

COOPERATIVE ECONOMIC DEVELOPMENT AGREEMENTS (CEDA)

- Authorization:** •Ohio Revised Code Section 701.07 – effective March 22, 1999
- Purpose:** •Cooperative Economic Development Agreements (CEDA) permit municipalities and townships to enter into agreements governing development activities in designated areas.
•This is not a Joint Economic Development District. It more closely resembles contract authority.
- Parties:** •One or more Municipalities and one or more Townships may enter the CEDA. Upon the consent of all municipal and township participants, counties and state agency may become party to the cooperative economic development agreement.
- Procedure:** •All parties proposing a CEDA must conduct a Joint Public Hearing.
•Residents of the area affected must be given at least 30-days prior notice of the hearing including the time and place.
•The notice must be published in a newspaper of general circulation.
•During the notice period each municipality and township and county participating in the proposed CEDA shall make a copy of the proposed CEDA contract available for inspection.
•Participating jurisdictions must formally approve the CEDA contract by Resolution or Ordinance. All necessary parties must execute the CEDA.
•The CEDA can be amended at any time by using the noted procedure.
- CEDAs may address:** •Joint services and permanent improvements within the incorporated or unincorporated areas subject to the CEDA contract.
•Provision of services and improvements by a county or township within a municipal corporation.
•Payment of service fees to a municipality by a county or township.
•Payment of service fees to a county or township by a municipal corporation.
•Issuance of notes, bonds, and other debt instruments by a county, municipality or township for the public purposes authorized within the CEDA.

- Issuance of Industrial Development notes, bonds, and other debt instruments by a municipality to finance projects outside the corporate boundaries but within the CEDA territory.
- Annexation of territory to a municipality from a township.
- Periods of time during which no annexations will occur and any specified areas that will not be annexed during the CEDA.
- Agreements by a municipality, township and/or county with landowners or developers of land to be annexed and/or the provision of public services.
- Procedures for the application of tax exemption statutes within the CEDA territory.
- The changing of township boundaries per ORC Section 503 to exclude newly annexed territory from the original township and providing services to the territory.
- Earmarking by a municipal corporation for its general revenue fund of a portion of the utility charges collected in CEDA territory located outside the municipality. Applies only if the CEDA contract does not address the annexation.
- Payments in lieu of taxes to be paid to a township by a municipality. These payments may be in addition to or in lieu of other payments required by law.

Limitations:

- A CEDA shall not violate any powers granted to a municipal corporation by Article XVIII of the Ohio Constitution, other constitutional issues or a municipal charter. CEDAs do not authorize the sharing of tax levies, but expressly allows the proceeds of a levy to be used as a required CEDA payment.

Breach Remedy:

- Any party to a CEDA who believes a breach of the contract has occurred must give notice to the other party clearing stating the nature of the complaint. The receiving party has 90 days to cure the breach. If no cure has been affected within the 90-day period the complaining party may then sue for recovery or performance or terminate the CEDA.

Dictum:

- CEDA authority is to be construed liberally to allow parties to carry out specified activities supporting Economic Development creating and preserving job opportunities and the sharing of such benefits generated.