

CITY OF CHEVIOT
STATE OF OHIO

RESOLUTION NO. 24- 10

TO ADOPT AGREEMENT MODIFYING JOINT ECONOMIC DEVELOPMENT DISTRICT II EARNING TAX.

WHEREAS, pursuant to Ordinance 13-08, the City entered into a Green Township-City of Cheviot Joint Economic Development District III Contract; and

WHEREAS, Green Township and Mercy Health have entered into an Agreement Modifying Joint Economic Development District III earnings tax, a copy of which is attached hereto as Exhibit "A" and incorporated herein; and

WHEREAS, the City approves and adopts the Agreement Modifying Joint Economic Development District III to the extent that it increases the maximum earnings tax rate for JEDD III.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CHEVIOT, STATE OF OHIO THAT:

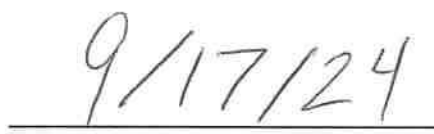
Section 1. The City hereby approves and adopts the Agreement Modifying Joint Economic Development District III between Green Township and Mercy Health, which is attached hereto as Exhibit "A" and incorporated herein.

Section 2. The Safety-Service director is authorized to execute any documents necessary to adopt the Agreement.

Section 3. This resolution shall take effect immediately.



Kerry Smyth
President of Council



Date passed



Samuel D. Keller
Mayor



Date approved

Attest:



Jenny M. Eilermann
Clerk of Council

Approved as to form:



Kimberlee Erdman Rohr
Law Director

CERTIFICATE OF PUBLICATION

I, Jenny M. Eilermann, Clerk of the Council of the City of Cheviot, Ohio, hereby certify that the foregoing resolution, or a succinct summary, was published in the *Cincinnati Court Index*, a newspaper of general circulation in the City of Cheviot, Ohio, in accordance with Section 731.21 of the Ohio Revised Code, on the following dates:

- 1) 9-20-24, 2024, and
- 2) 9-27-24, 2024.



Jenny M. Eilermann
Clerk of Council

SECOND AMENDMENT TO
GREEN TOWNSHIP - CITY OF CHEVIOT JOINT ECONOMIC DEVELOPMENT
DISTRICT III CONTRACT

This Second Amendment is entered into in order modify the Green Township Joint Economic Development District III (Mercy Hospitals West) Contract entered into by the contracting parties effective at midnight on September 30, 2024, pursuant to lawful authority.

This Amendment is authorized under Article 30 of the Contract which reserved the right to amend any provision of the Contract from time to time and to provide Board directives upon approval of all contracting parties, and which further provided that the contacting parties may amend provisions of the Contract which affect the maximum rate of the earnings tax or the cap on each individual's earnings provided that the Mercy Hospitals West JEDD District III Board of Directors has consented hereto.

WHEREAS, the Mercy Hospitals West JEDD District III Board of Directors consented to this Amendment by unanimous vote in a Special Meeting of the Board conducted on September 9, 2024; and

WHEREAS, the Contracting Parties wish to amend the terms contained within Article 17 of the Contract.

NOW, THEREFORE, IT IS AGREED THAT:

Article 17 of the Contract is amended to read as follows:

17. Income Tax. This Contract grants the Mercy Hospitals West JEDD Board of Directors power to adopt a resolution to levy an income tax within the entirety of Mercy Hospitals West JEDD territory at a maximum rate of two (2%) percent based on salaries or other personal service income earned by individuals from services performed within the JEDD (the "Earnings Tax")

during the first ten (10) years of the JEDD, and at a maximum rate of one and ½ (1.5%) percent during years eleven (11) through fifteen (15) of the JEDD, and at a maximum rate of one (1) percent beginning in Year Sixteen (16), with a cap on earned income at \$100,000 per annum, which cap shall, after the tenth year, be adjusted annually on January 1st of each year during the existence of the JEDD, based upon the Consumer Prices Index (CPI-U) published by the U.S. Bureau of Labor Statistics on September 30 of the preceding year. Imposition of the earnings tax will not commence until after the final certificate of occupancy for the Medical Facility at Mercy Hospitals West is issued, Construction workers participating in the construction of the Medical Facility or any other improvements at Mercy Hospitals West will be excluded from the Earnings Tax imposed under the JEDD.

The resolution levying an Earnings Tax shall require the contracting parties to annually set aside a percentage of the amount of the Earnings Tax collected for the long-term maintenance of the Mercy Hospitals West JEDD; provided, however, the amount set aside shall not exceed \$1,000.00 annually without consent of the contracting parties. Not earlier than one (1) year after the effective date of the Mercy Hospitals West JEDD, the Board of Directors, with written consent of the contracting parties, may increase or decrease the rate of taxation on a prospective basis in an amount as the contacting parties agree to in writing; provided, however, that (subject to the cap as hereinabove provided) the applicable rate of taxation shall not exceed the lesser of the rate of the municipal income tax then levied by Cheviot or two (2%) percent during the first ten (10) years of the JEDD, and shall not exceed the lesser of the rate of the municipal income tax then levied by Cheviot, or one and one-half (1.5%) percent beginning in Year Eleven (11) of the JEDD, or one (1%) percent beginning in Year Sixteen (16) of the JEDD.

The resolution levying the Earnings Tax shall be consistent with the provisions of the City of Cheviot Income Tax Ordinance, as it may be amended from time to time, subject however to exceptions, limitations, or other provisions in this Contract or according to law. The Board may designate those provisions of the Cheviot Income Tax Ordinance, as it may be amended from time to time, which are not applicable to taxation within the Mercy Hospitals West JEDD; provided, however, that the Board may not exceed the taxing authority permitted by the Cheviot Income Tax Ordinance without consent of the contracting parties.

The Modification of the Earnings Tax as prescribed in this Resolution for Year Eleven (11) was effective on October 1, 2023, and the continuing modification for Years Twelve (12) through Fifteen (15) is effective and collection shall commence on October, 2024.

Any contracting party may request an independent audit of any aspect of revenue collection and distribution; provided, however, that the party requesting the audit shall bear the expense of audit, if applicable.

Cheviot shall administer, collect, and enforce the income tax on behalf of the Mercy Hospitals West JEDD. Cheviot's Director of Finance or his designee shall serve as the Tax Administrator of the Earnings Tax derived from the Mercy Hospitals West JEDD and shall be responsible for the receipt, safekeeping, accounting, and investment of Earnings Tax revenues pending disbursement. All receipts shall be deposited into a separate Mercy Hospitals West JEDD account that shall not be co-mingled with revenue from other sources. Earnings from the Mercy Hospitals West JEDD account and investments related thereto shall be added to the account. The Tax Administrator has authority to grant refunds and to compromise claims for tax, penalties, and interest. The Tax Administrator has authority to commence legal proceedings pertaining to

delinquent tax collection and enforcement, and to seek a declaratory judgment regarding disputed interpretation and applicability of the Cheviot Income Tax Ordinance within the Mercy Hospitals West JEDD. The Tax Administrator is authorized to investigate and audit taxpayer returns and to issue subpoenas in furtherance of duties. The Tax Administrator is designated to be an interested party and is authorized to commence and defend legal proceedings in the name of the Mercy Hospitals West JEDD in any way pertaining to the income taxation within the Mercy Hospitals West JEDD).

The Tax Administrator shall report quarterly to the Board and contracting parties regarding receipt and distribution of Earnings Tax revenue including amounts retained in escrow. The Tax Administrator shall also report quarterly regarding Mercy Hospitals West JEDD operating income and expenses for the preceding quarter and shall provide short term and long-range projections concerning anticipated income and expenses associated with Mercy Hospitals West JEDD operations. The Tax Administrator shall provide quarterly reports to the Secretary regarding all revenue with taxpayer sources. Such quarterly reports shall be subject to confidentiality covenants as more fully set forth herein.

The Tax Administrator shall pay one (1 %) per cent of the gross Earnings Tax revenue into escrow. Escrow proceeds may be utilized to pay refunds, and in general to balance accounts. In the event of an escrow deficiency, the Tax Administrator may invoice the contracting parties according to their pro rata distribution to satisfy the deficiency. Invoices for deficiency are due and payable within thirty days from notice. At the end of each calendar year any escrow surplus shall be distributed as part of the net Earnings Tax revenue.

The levy of the Earnings Tax is necessary to effectuate the purpose of this Contract and after once levied any disruption of the distribution of the tax would prevent the parties from fulfilling their obligations under this Contract and may cause financial hardship. Therefore, once the Earnings Tax is levied, the Board of Directors is not authorized to cease the levy of the Earnings Tax unless authorized by amendment of this Contract.

For purposes of this Contract, "Net Revenues" means the gross proceeds of the collection of the net payroll portion of the Mercy Hospitals West JEDD Earnings Tax less (a) the amount allocated for the long-term maintenance of the Mercy Hospitals West JEDD as provided in the second paragraph of this Section 17; and (b) the amount placed in escrow as provided in the eighth paragraph of this Section 17.

The Tax Administrator is authorized and may contract on behalf of the Mercy Hospitals West JEDD with a municipal income tax collection and administration agency to perform the administration, collection and enforcement duties relating to the Mercy Hospitals West JEDD Earnings Tax as set forth in this Contract. The fees and expenses of such an agency shall be deducted from the City of Cheviot's portion of the Mercy Hospitals West JEDD Net Revenues and paid to such agency prior to distribution of those revenues as set forth in this Contract.

ADOPTED By the Board of Trustees of Green Township and by the City of Cheviot, Ohio effective at midnight on September 30, 2024.

BOARD OF TRUSTEE OF GREEN TOWNSHIP

By: Frank A. Birkenhauer
Frank A. Birkenhauer, Township Administrator

CITY OF CHEVIOT, OHIO

By: Samuel D. Keller
Samuel Keller, Mayor