

PERRY TOWNSHIP – CITY OF SALEM
COOPERATIVE ECONOMIC DEVELOPMENT AGREEMENT

This Shared Development Agreement (this “**Agreement**”) is entered into this ____ day of _____, 2025 (the “**Effective Date**”) by and between **THE BOARD OF TRUSTEES OF PERRY TOWNSHIP, COLUMBIANA COUNTY, OHIO**, whose mailing address is 2198 North Ellsworth Avenue, Salem, OH 44460, (hereinafter referred to as “**Township**”), and the **CITY OF SALEM**, whose mailing address is 231 S. Broadway Avenue, Salem, OH 44460, (hereinafter referred to as “**City**”).

WITNESSETH:

WHEREAS, Township and City desire to establish this Agreement as permitted under Ohio Revised Code Section 701.07 and 709.192 for the development of all of the parcels contained within the Township (each a “**Parcel**” and, collectively, the “**Property**”), as more fully depicted and described on **Exhibit A** attached hereto and incorporated herein; the parcel numbers comprising such Property are set forth on **Exhibit A-1** attached hereto and incorporated herein;

WHEREAS, the Property is presently situated in the Township but some Parcels may be annexed by City from Township;

WHEREAS, Township and City desire to enter into an agreement to allow for the terms and conditions of any annexation of any portion of the Property to City;

WHEREAS, such an agreement will benefit residents of both City and Township;

WHEREAS, pursuant to the requirements of Revised Code Section 701.07(A), a joint public hearing was held on _____, notice of which was provided as required by law; and

WHEREAS, to authorize the execution of this Agreement, Township adopted Resolution No. _____, dated _____, and City passed Ordinance No. _____, dated _____.

NOW THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement, and pursuant to Ohio Revised Code Sections 701.07 and 709.192, the parties agree as follows:

ARTICLE 1
THE PROPERTY

The Property is presently located within the legal boundaries of Township. Upon City's request and consistent with this Agreement, all or any of the Parcels may enter the City's municipal corporation limits pursuant to the terms and conditions as contained in this Agreement.

ARTICLE 2
ECONOMIC DEVELOPMENT

A. City and Township agree to cooperate and coordinate efforts with each other to encourage responsible development of the Property in the best interests of both Township and City, it being the intent of the parties to primarily consider the financial benefits and aesthetic value of proposed development of the Property.

B. City and Township agree to assist each other with respect to the development or redevelopment of real property contiguous to the Property to attempt to ensure cohesive and consistent land use and development in and around the Property.

ARTICLE 3
ANNEXATION

A. The parties contemplate that Parcels may be annexed into the City, pursuant to and subject to terms and conditions of this Agreement and the requirements of Ohio Revised Code Chapter 709. In the event that City desires to annex any Parcel, City shall provide written notice to Township identifying the Parcel(s) to be annexed along with written consent to such annexation from the owner(s) thereof. City agrees that it shall not approve, proceed with, or seek judicial enforcement of any annexation of any Parcel(s) to which the owner(s) thereof has/have not consented in writing. Township and City agree that any annexation occurring under the terms and conditions of this Agreement shall occur as an Expedited Type I Annexation pursuant to Ohio Revised Code Sections 709.02, 709.021, and 709.022. The parties agree that all future annexation of any portion of the Property by the City of Salem from Perry Township shall be subject to this Agreement for the term of this Agreement.

B. If the owner(s) of Parcel(s) to be annexed consents in writing thereto:

i. Township agrees to authorize its designated representative to sign any petitions prepared by City, or its agents, to agree to the annexation of such Parcel or Property.

ii. Township further agrees, at the written request of the City, to appear at any hearings before the Columbiana County Board of Commissioners and assist City in the annexation of the Property, including providing testimony under oath that the Township agrees to the annexation.

iii. Township agrees that it will not assist, aid, encourage, induce, discuss, negotiate with respect to, or take any action in opposition of annexation of such Parcel to City.

C. Township agrees and covenants that it (1) will not assist, take any action related to, or encourage any person or entity owning any Parcel to petition for the detachment of all or any portion of such Parcel from the City and (2) will not advocate for the detachment of all or any portion of a Parcel from the City at the public hearing before the Columbiana County Board of Commissioners or to any individual member of the Board of Commissioners.

D. City agrees and covenants that it (1) will not assist, take any action related to, or encourage any person or entity owning any Parcel to petition for the annexation of all or any portion of such Parcel from the Township in contravention of this Agreement and (2) will not advocate for the annexation of all or any portion of a Parcel from the Township at the public hearing before the Columbiana County Board of Commissioners or to any individual member of the Board of Commissioners in contravention of this Agreement.

E.

The parties acknowledge that there are numerous parcels in Perry Township that are subject to existing deed restrictions requiring that the owners of that property annex into the City at the earliest possible opportunity to continue receiving water and/or sewer service from City (the “**Existing Deed Restrictions**”). The parties agree that, during the first twelve (12) years and six (6) months of the Term of this Agreement (the “**Moratorium Period**”), City agrees not to enforce any Existing Deed Restrictions for residential parcels contained within Perry Township. The City may enter into new deed restrictions related to water and/or sewer service for any owner of real property in Perry Township requesting water and/or sewer service from the City subsequent to the Effective Date of this Agreement.

F. City agrees not to annex or use annexed Parcels as a means to encourage or launch an adversarial annexation action against any person or entity owning all or portion of adjacent and/or contiguous real estate against said owner’s consent without Township’s

consent as set forth herein. The parties stipulate and agree that the execution of any deed restriction, or the purchase of any property containing a deed restriction, requiring annexation if a property becomes contiguous to the City of Salem, is considered the owner's consent for the purposes of this Agreement.

G. If necessary to effectuate the purposes hereof, the parties shall execute an annexation agreement under Ohio Revised Code Section 709.192 to effectuate the intent of the terms and conditions of this provision.

ARTICLE 4
COOPERATIVE ECONOMIC
DEVELOPMENT PAYMENTS

A. In consideration of the City and Township's respective allocation of services to the Property pursuant to the terms and conditions of this Agreement, City shall pay Cooperative Economic Development Payments to Township and Township shall pay Cooperative Economic Development Payments to City in the amounts described in this Article 4.

B. City shall pay to the Township Cooperative Economic Development Payments equal to thirty percent (30%) of the general income tax revenue (currently at a rate of one percent (1%) or its equivalent collected from any City residents and businesses on all Parcels and Property annexed to the City pursuant to this Agreement. In the event that the general income tax exceeds one percent (1%) in the future, the Cooperative Economic Development Payments paid to Township shall include thirty percent (30%) of the increase in the general income tax revenue as well.

C. For purposes of this Article, "Perry Township Taxes" means all taxes and revenue relating to a Parcel that are allocated to Perry Township pursuant to the terms and conditions of this Agreement.

D. This Agreement is intended, during the Term, to provide Township with fifty percent (50%) of the real estate taxes collected by the City of Salem on any Parcel subsequent to annexation under this Agreement that are substantially similar to the Perry Township Taxes that Township would have received from the a Parcel as if the annexation had not taken place, including, but not limited to, inside non-voted millage real property tax revenue under Township's millage rates in effect at the time of such collection (the "New Salem Taxes").

E. During the Term, City will pay Cooperative Economic Development Payments to

Township equal to fifty percent (50%) of the New Salem Taxes collected.

F. City agrees to promptly pay to Township the Cooperative Economic Development Payments described within this Article 4 within thirty (30) days of the receipt of tax revenue from the County Auditor or other applicable governmental entity.

ARTICLE 5 **ADDITIONAL TAXES AND ECONOMIC** **INCENTIVES**

A. Estate Taxes. During the Term, Township and City shall each receive fifty percent (50%) of any and all estate taxes collected by either entity in connection with the Property, whether annexed by City or not, pursuant to Section 5731.02 of the Ohio Revised Code.

B. Other and Future Taxes. The parties acknowledge that, during the Term, new taxes may be authorized by the State legislature and/or other governmental entities having jurisdiction and some current taxes may be modified, replaced, added to, changed or eliminated. The parties, therefore, agree to meet and discuss any new tax or modification involving the Property and how to address such tax or modification in a way that benefits both City and Township in accordance with the general intent of this Agreement. Upon passage of any such new tax or modification and agreement of the parties how the same shall be treated, the parties shall enter into an amendment of this Agreement.

C. Abatement, Tax Increment Financing, Community Reinvestment Act and Income Tax Refunds. City and Township agree to share information regarding and coordinate with each other with respect to those seeking to redevelop of, or who have an economic development interest in, any Parcel. To further encourage redevelop and/or economic development interest, City and Township agree to mutually discuss and assemble, if applicable, economic development incentives to include, but not limited to; abatement, tax increment financing, the community reinvestment and income tax refunds. Upon such sharing, coordination, and discussion, City shall have the final right to approval, in its sole discretion, of economic incentives with respect to income taxes, abatements, tax increment financing, and the Community Reinvestment Act involving any Parcel(s). If City has the authority via the Ohio Revised Code or a municipal ordinance to waive, reduce, extinguish or otherwise, modify real property taxes for economic development incentives on any Parcel, City agrees it will not waive, reduce, extinguish, or otherwise modify real property taxes without the written authorization and consent of Township, which may be granted or withheld in Township's sole discretion. City and Township agree to work

collaboratively in seeking grants and other economic incentives available from Federal, State, and other sources for the benefit of the Property.

D. No Township Aid. Township agrees that it will not directly or indirectly aid, encourage, induce, discuss, negotiate with respect to, or take any action to facilitate an entity or business to leave the City and relocate into the Township. In the event an entity or business approaches the Township and expresses interest in leaving the City and relocating to the Township and requests assistance from the Township to facilitate said relocation, Township must notify the City of said proposed relocation.

E. No City Aid. City agrees that it will not directly or indirectly aid, encourage, induce, discuss, negotiate with respect to, or take any action to facilitate an entity or business to leave the Township and relocate into the City. In the event an entity or business approaches the City and expresses interest in leaving the Township and relocating to the City and requests assistance from the City to facilitate said relocation, City must notify the Township of said proposed relocation.

ARTICLE 6

TAX VALUATION CHALLENGES

A. Each party shall have the right to object to the tax assessment, valuation, or re-valuation of any Parcel from time to time.

B. The parties shall cooperate with each other such that whichever of the parties has legal standing to challenge such assessments, valuations, or re-evaluations shall diligently pursue those challenges on behalf of itself and/or the other party.

ARTICLE 7

POST ANNEXATION GOVERNMENTAL SERVICES

A. Standard Governmental Services

i. The parties specifically agree that the provisions of this Article 8 are necessary and are authorized under ORC 701.07.

ii. City shall provide to the any Parcel annexed pursuant to this Agreement, at its cost, the following services: fire, emergency medical services, police, street and road maintenance and repair, storm water drainage, parks and recreation, building and code regulations, civil engineering, fair employment, fair housing, community development and planning, housing inspection, health and environmental services, economic development and water and sewer services. The parties agree that all property annexed pursuant to this Agreement is entitled to standard governmental services by the City in the same manner

and at the same cost as such services are provided to other areas of the City, except as otherwise provided herein.

B. Zoning

i. Upon annexation of any Parcel, City and Township agree the City's zoning code/ordinances, as the same may be modified from time to time (collectively, the "**City Zoning Code**") shall apply to such Parcel. In the event that City intends to zone or re-zone an annexed Parcel, or if the owner of a Parcel seeks to make use of a Parcel, in such a way that would not be consistent with Township's zoning of such Parcel prior to annexation, City shall give Township notice of the same as soon as practicable. Thereafter, the parties shall meet and discuss in good faith whether such proposed zoning or use: (i) is consistent with the characteristics of the surrounding property, (ii) will encourage business and economic development in and around the Property, and (iii) is otherwise consistent with the term, conditions, and intent of this Agreement (collectively, the "**Development Standards**"). If the parties cannot agree on the proposed zoning or use after discussing the same in good faith, the City's decision shall prevail. City nevertheless agrees to use its reasonable efforts to zone annexed Parcels and/or permit uses on those annexed Parcels that are consistent with the Development Standards.

C. Fire Protection and Emergency Medical Services

The parties agree that all property annexed pursuant to this Agreement is entitled to fire protection and emergency medical services by the City with the same skill and care as provided by City elsewhere within the City.

D. Roadway Maintenance

Once all or a portion of the Property immediately adjacent to said roadways is annexed into the City pursuant to the terms and conditions of this Agreement, the portion of the roadways immediately adjacent to the annexed parcels that would have been Township's responsibility to maintain and improve shall become the responsibility of City to maintain and improve with the same skill and care as provided by City elsewhere within the City, including routine road and street maintenance, lighting, snowplowing, storm water drainage, repairing of chuckholes, signage, and other improvements and capital improvements.

E. Law Enforcement Services

The parties agree that all property annexed pursuant to this Agreement is entitled to

police protection and law enforcement services by City with the same skill and care as provided by City elsewhere within the City. City and Township shall cooperate with each other in making such requests and filings as may be necessary to effect such judicial jurisdiction.

F. Mutual Aid

The parties agree to maintain a mutual aid agreement for police, fire and emergency medical services for all property annexed pursuant to this Agreement and for all other properties in areas where City property and Township property are adjacent to one another.

ARTICLE 8
TERM OF AGREEMENT

The initial term (the “**Term**”) of this Agreement shall be for twenty-five (25) years from the Effective Date. Thereafter, the Term shall be extended for successive twenty-five (25) year periods unless, at least one (1) year prior to the expiration of the then-current Term, either party provides written notice of its intent not to extend this Agreement.

ARTICLE 9
MEDIATION AND NOTICE OF CLAIMED BREACH

A. Pursuant to Ohio Revised Code Section 701.07, if a party to this Agreement believes the other party has failed to perform its part of any provision of this Agreement, including the failure to make any payment of monies due under this Agreement, the complaining party shall give notice to the other party clearly stating what breach the complaining party believes has occurred. The party receiving that notice has ninety (90) days from the receipt of that notice to cure the breach. If the breach has not been cured within that ninety (90) day period, then the complaining party may seek its remedies under this Agreement, including but not limited to suit for recovery of the money due under the Agreement, suit for specific enforcement of this Agreement, or terminate the Agreement by giving notice of termination to the other party.

B. Notwithstanding anything contained herein to the contrary, the parties acknowledge and agree that breach of any term or condition of this Agreement may cause irreparable harm and damage to the non-breaching party which may be difficult or impossible to ascertain and which may not be adequately compensated by damages at law. Therefore, the parties agree that, in the event of a breach or threatened breach of the terms of this Agreement by either party, the non-breaching party shall be entitled to seek an injunction prohibiting such breach in any court of competent jurisdiction. Any such injunctive relief

request may be in addition to, and not in lieu of, any appropriate monetary damages.

ARTICLE 10 **MUNICIPAL POWER**

Nothing in this Agreement shall be construed to be in derogation of the powers or benefits granted to municipal corporations by Article XVIII of the Ohio Constitution.

ARTICLE 11 **NO TAX SHARING**

Nothing in this Agreement is to be interpreted as the sharing of the proceeds of any tax levy by and between the City and Township. All language within this Agreement is to be interpreted pursuant to ORC 701.07(D), such that any reference to any allocation of taxes is merely a direction of how payment of the proceeds of such taxes is to be made pursuant to this Agreement.

ARTICLE 12 **NO WAIVER**

No failure by a Party to insist upon the strict performance by another party of any provision of this Agreement shall constitute a waiver of its right to strict performance and no express waiver shall be deemed to apply to any other existing or subsequent right to remedy the failure such party to observe or comply with any provision hereof.

ARTICLE 13 **LIBERAL CONSTRUCTION**

The parties agree that just as ORC 701.07 is to be liberally construed to allow parties to enter into cooperative economic development agreements, this Agreement shall be liberally construed in order to facilitate the desire of both parties to provide government improvements, facilities and services, to promote and support responsible economic development, to create and preserve employment opportunities, and to allow for the sharing by City and Township in the benefits of economic development, even if the economic development does not occur in an unincorporated area. Further, each provision of this Agreement shall be construed and interpreted to take maximum advantage of the liberality of construction permitted and underlying ORC 701.07.

ARTICLE 14 **MODIFICATION**

This Agreement may not be modified except by written agreement signed and

approved pursuant to official legislative action of both City and Township.

ARTICLE 15
SEVERABILITY; CAPTIONS AND HEADINGS

In the event any provision contained in this Agreement is held to be invalid, illegal, or unenforceable in any respect, the remaining provisions hereof shall not be affected thereby and this Agreement shall otherwise remain in full force and effect. The titles of the Articles of this Agreement are descriptive only and are not to be considered substantive provisions of this Agreement. This Agreement is intended to conform to Ohio Revised Code 701.07 in all respects.

ARTICLE 16
PRIOR AGREEMENTS SUPERSEDED

This Agreement constitutes the entire Agreement of the parties and supersedes, incorporates, and integrates any prior understandings or previous oral or written agreements between the parties respecting the subject matter of this Agreement but does not supersede any prior annexation agreement.

ARTICLE 17
EXECUTION OF COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

ARTICLE 18
NOTICES

All notices and/or consents required to be given by or on behalf of either party upon the other shall be in writing and shall be given by sending them by FedEx or other recognized one-day national delivery service which obtains a receipt for delivery to the parties at their respective addresses set forth below or at such other address as may be specified from time to time, in writing, delivered to the other party. Notice shall be deemed received on the date of delivery or rejection by the addressee of delivery, as set forth in the records of the national delivery service. The addresses for the parties as of the Effective Date are:

If to City:

with a copy to:

If to Township:

with a copy to:

ARTICLE 19
GOVERNING LAW

This Agreement, and all the rights, duties and obligations of City and Township, shall be construed under and in accordance with the laws of the State of Ohio, and all obligations of the parties hereunder are performable in Columbiana County, Ohio.

ARTICLE 20
BINDING EFFECT

This Agreement shall be binding upon and inure to the benefit of the parties, their agents, servants, members, officials, trustees, employees, representatives, assigns and successors.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties have caused this Shared Development Agreement to be duly executed in their respective names, all as of the date first hereinbefore written.

**BOARD OF TRUSTEES OF PERRY
TOWNSHIP, COLUMBIANA
COUNTY, OHIO**

_____, Trustee

_____, Trustee

_____, Trustee

DATE:_____

Approved as to form:

CITY OF SALEM

_____, Mayor

DATE: _____

Approved as to form:

Director of Law, _____
Salem, Ohio

EXHIBIT A
THE PROPERTY