate and collaborate with each other for
19 the economic benefit of the region and its resident-taxpayers in order to attract and retain
20 businesses and jobs; and
21

22 WHEREAS, there are many current and prospective employers who desire to remain or
23 locate in Summit County; and
24

25 WHEREAS, the City of Cuyahoga Falls, the County and communities throughout Summit
26 County further recognize that cooperation is necessary for regional prosperity and
27 enhancement of the local tax base and to compete successfully in global markets; and
28

29 WHEREAS, the County, the City and communities throughout Summit County work with
30 employers, prospective employers and individual communities within Summit County to
31 provide tax and other incentives for purposes of retaining and locating prospective employers
32 and facilities in communities within Summit County; and
33

34 WHEREAS, the County and signatory communities do not desire to have any adverse
35 impact on a business or company's decision to locate or relocate within Summit County, but
36 merely wish to address the relationship of government bodies that may be affected by those
37 independent business decisions; and
38

39 WHEREAS, the City, the County and communities throughout Summit County entered
40 into the Summit County Intergovernmental Memorandum of Understanding for Job Creation
41 and Tax Revenue Sharing ("Agreement") beginning in 2010 for the purposes of discouraging
42 business poaching between communities, providing for revenue sharing between signatory
43 communities in the event certain businesses relocate, and to provide certain economic
44 development grant scoring incentives to signatory communities; and
45

46 WHEREAS, by the terms of the Agreement, all signatories to the Agreement are required
47 to review the Agreement each year and to submit any proposed modifications to the Agreement
48 to the legislative body of each participating community for approval; and
49

50 WHEREAS, the Council, after reviewing all pertinent information and the proposed
51 amendments to the Agreement, has determined that it is necessary and in the best interest of
52 the City of Cuyahoga Falls to authorize the Mayor to execute the Summit County
53 Intergovernmental Memorandum of Understanding for Job Creation and Tax Revenue Sharing,
54 as amended, and to encourage communities throughout Summit County to execute the same.
55

56 NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cuyahoga Falls, County
57 of Summit and State of Ohio, that:
58

59 Section 1. The Mayor is hereby authorized to enter into the Summit County
60 Intergovernmental Memorandum of Understanding for Job Creation and Retention and Tax
61 Revenue Sharing (the "Agreement"), as amended, substantially in the form of the Agreement in
62 Exhibit A.
63

64 Section 2. Any other ordinances and resolutions or portions of ordinances and resolutions
65 inconsistent herewith are hereby repealed but any ordinances and resolutions or portions of
66 ordinances and resolutions not inconsistent herewith and which have not previously been
67 repealed are hereby ratified and confirmed.
68

69 Section 3. It is found and determined that all formal actions of this Council concerning
70 and relating to the adoption of this ordinance were adopted in an open meeting of this Council
71 and that all deliberations of this Council and of any of its committees that resulted in such
72 formal action were in meetings open to the public, in compliance with all legal requirements
73 including Chapter 107 of the Codified Ordinances.
74

75 Section 4. This ordinance is hereby declared to be an emergency measure necessary for
76 the preservation of the public peace, health, safety, convenience and welfare and for the reason
77 that the Agreement must be executed by September 29, 2017 for the City to remain a party
78 and to qualify for incentives, and provided it receives the affirmative vote of two-thirds of the
79 members elected or appointed to Council, it shall take effect and be in force immediately upon
80 its passage and approval by the Mayor; otherwise it shall take effect and be in force at the
81 earliest period allowed by law.
82

83
84 Passed: 6-12-17

Mary Ellen Lyke
85
86
87
88
89 President of Council

Donna Lawrence
90
91 Clerk of Council

92 Approved: 6-15-2017

[Signature]
93
94 Mayor

95 5/22/17

O:\2017ords\2017-2018 Jobs Preservation Agreement Ord Final.docx

**SUMMIT COUNTY INTERGOVERNMENTAL MEMORANDUM
OF UNDERSTANDING FOR JOB CREATION AND
RETENTION AND TAX REVENUE SHARING**

2017-2018 Version

October 1, 2017 to June 30, 2018

WHEREAS, the loss of jobs results in social and human costs which can be a significant burden to the area, the region and State, and

WHEREAS, the County of Summit and communities throughout the County recognize it is imperative to cooperate and collaborate with each other for the economic benefit of the region and its resident-taxpayers in order to attract and retain businesses and jobs; and

WHEREAS, there are many current and prospective employers who desire to remain or locate in the County of Summit; and

WHEREAS, the communities further recognize that cooperation is necessary for regional prosperity and enhancement of the local tax base and to successfully compete in global markets; and

WHEREAS, the County of Summit, hereinafter "County", works with employers, prospective employers and individual communities within the County to provide tax and other incentives for purposes of retaining and locating prospective employers and facilities in communities within the County; and

WHEREAS, the communities further recognize that active attempts to relocate businesses from other local communities has a negative effect on economic development and growth in the region; and

WHEREAS, this Agreement is not intended to have any adverse impact on a business or company's decision to locate or relocate within the County but merely addresses the relationship of government bodies that may be affected by those independent business decisions; and

NOW THEREFORE, the County and the communities who are signatories herein have reached an understanding concerning their joint and respective interests touching upon a mutual desire to retain and attract businesses and jobs. As a result, the parties agree as follows:

SECTION 1. The signatory communities agree to adhere to a Model Code of Conduct which is attached to this Agreement and made a part hereof as if fully re-written herein. Communities offering any economic incentive or other financial assistance, as defined herein, to

potential employers and/or businesses presently located within another signatory community may do so only as specified herein.

SECTION 2(a) As used in this Agreement:

(1) “economic incentive or other financial assistance” means a financial or “in kind” benefit offered by a community to an employer or business of such a nature that it would provide a reasonably operated employer or business with an incentive to relocate its business from one signatory community to the community offering the financial benefit. For purposes of illustration and without limiting the scope of the term, examples of “economic incentives or other financial assistance” include tax abatements, exemptions or credits; reduction or subsidization of utility services not comparably offered to other businesses; direct financing of business-related costs, facilities or expenses at below market rates or differing market terms. For purposes of illustration and without limiting the scope of the term, “Economic incentive” does not include financial benefits that are available to all employers or businesses throughout the community such as free or low-cost advertising on a community website, other government services offered or available to all employers or businesses, utility and tax rates which may be lower than the departed community but are available to all businesses; “sales pitches” which provide information concerning existing matters in the community (ie. the availability of properly zoned property, commercial properties available for lease or sale, existing infrastructure capacity, current or proposed tax rates, etc.).

(2) “departed community” means the signatory community from which the employer or business is moving.

(3) “destination community” means the signatory community to which the employer or business is moving.

(4) “communities affected by the relocation” means the “departed community” and the “destination community” collectively.

(5) “income tax revenue” means both (i) the revenue received by a community for municipal, JEDD or JEDZ income taxes on the compensation of the employees and officers of a business and (ii) the revenue received by a community for municipal, JEDD or JEDZ income taxes on the income, profits and/or earnings of the business.

(6) “aggregate income tax revenue” means the income tax revenue received by a community from all businesses in the community.

(7) “service sharing agreement” is a pre-existing agreement requiring a community to pay to another community a share of income tax received from a business in exchange for a service, utility or other consideration (i.e. an agreement providing for a sharing of income tax revenue in exchange for the extension of municipal water service to the area where the business locates).

SECTION 2(b) The relocation of an employer or business between signatory communities, shall trigger revenue sharing in either of the following events: (i) the employer or business which relocated created a significant revenue loss to the community from which the employer or business departed. A significant revenue loss to the departed community will arise if the departed employer or business had, based on an average of the last two full calendar years prior to a relocation, either a \$3.5 million dollar or larger annual payroll or constituted 5% or more of the aggregate income tax revenue of the departed community; or (ii) the employer or business which relocated was the beneficiary of any economic incentive(s) or other financial assistance from the community to which it relocated.

SECTION 2(c) As used in this Agreement, a “partial relocation” occurs when a business moves or transfers some of its employees and payroll from a departed community to a destination community but continues to maintain some business presence in the departed community.

If such a partial relocation occurred due to economic incentives or other financial assistance offered by the destination community, then revenue sharing shall be required as set forth in Section 4 of this Agreement.

If the partial relocation was not the result of economic incentives or other financial assistance offered by the destination community, revenue sharing will occur only if the partial relocation would support revenue sharing based on the criteria set forth in Section 4, Tier Two of this Agreement.

SECTION 2(d) As used in this Agreement, a “split relocation” occurs when a business moves or transfers some or all of its employees and payroll from a departed community to two or more destination communities and may or may not continue to maintain some business presence in the departed community.

If such split relocation occurred due to economic incentives or other financial assistance offered by any destination community, revenue sharing shall be required between the destination community which offered economic incentives or other financial assistance and the departed community as set forth in Section 4 of this Agreement.

If such split relocation was not the result of economic incentives or other financial assistance offered by a destination community, revenue sharing will occur only if the split relocation would support revenue sharing based on the criteria set forth in Section 4, Tier Two of this Agreement. In determining the threshold triggering criteria, as set forth in Section 4, Tier Two of this Agreement, the income tax revenue loss to, and the aggregate income tax revenue of, the departed community at the time of the split relocation shall constitute the base for determining whether all destination communities shall share revenue. In the event revenue sharing is required each destination community shall pay its proportional share for the time periods specified under this Agreement.

SECTION 2(e) “Satellite” or branch office occurs when a business expands to open an additional office or facility at another location. Satellite or branch office will be considered a separate business and not subject to revenue sharing under this Agreement providing the destination community did not offer economic incentives and the expansion does not involve a significant relocation of existing employer or business facilities or employees during the first year of its existence. For purposes of this Agreement, significant relocation will be considered twenty (20%) percent or greater based on the employer or businesses last annual payroll filed with the departed community.

SECTION 3. When a business or employer relocates from one signatory community to another, prior to invoking the hearing provisions of this Agreement, the communities affected by the relocation shall first attempt to agree between themselves on revenue sharing obligations. The signatory communities involved in the relocation may use the formulas and other criteria as set forth in this Agreement as guidance in their negotiations. In the event the communities affected by the relocation enter into an agreement to share revenue, that agreement will control the parties’ rights and obligations notwithstanding anything to the contrary contained herein and no other signatory community not affected by the relocation shall have standing to challenge the agreement entered into by the communities affected by the relocation.

In the event the communities affected by the relocation do not agree or cannot negotiate a resolution on any matter under this Agreement, a determination shall be made by the District Eight Public Works Integrating Committee of the Ohio Public Works Commission (hereinafter “Committee”) after a hearing. Any signatory community affected by the relocation of the business or employer may petition the Committee for a hearing by sending notice to all Committee members or their designees and a copy of the hearing request to the County Executive. The Summit County Director of Community and Economic Development shall set a meeting of the Committee within sixty (60) days of receipt of notice. No Committee member may participate in such a determination if his or her community is a party to the hearing. Each party affected by the relocation of the business or employer shall be afforded a reasonable opportunity to present evidence and arguments on behalf of the position of its community. Determinations by the Committee shall be by majority vote of those present subject to quorum and other applicable rules for the routine conduct of Committee business. The ultimate fact question for consideration by the Committee or arbitration panel is whether the triggering events for tax sharing have occurred and/or the amount of tax revenue to be shared.

Any community which disagrees with the determination of the Committee may, within sixty (60) days of the Committee determination, submit a demand in writing to present any matter(s) for determination to arbitration pursuant to Chapter 2711 of the Ohio Revised Code. The party requesting submission of the matter to Arbitration must set forth a demand in writing for arbitration to all other affected communities and the County Executive. All demands for arbitration must be sent by certified U.S. mail, return receipt requested, and must set forth the subject of the dispute with reasonable specificity and recite that the matter has been duly submitted to and a determination made by the Committee. The departed community shall select one arbitrator, the destination community or communities shall select one arbitrator and the County Executive shall select one arbitrator. Every arbitrator shall be an attorney duly licensed to the practice of law in

the State of Ohio. All arbitrations hearings shall be held in the County of Summit, Ohio at a mutually agreeable time and place and no later than ninety (90) days after notice to affected communities as provided for herein. Any award or decision of the arbitrators shall be reduced to writing and be binding upon the parties as provided for by Chapter 2711 of the Ohio Revised Code. Notwithstanding any award or determination made by an arbitration panel hereunder, each community shall bear its own arbitration costs and shall equally share any arbitration costs incurred by the County.

Under no circumstances may the Committee or any Arbitration Panel award a sum of money for revenue sharing greater than the amount and percentages contained in Section 4 of this Agreement.

SECTION 4. Should revenue sharing be deemed appropriate under this Agreement, the recommended approach would be a two tier model as more fully set forth below:

Tier One. Tier One covers business relocations that involve the relocation of a business which, based on an average of the last two full calendar years prior to a relocation, had an annual payroll of less than \$3.5 million and constituted less than five (5%) percent of the aggregate income tax revenue of the departed community. In the first year of a tier one relocation, the destination community will pay forty (40%) percent of the new income tax revenue received from that business by the destination community to the departed community, thirty (30%) percent in the second year and twenty (20%) percent in the third year.

Tier Two. Tier two covers business relocations that involve the relocation of a business which, based on an average of the last two full calendar years prior to a relocation, had an annual payroll of more than \$3.5 million or constituted more than five (5%) percent of the aggregate income tax revenues of the departed community. In the first year of a tier two relocation, the destination community will pay fifty (50%) percent of the new income tax revenue received from that business by the destination community to the departed community, forty (40%) percent in the second year, thirty (30%) percent in the third year, twenty (20%) percent in the fourth year and ten (10%) percent in the fifth year.

For purposes of determining the revenue sharing formula provided under this section, the "new income tax revenue received from that business by the destination community" shall be capped at and shall not exceed the amount of income tax revenue that was collected by the departed community for that business in the last full calendar year prior to relocation. Additionally, if any destination community has an income tax rate exceeding 2%, then that community is only obligated to share income tax revenue in an amount that would be received by that community if it had an income tax rate of 2%.

In the event a business relocation occurs, and the business relocates to an area of a destination community that is governed by a Service Sharing Agreement between the destination community and departed community, then the destination community shall share income tax revenue with the departed community to the extent set forth in this Section on the net income tax

revenue received by the destination community after the application of the Service Sharing Agreement to the income tax revenue received by the destination community.

In the event a business relocation occurs, and the business relocates to an area of a destination community that is governed by a Service Sharing Agreement with a community other than the departed community, then the destination community shall continue to share income tax revenue with the departed community to the extent set forth in this Section on the total/gross amount of income tax revenue received by the destination community without any reduction or set-off for the Service Sharing Agreement.

In the event any signatory communities engage in revenue sharing under this Agreement, for any reason, and the community which had a business depart and received revenue sharing is thereafter able to fill the vacancy at the real property where the business was located, in whole or in part, before the expiration of revenue sharing, then the previously agreed or awarded revenue sharing shall be subject to modification or elimination. Should income tax revenues from the business which filled the vacancy equal or exceed the income tax revenues of the business which departed, in the last full calendar year prior to its departure, revenue sharing shall cease at the time new income tax revenue equaled or exceeded the income tax revenue of the departed business. Should income tax revenues from the business which filled the vacancy be less than that of the departed business, in the last full calendar year prior to its departure, then such revenue sharing shall be subject to modification. Any continuing revenue sharing should be calculated upon the difference between income tax revenue generated by the departed business in the last full year prior to its departure and the lower income tax revenue generated by the business filling the vacancy which led to revenue sharing under this Agreement. The same procedures to make a claim for revenue sharing under this Agreement shall be used by a community that claims or requests an elimination or modification of previously agreed or awarded revenue sharing under this Section.

It is acknowledged by the signatory communities that the above formula(s) are general and illustrative and the communities affected by the relocation or involved in Service Sharing Agreements may deviate therefrom in any agreement entered into between them.

SECTION 5. The parties acknowledge that one or more signatory communities to this Memorandum may also be parties to a Joint Economic Development District (“JEDD”) or Joint Economic Development Zone (“JEDZ”) agreement. Except as modified or limited in this Section, in the event a business relocates to or from a JEDD or JEDZ area, the revenue sharing provisions set forth in Sections 3 and 4 shall apply, provided all of the following conditions are met:

- a. The departed community must either be a municipality or township that is a signatory to this Memorandum or a JEDD or JEDZ area to which all parties to the JEDD or JEDZ agreement are signatories to this Memorandum.
- b. The destination community must either be a municipality or township that is a signatory to this Memorandum or a JEDD or JEDZ area to which all parties to the JEDD or JEDZ agreement are signatories to this Memorandum.

c. The provisions for revenue sharing provided under this Section and Sections 3 and 4 shall apply only to income tax revenue collected under the JEDD or JEDZ agreement and shall not apply to any other revenue or services that are shared or provided under or subject to the JEDD or JEDZ agreement (ie sewer or water infrastructure).

If the JEDD or JEDZ area is the destination community, then the income tax revenue to be shared to the departed community shall be the actual income tax collected under the JEDD or JEDZ agreement, and each signatory to the JEDD or JEDZ agreement shall contribute to the shared revenue in the same proportion that they receive income tax revenue under the JEDD or JEDZ agreement, unless otherwise agreed in writing amongst the signatories of the JEDD or JEDZ agreement.

If the JEDD or JEDZ area is the departed community, then the income tax revenue to be shared back by the destination community shall be shared back to the signatories to the JEDD or JEDZ agreements in the same proportion that they receive income tax revenue under the JEDD or JEDZ agreement, unless otherwise agreed in writing amongst the signatories of the JEDD or JEDZ agreement.

For purposes of determining the triggering of revenue sharing under Section 2(b) hereof, revenue sharing shall be required when an employer or business that relocates is the beneficiary of any economic incentive(s) or financial assistance from **any** community that is signatory to a covered JEDD or JEDZ agreement. In such event, all parties to the JEDD or JEDZ agreement shall be obligated to share revenue as set forth herein.

For purposes of determining the 5% threshold for a significant revenue loss under Section 2(b), hereof, when a business relocates from a covered JEDD or JEDZ area to another signatory community, a significant revenue loss shall be deemed to occur, and revenue sharing shall be required hereunder, if the income tax revenue received from the departed businesses constitutes 5% or more of the aggregate income tax revenue of **any** signatory community to the JEDD or JEDZ agreement, inclusive of income tax revenue received through both JEDD/JEDZ areas and non-JEDD/JEDZ areas, and, in such event, revenue sharing shall be provided by the destination community back to all of the signatory communities of JEDD or JEDZ, in the manner prescribed herein.

If a business relocates from a signatory community to an area of a township that is not subject to a JEDD or JEDZ agreement, and that township is a signatory to this Memorandum, the Township shall have no obligation to share revenue or make other compensation to the departed community. Conversely, in the event a business relocates from an area of a township not subject to a JEDD or JEDZ agreement, and that township is a signatory to this Memorandum, the destination community shall have no obligation to share revenue with the township.

In the event a township is signatory to this Memorandum and is not a signatory to any JEDD or JEDZ agreement, that township shall not be subject to the revenue sharing provisions of

this Memorandum, either as a departed or destination community. However, that same township shall receive the 5% additional points on grant application(s) and be subject to deduction of points on grant applications as more fully set forth herein.

The inclusion of JEDDs and JEDZs in this Memorandum shall be effective July 1, 2012. Any relocations to or from a JEDD or JEDZ completed prior to July 1, 2012 shall not require revenue sharing or trigger the penalty or other provisions of this Memorandum.

SECTION 6. The parties understand and agree that from time to time a signatory community may offer an economic incentive or financial assistance to a relocating business that is calculated or based on the payroll of the relocating business and entails crediting or rebating a portion of the income taxes paid by that relocating business for a period of years (“income tax credit incentive”). In the event a signatory community provides an income tax credit incentive to a business that is relocating from another signatory community or applicable JEDD or JEDZ (as set forth in Section 8), that income tax credit incentive shall be calculated by and limited to crediting or rebating income tax payments only from newly created jobs associated with the relocating business and not any relocated jobs from the departed community. Any signatory community that provides an income tax credit incentive contrary to this Section shall be subject to Section 11 of this Agreement.

SECTION 7. Except as otherwise provided herein, this Agreement sets forth the exclusive rights of the communities concerning business relocations and tax revenue sharing between and among themselves and limits any and all claims for legal relief to the monetary remedies and grant fund inducements set forth herein. The parties waive any and all claims to injunctive or other equitable relief which could or might be asserted hereunder. It is further acknowledged that this Agreement is only between the communities and may not be used to prohibit, impede, delay or otherwise encumber any business/employer from moving or relocating. This Agreement may not be used to assert any claim or cause of action in law or equity against any business/employer arising from or due to any decision to relocate.

SECTION 8. When a business departs and relocates to another signatory community and the departed community believes it may be entitled to revenue sharing as set forth in Section 2(b) of this Agreement, the departed community shall provide the destination community with notice of a claim for tax sharing. Such notice shall be sent on or before ninety (90) days of the employer or business’s last payroll tax filing with the departed community. Notice must be sent by personal delivery or U.S. certified mail, return receipt requested and notice shall also be served upon the County. Failure to send the notice provided for herein shall constitute a waiver of any claim to tax sharing. In the event the departed community is a covered JEDD or JEDZ as set forth in Section 5, notice is achieved by all parties to the JEDD or JEDZ collectively noticing the destination community. In the event the destination community is a JEDD or JEDZ, notice is achieved by the departed community noticing all parties to the covered JEDD or JEDZ.

In the event that a signatory community (i) offers financial incentives to a businesses which is currently located in another signatory community, (ii) is aware of the identity of the business and (iii) is aware that the business is located in another signatory community, then that community shall notify the current community of the offering of the financial incentives in writing, as soon as

possible, but not later than three (3) business days of the satisfaction of all three conditions, above. In the event the incentive or financial assistance is being offered by a signatory community to induce a relocation of a business to a covered JEDD or JEDZ of which that offering community is also signatory, that offering community shall be obligated to provide the notice provided herein, and any other communities that are signatory to the JEDD or JEDZ that did not offer an incentive are not obligated to provide notice.

The community contacted by the business or offering a business financial incentive may provide information and may work with the prospective business.

It is understood by all signatory communities that the notice requirements set forth above reflect the intent to allow a community which may be negatively impacted by a business relocation between signatory communities to explore what action may be taken to retain the business in the community. A prospective community may nevertheless provide information since it is also recognized that if a business relocates it is preferable that the relocation be between signatory communities.

Any notice required when prospective business relocation is proposed or discussed shall include notice to the County of Summit as the facilitator of this Agreement. See Section 10.

The above notification provisions shall apply to business consolidations, which shall be treated as relocations.

SECTION 9. This Agreement is subject to the legislative approval of all participating communities including the County.

SECTION 10. The County of Summit shall act as facilitator of the provisions of this Agreement and shall: (1) assist the signatory communities in applying for and participating in any state or federal programs or other eligible grant fund programs which may be offered to communities for economic assistance; (2) assist in any dispute resolution offered under this Agreement including offering mediation to signatory communities; (iii) be noticed or sent copies of any notices required under this Agreement. The Director of Community and Economic Development of the County of Summit shall be designated as the person to receive any notice required under this Agreement.

In order to facilitate the provisions of this Agreement, each signatory shall, upon execution of the 2017-2018 Version of this Memorandum, notify the County, in writing, of the aggregate income tax revenue collected by that community in the previous two (2) calendar years. Thereafter, each signatory community shall notify the County, in writing, not later than March 1st of each year, of its aggregate income tax revenue for the preceding calendar year.

SECTION 11. The County, in addition to other duties set forth above, will offer signatory communities opportunities to score an additional five (5%) percent of total possible points on applications for SCIP/LTIP, Job Ready Sites, Industrial Site Improvement Funding, and other

application mechanisms that are administered or scored by the County, beginning with Fiscal Year (FY) 2010 projects, provided approval for the same has been granted or given by the necessary grantor agencies. This incentive structure has been approved by the Ohio Public Works Commission for SCIP/LTIP funding. In the event it is determined by an opinion of the Ohio Attorney General or by a Court of competent jurisdiction that the County is prohibited by law from providing the signatory communities with the opportunity to score an additional five (5%) percent of total points on grant applications, as set forth herein, then any signatory community may withdraw from this Agreement by sending notice of their withdrawal to the County and they need not comply with the notice requirements provided for in Section 12 of this Agreement.

If a signatory community has been determined by written stipulation or by the Committee after the hearing provided for under this Agreement or by an Arbitration panel under this Agreement to have caused a business or employer to relocate from another signatory community by offering economic incentive(s), then a penalty on the above development-grant programs shall apply. The signatory community determined by stipulation, the Committee or arbitration panel to have caused a business relocation shall receive a deduction of five (5%) percent of the total possible points on each application for the above cited programs which are administered and/or scored by the County. Said deduction shall last for a period of two (2) years from the final determination that a signatory community offered economic incentives to induce the employer or business to relocate from another signatory community. The deduction provided for herein shall not be levied against any signatory community which has entered into a tax sharing agreement with another signatory community in lieu of the hearing and other remedies provided for in Section 3 of this Agreement. The failure of any signatory community to comply with the dispute resolution process as set forth in Section 3 of this Agreement including compliance with any lawful decision of the Committee or any Arbitration Panel will subject the noncomplying community to the penalty deduction of total possible points on its grant applications for two (2) years from the time non-compliance began or until such time as the community comes into full compliance, whichever time period is shorter.

In the event a covered JEDD or JEDZ, as set forth in Section 5, is the destination community to which a business relocates, no penalty shall apply under this Section to any community that is signatory to that JEDD or JEDZ if that community has agreed to share revenue with the departed community, regardless of whether the other signatory communities that are also signatory to the JEDD or JEDZ fail or refuse to share revenue.

SECTION 12. All signatories to this Agreement agree to participate in a review of this Agreement once per year to consider any modifications, alterations or other changes which the signatories may find necessary or desirable. Any change or modification to this Agreement must be approved by the legislative body of each participating community. A community electing to withdraw from this Agreement shall provide at least one hundred eighty (180) days advanced notice, in writing, to the County prior to the effective date of any legislation authorizing such withdrawal except as provided for below. Any community which exercises its right to withdraw from this Agreement may not rejoin or otherwise become a signatory community to this Agreement for a minimum period of two (2) years after such a withdrawal.

Any existing signatory or member community may elect to withdraw from this Agreement without providing the one hundred eighty (180) day notice whenever a community's legislative body will not approve or accept a proposed modification to this Agreement made during the annual review as set forth above. In such event the community must pass a legislative resolution or ordinance affirmatively withdrawing from this Agreement due to proposed modifications. Such withdrawal will be effective immediately but will not alter, abrogate or otherwise modify any existing revenue sharing agreed upon or determined to be appropriate under this Agreement. Such withdrawal shall not alter any pending claim for revenue sharing which was initiated before a community withdrew from the Agreement. Should the proposed modification be subsequently eliminated or materially changed, such a community may rejoin the signatory communities to this Agreement with the two year waiting period being waived; otherwise the two year waiting period shall remain in effect. The decision to rejoin must be accomplished by legislative resolution or ordinance.

In the event an annual review is not conducted as contemplated above, this Agreement and its terms shall continue during the next year under those terms and conditions set forth in the most current version of this Agreement and the failure to conduct an annual review shall not cause this Agreement to terminate. Furthermore, the terms of this version of the Agreement shall remain in effect until the effective date of any subsequent version adopted by the signatory communities.

Each signatory community to this Memorandum has participated, and/or had the opportunity to participate, in the annual review during 2017. The parties agree that to remain parties to this Memorandum, and to qualify for the 5% additional points on the OPWC District 8 LTIP/SCIP applications, that their legislative authority must approve, and the appropriate authority must sign, the 2017-2018 Version of the Memorandum no later than September 29, 2017.

SECTION 13. This Agreement does not prohibit or otherwise limit the signatory communities from entering into Agreements between themselves concerning job creation, retention or revenue sharing. This Agreement does not abrogate or supersede any existing Agreement between signatory communities.

SECTION 14. Time is of the essence of this Agreement.

IN WITNESS WHEREOF, WE HAVE SIGNED AS REPRESENTATIVES OF OUR RESPECTIVE ENTITIES ON THIS _____ DAY OF _____, 2017.

Title or Jurisdiction

Signature

County of Summit

Ilene Shapiro, County Executive Date

Name and Title

Date

Name and Title

Date

Name and Title

Date

Name and Title

Date

Name and Title

Date

Name and Title

Date

Name and Title

Date

Name and Title

Date

MODEL CODE OF CONDUCT OF SIGNATORY COMMUNITIES

1. The signatory communities recognize that in a free marketplace employers and business can and will relocate. This Agreement concerns only jobs and businesses locating from one Summit County signatory community to another Summit County signatory community. Jobs and businesses relocating from outside of Summit County do not qualify for tax revenue sharing under this Agreement.

2. The signatory communities recognize that good faith efforts to fulfill their rights and obligations between themselves are essential to successful job creation/retention and revenue sharing. This includes the obligation to provide timely notice to fellow communities and the County as required under this Agreement, accurate disclosure of financial data, tax information and other matters and the prompt sharing of tax revenues which may be due pursuant to this Agreement.

3. The signatory communities agree to participate in good-faith negotiations to resolve disputes and cooperatively participate in dispute resolution mechanisms provided for under this Agreement which may be required from time to time.

4. When considering changes or modifications to this Agreement, due consideration will be given to the needs and welfare of all signatory communities.

5. The signatory communities will not attempt to circumvent their obligations imposed hereunder by means of subterfuge, the use of third party intermediaries or other methods.