

RESOLUTION NO. 2013 - 3

**A RESOLUTION APPROVING A CONTRACT BETWEEN THE SYCAMORE TOWNSHIP JEDZ KENWOOD – CENTRAL JOINT ECONOMIC DEVELOPMENT ZONE AND THE CITY OF MADEIRA FOR THE ADMINISTRATION, COLLECTION, AND ENFORCEMENT OF THE INCOME TAX**

WHEREAS, it is necessary that the Sycamore Township JEDZ Kenwood – Central Joint Economic Development Zone (the “Zone”) contract with the City of Madeira for the administration, collection, and enforcement of the Zone income tax; and

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the Sycamore Township JEDZ Kenwood – Central Joint Economic Development Zone:

**SECTION 1.** The Board of Directors hereby the attached contract between the Sycamore Township JEDZ Kenwood – Central Joint Economic Development Zone and the City of Madeira for the administration, collection, and enforcement of the income tax of the Zone. The Chairman is authorized and directed to execute the contract on behalf of the Board.

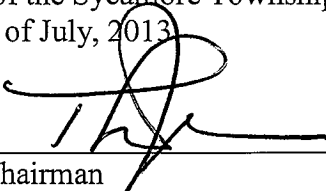
**SECTION 2.** Notice of this resolution shall be published or posted within the Sycamore Township JEDZ Kenwood – Central Joint Economic Development Zone in the same manner required as municipal corporations under Sections 731.21 and 731.25 of the Ohio Revised Code.

**VOTE RECORD:**

Mr. Bishop AYE Mr. Born AYE Mr. Connor AYE

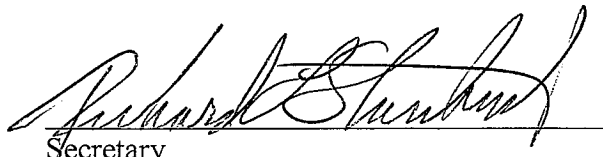
Mr. Moeller AYE Mr. Staubach AYE Mr. Weidman AYE

Passed at a meeting of the Board of Directors of the Sycamore Township JEDZ Kenwood – Central Joint Economic Development Zone 18<sup>th</sup> day of July, 2013

  
\_\_\_\_\_  
Chairman

**AUTHENTICATION**

This is to certify that this resolution was duly passed and filed with the Secretary of the Sycamore Township JEDZ Kenwood – Central Joint Economic Development Zone on the 18<sup>th</sup> day of July, 2013.

  
\_\_\_\_\_  
Secretary

**CONTRACT FOR INCOME TAX ADMINISTRATION, COLLECTION,  
AND ENFORCEMENT**

This Agreement is made this \_\_\_\_\_ day of July, 2013 between the Board of Directors (the "Board") of the Sycamore Township JEDZ Kenwood – Central Joint Economic Development Zone (the "Zone") and the City of Madeira ("Madeira").

Whereas, Sycamore Township and Madeira have previously entered into a contract entitled the Sycamore Township JEDZ Kenwood-Central Joint Economic Development Zone Contract (the "JEDZ Contract") to establish the Zone pursuant to Ohio Revised Code Section 715.691; and

Whereas, on May 20, 2013, the Hamilton County Board of Elections certified the results of the election held May 7, 2013 wherein the majority electors of Sycamore Township voting in the election voted in the affirmative to ratify and approve the JEDZ Contract; and

Whereas, on June 17, 2013, the Board met in an open meeting and approved Resolution 2013-1 which levied an income tax within the boundaries of the JEDZ; and

Whereas, no electors reside within the boundaries of the JEDZ, thus obviating the election called for in ORC 715.691(H)(1) by virtue of ORC 715.691(H)(3); and

Whereas, upon levying an income tax, the Board must enter into an agreement with a municipal corporation that is a party to the JEDZ Contract to administer, collect and enforce the income tax on behalf of the Zone; and

Whereas, the Board wishes to contract with Madeira for the administration, collection, and enforcement of the income tax and Madeira wishes to contract with the Board to provide those services;

Now Therefore, in consideration of these premises and the mutual promises contained herein, the parties agree as follows:

Section 1. Term. This Contract shall take effect upon its approval by the parties hereto and shall continue in effect, as amended from time to time, for the length of time the JEDZ Contract is in effect. Upon the termination of the JEDZ Contract, this contract shall also terminate, except that this contract shall continue in effect for the length of time necessary for the Board and the Zone to wind up their affairs.

Section 2. Administration of Income Tax. Madeira shall administer, collect and enforce the income tax on behalf of the Zone consistent with the terms of this agreement, the JEDZ Contract and Ohio Law.

(a) Madeira's Finance Administrator shall serve as the Administrator of the income tax derived from the Zone and shall be responsible for the receipt, safekeeping, accounting, and

investment of income tax revenues pending disbursement. All receipts shall be deposited to a separate Zone account which shall not be mingled with revenue from other sources. Earnings on the Zone account and investments related thereto shall be added to the account. The Administrator or his or her designee has authority to grant refunds and compromise claims for tax, penalties, and interest. The Administrator or his or her designee has authority to commence legal proceedings pertaining to delinquent tax collection and enforcement, and declaratory judgment regarding disputed interpretation and applicability of the income tax imposed hereunder. The Administrator or his or her designee is authorized to investigate and audit taxpayer returns and to issue subpoenas in furtherance of his or her duties. The Administrator is designated to be an interested party and is authorized to commence and defend legal proceedings in the name of the Zone in any way pertaining to the income taxation within the Zone.

(b) The Finance Administrator shall report directly to the Board of Directors of the Zone and Contracting Parties regarding receipt and distribution of income tax revenue including amounts retained in escrow. The Finance Administrator shall furthermore report quarterly regarding Zone operating income and expenses for the preceding quarter and shall provide short term and long range projections concerning anticipated income and expenses associated with Zone operations. If requested the Finance Administrator shall provide monthly reports to the Contracting Parties regarding all revenue generated within the Zone.

Section 3. Compensation. In consideration of its services pertaining to income tax administration and collection, Madeira shall receive annually a service fee equal to two percent (2%) of gross income tax revenues collected for that period, or an amount equal to the actual reasonable costs of the City's administration, whichever is greater. The service fee may be applied to administrative costs at Madeira's discretion, but shall also be applied specifically to costs of collection and litigation including for example, attorney fees, court costs, expert fees, court reporter fees, and so forth. The Finance Administrator shall also annually place two percent (2%) of the gross income tax revenue into an escrow fund. "Distributable Revenue" shall be annual gross income tax revenue minus the sum of (the 2% annual service fee and the 2% annual escrow fee and the lesser of \$7,500 or 1% of annual gross income tax revenue). Escrow proceeds may be utilized to pay refunds, and in general to balance accounts. In the event of an escrow deficiency, the Finance Administrator may invoice the Zone to satisfy the deficiency. Invoices for deficiency are due and payable within thirty (30) days from invoice. Annually, any escrow surplus shall be distributed to the Contracting Parties based on the Distributable Revenue percentages set forth below. Earnings achieved on any surplus escrow shall be added to the escrow fund.

Section 4. Defaults and Remedies. A failure to comply with any of the terms of this Contract shall constitute a default hereunder. The Contracting Party in default shall have 60 days after receiving written notice from another Contracting Party of the event of default to cure that default. If the default is not cured within that time period, a nondefaulting Contracting Party may sue the defaulting Contracting Party for specific performance or other equitable relief under this Contract or for actual damages.

Section 5. Amendments. This Contract may be amended by the Board and Madeira only in a writing approved by the Board and the legislative authority of Madeira by appropriate legislation authorizing that amendment.

Section 6. Miscellaneous.

(a) This Contract shall inure to the benefit of and shall be binding upon the Zone, and Madeira and their respective permitted successors, subject, however, to the specific provisions hereof. This Contract shall not inure to the benefit of as third party other than as provided in the immediately preceding sentence. All of the obligations and duties of the Board and Madeira under this Contract are hereby established as duties specifically enjoined by law and resulting from an office, trust or station upon the Board and Madeira within the meaning of Section 2731.01 of the Ohio Revised Code.

(b) In the event that any section, paragraph or provision of this Contract, 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:

(i) 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;

(ii) the illegality or invalidity of any application hereof or thereof shall not affect any legal and valid application hereof or thereof and will not invalidate any preceding actions of the Board; and

(iii) 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.

(c) This contract shall be governed exclusively by and construed in accordance with the laws of the State of Ohio, and in particular Section 715.691 of the Revised Code. In the event that Section 715.691 of the Ohio Revised Code is amended, the parties may agree to follow either the provisions of Section 715.691 as they existed on the effective date of this contract, or such provisions as amended, to the extent permitted by law.

(d) 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. When using the phrase "to the extent permitted by law" herein, "law" means statutes of the State of Ohio as interpreted by the courts of the State or the federal courts.

Section 7. Conflicts. In the event of a conflict between the JEDZ Contract and this contract, the provisions of the JEDZ Contract shall prevail.

IN WITNESS WHEREOF, the Board and Madeira caused this Contract to be duly signed in their respective names by their duly authorized officers as of the date hereinbefore written.

BOARD OF DIRECTORS OF THE SYCAMORE  
TOWNSHIP JEDZ KENWOOD- CENTRAL  
JOINT ECONOMIC DEVELOPMENT ZONE

By: \_\_\_\_\_  
Thomas J. Weidman, Chairman

CITY OF MADEIRA

By: \_\_\_\_\_  
Thomas Moeller, City Manager