

COOPERATIVE ECONOMIC DEVELOPMENT AGREEMENT

This Amended and Reinstated Cooperative Development Agreement is entered into by and between the **City of Fostoria, Ohio** (the City), the **Township of Loudon, Ohio** (the Township) and the **County of Seneca, Ohio** (the County).

Whereas, on November 8, 2000, the parties hereto entered into a Cooperative Development Agreement to provide, among other things, sanitary sewerage and disposal services and water supply facilities and services in the Township in order to promote and support environmental conditions and economic benefits for people in the Township and the City; and

Whereas, in a first Addendum to Cooperative Development Agreement dated December 20, 2022, the parties extended the Cooperative Development Agreement to November 8, 2023; and

Whereas, the parties now desire to amend and reinstate, in its entirety, the Cooperative Development Agreement subject to the terms below.

WHEREAS, after notice duly published and a joint public hearing duly held, the City, acting pursuant to the Constitution and laws of the State, including without limiting the generality of the forgoing, Articles 8 and 18 of the Constitution and Sections 307.15, 701.07, and 709.191 of the Revised Code, and Ordinance No. _____ passed by its City Council on _____, 2023, the Township, acting pursuant to the Constitution and laws of the State, including Article 8 of the Constitution and Sections 307.15, 701.07 and 709.191 of the Revised Code, and a resolution adopted by its Board of Trustees on _____, 2023, and the County, acting pursuant to the Constitution and laws of the State, including Article 8 of the Constitution and Sections 307.15 and 701.07 of the Revised Code, and a resolution adopted by the Board on _____, 2023, have determined to enter into this Amended and Reinstated Agreement to further set forth their mutual agreements, understandings and intentions as to the matters.

WHEREAS, the City, the Township and the County have determined that it is necessary and appropriate that they cooperate to cause the provisions of certain governmental improvements, facilities and services, including specifically sanitary sewerage and disposal facilities and services and water supply facilities and services in the area of the County currently within the Township in order to promote and support the creation and preservation of jobs and employment opportunities and improve the economic welfare of the people of the State, the County, the Township and the City, all as contemplated in Section 701.07 of the Revised Code; and

WHEREAS, the County's Board of County Commissioners (the Board), acting pursuant to Chapter 6117 of the Revised Code, has established the Seneca County Sewer District comprised of all of the area of the County outside of municipal corporations, and caused a general plan of sewerage and sewage disposal for the District, including the area of the Township, to be prepared; and

WHEREAS, the City owns and operates both a sanitary sewer system and a water supply system serving users within its corporate limits and certain unincorporated areas of the County under authority of the Constitution and laws of the State and its ordinances; and

WHEREAS, the County and the City have entered into a cooperative agreement in the form attached hereto as Exhibit A (the City/County Agreement) with respect to the provision of sanitary sewerage and disposal facilities and services and water supply facilities and services in the Township and certain other portions of the District; and

WHEREAS, in accordance with law and under the terms of the City/County Agreement, the City and the County may provide sanitary sewerage facilities and services in certain areas of the District currently in the Township for the purposes of preserving and promoting the public health and welfare and protecting the environment and the City may provide water supply facilities and services in certain areas of the District currently in the Township for the purposes of preserving and promoting the public health and welfare, in each case thereby also promoting and supporting the creation of jobs and employment opportunities and improving the economic welfare of the people; and

WHEREAS, the City has had a longstanding requirement that owners of properties to be served by connections to its sanitary sewerage and wastewater treatment facilities or water supply facilities agree to petition, at the earliest possible time, for the annexation of such properties to the City, together with others who may lawfully do so; and

WHEREAS, any such annexation of property within the Township would serve to decrease the Township's revenue from ad valorem property taxes and estate taxes imposed on the property and estates within the area annexed; and

WHEREAS, in recognition of such losses, and in furtherance of the purposes of this Agreement, the City is willing (i) to revise its requirement that owners agree to petition for annexation at the earliest possible time and (ii) to agree to make certain payments to the Township, all as more specifically set forth herein; and

WHEREAS, in exchange for such agreements on the part of the City and in furtherance of the purposes of this Agreement, the Township is willing to agree not to oppose the City or others in their efforts to cause any property in the Township to be annexed to the City in accordance with the procedures provided by law; and

WHEREAS, the County has agreed to assist the City and the Township in obtaining certain information with respect to tax revenues of the City from areas of the Township annexed to the City from time to time and causing notice of the Agreement and the revised annexation requirements imposed by the City to be provided to owners of properties within those areas and their successors;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, and of other good and valuable consideration, the City, the Township, and the County do hereby promise and agree that:

Section 1. The City, the Township, and the County will cooperate as provided in this Agreement for the purposes of (i) promoting and supporting the creation and preservation of jobs and employment opportunities and improving the economic welfare of the people in the City, the Township, the County and the State and (ii) preserving and promoting public health and welfare, the environment and providing fire protection.

Section 2. In accordance with the City/County Agreement, the City and the County may determine to acquire, construct, operate, maintain, repair and replace sanitary sewers and related sanitary sewerage facilities in the Township for the conveyance of sanitary sewerage and waste from the area of the Township to and through the City's sanitary sewerage system to the City's wastewater treatment plant for treatment and the City may determine to acquire, construct, operate, maintain, repair and replace water supply facilities for the provision of water service to the area of the Township. The City and the County intend to cooperate in the location and construction of such facilities and the provision of such services by the City and the County in the Township, all as they deem necessary and appropriate.

Section 3. Subject to the covenants, conditions and limitations set forth in the City/County Agreement, the City (i) will accept and receive, at points mutually agreeable to the City and the County, the sanitary sewage and wastes originating in the Township collected therefrom by means of sewers and sewerage facilities to be provided therefore by the City, the County or others, (ii) transport such sewage and wastes to the wastewater treatment plant of the City through sanitary sewers of the City now existing or hereafter to be constructed, and (iii) treat and dispose of such sewage and wastes at that plant in the same manner as the City treats and disposes of similar wastes collected within its corporate limits or through its other sewerage facilities; provided that the City may refuse to permit further connections to City or County sewerage facilities in the Township or otherwise accept increased sewage flows from the Township if and to the extent that action would impair the City's ability to maintain or reserve capacity in its sewerage and treatment facilities adequate in its judgment for current or anticipated future users, and provided further the City, may, in any event, refuse to permit further connections to City or County sewerage facilities in the Township or otherwise to accept increased sewage flows from the Township if and to the extent that action would result in a violation of any judgment order, permit or decree of a court or State or federal regulatory authority having jurisdiction over the City's sanitary sewer system. In the event of the City's refusal to accept increased sewage flows from the Township, a Township property owner receiving City sanitary sewer service will have the right to revert to private well and septic use in accordance with district requirements and upon reversion, if applicable, will resume Township taxing status.

Subject to the covenants, conditions and limitations set forth in the City/County Agreement, the City may also provide water service to part or all of the area of the Township in the same manner in which, and on the same conditions on which, it provides water service to users within its corporate limits; provided that the City may refuse to permit further connections to its water supply facilities or otherwise to provide increased water flows to serve the Township if and to the extent that action would impair the City's ability to maintain or reserve capacity in its water supply and water supply facilities adequate in its judgment for current and anticipated future users, and provided further that the City may, in any event, refuse to permit further connections to City water supply facilities in the Township, or to provide increased water flows to the Township, if and to the extent that action would result in a violation of any judgment, order, permit or decree of a court or State or federal regulatory authority having jurisdiction over the City's waterworks system. In the event of the City's refusal to accept increased water flows from the Township, a Township property owner receiving City water service will have the right to revert to private well and septic use in accordance with district requirements and upon reversion, if applicable, will resume Township taxing status.

Section 4. As one of the City's conditions for the granting of a permit for a direct or indirect connection to sanitary sewerage or water supply facilities of the City in the Township, the City may require by ordinance that any person, corporation, or other entity applying for the permit sign and acknowledge a written agreement, in recordable form, consenting to annexation when legally permitted that binds and obligates the applicant and successor owners of that property as follows:

A. Applicants for the Connection of Single-Family Residences

The City shall not require Township applicants for connections of single-family residences to sanitary sewerage or City water supply facilities, or their successors as owners, to sign a written instrument described in Section 4 with respect to the annexation of their property to the City. Instead, all owners of single-family residences may continue as Township property

and not be subject to annexation; however, a surcharge may be imposed by the City for said property's sanitary sewerage and City water supply connections.

B. Applicants for the Connection of Rental Housing Facilities and Commercial, Industrial, Distribution or Research Facilities

In the case of an application for the connection of a rental housing facility, or a commercial, industrial, distribution or research facility, the instrument shall bind and obligate the applicant and the applicant's successors as owners of that property to exert all reasonable efforts to obtain annexation of the property served by the connection to the City and to cooperate with others and join in any lawful petition for annexation of the property to the City; provided that if applicant owns the facility to be served by the connection on the date of this Agreement, the effectiveness of the requirements with respect to the applicant will be suspended until a date mutually agreed upon by the applicant and the City, provided that such date shall not be more than five years after the date on which the connection is made.

Section 5. The County Recorder shall preserve on file in its office a copy of this Agreement and a description of each area within the Township annexed to the City from time to time during the term of this Agreement. The County Recorder will accept for recording in the deed records of the County each instrument signed and acknowledged as contemplated in Section 4 of this Agreement and delivered to the County Recorder by the City for filing of record.

Section 6. In the event an area within the Township is annexed to the City during the term of this Agreement (an Annexed Area), the City shall pay to the Township annually, on each April 15 for a period of fifteen years commencing on April 15 of the second year following the year in which the Annexed Area is annexed and as further directed by this agreement, an amount calculated as follows:

- (A) An amount equal to the ad valorem property taxes received by the City in the immediately preceding calendar year from the levy of the City's statutory share of millage within the ten-mill limitation imposed by law on all real property subject to such taxes levied by the City and located within the Annexed Area;

If there has been an exemption by the City of property taxes pursuant to section 725.02, 1728.10, 3735.67, 5709.40, 5709.41, 5709.45, 5709.62, 5709.88, or for any reason, the City shall remain obliged to make payment; however, at an amount equal to fifty percent (50%) of the ad valorem property taxes that would have been received by the City for the taxes exempted in the immediately preceding calendar year. The exempted amount will be calculated yearly; however due to liquidity, payment of the exempted amount may be postponed to the end of the exemption period at which time payment shall commence at the rate of City receipt and shall be paid by the City to the Township on or before the eighth year following the termination of the exemption; plus

- (B) An amount equal to the estate taxes received by the City in the prior calendar year from the tax imposed pursuant to Chapter 5731 of the Revised Code on estates of persons domiciled or owning property in the Annexed Area at the time of their deaths; plus

(C) An amount equal to the amount received by the City from its levy of an excise tax pursuant to Section 5739.08 of the Revised Code on transactions by hotels in the Annexed Area.

Section 7. For each Annexed Area, the County Auditor will provide to the City and the Township annually on each March 15 a statement of the amounts of (A) (i) ad valorem property taxes levied by the City within its statutory share of the ten-mill limitation imposed by law on all real property subject to such taxes levied by the City, which were collected by the County Treasurer and distributed to the City in the immediately preceding calendar year and (ii) ad valorem property taxes exempted by the City through abatement or incentive or otherwise in the immediately preceding calendar year and (B) (i) estate taxes collected by the County Treasurer from the estates of persons domiciled in the Annexed Area at the time of their deaths and distributed to the City pursuant to Section 5731.48 of the Revised Code in the immediately preceding calendar year and (ii) estate taxes distributed to the City pursuant to Section 5731.49 of the Revised Code with respect to property in the Annexed area in the immediately preceding calendar year, and (C) for each Annexed Area, the City shall provide to the Township annually on March 15 an accounting of all amounts received by the City from the excise taxes levied by the City on lodging transactions by hotels in the immediately preceding calendar year.

Section 8. The Township agrees, as set forth in the resolution of its Board of Trustees attached hereto as Exhibit B and on file with the Clerk of the Board of County Commissioners, that it will not oppose any efforts by the City or others to cause any part or all of the Township to be annexed to the City following the procedures required by law.

Section 9. In the event an area within the Township applies to be annexed to the City during the term of this Agreement, the Township shall be placed on notice by the County and Applicant of the application. The notice shall include a copy of the application and supporting documentation. The notice shall be delivered no later than fourteen days prior to the day the County takes formal action on the application.

Section 10. This amended and reinstated Agreement shall take effect on the date of this Agreement and shall remain in effect for a further period of 20 years from the date of this amended and restated Agreement (the “primary term”), except that the provisions of Sections 6 and 7 of this Agreement shall continue to be effective until April 16 of the seventeenth year following any annexation of property in the Township to the City during the primary term.

Section 11. A determination that any part or provision of this Agreement is invalid shall not invalidate or impair the force or effect of any other part thereof, except to the extent that such other part is wholly dependent for its operation upon the part so declared invalid.

IN WITNESS WHEREOF, the City, the Township and the County have caused this Agreement to be executed by their respective officers thereunto duly authorized as of this ____ day of _____, 202__.

Approved as to form:

CITY OF FOSTORIA, OHIO

Signature

By _____
Mayor

TOWNSHIP OF LOUDON, OHIO

Approved as to form:

By _____
Township Trustee

Signature

Township Trustee

Township Trustee

COUNTY OF SENECA, OHIO

Approved as to form:

By _____
County Commissioner

Signature

County Commissioner

County Commissioner

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