

# City of Maumee

## ENTERPRISE ZONE GUIDELINES

### INTRODUCTION

In an effort to encourage investment in the City's industrial base, the City of Maumee has designated an Enterprise Zone (EZ) pursuant to State of Ohio law. An Enterprise Zone is an area within which special tax incentives may be offered by contract to businesses which agree to invest in capital improvements and create or retain jobs. Tax incentives can be offered provided that program guidelines are met and substantial investment is made. Jobs must be either created or retained. Each agreement with a business within the EZ relating to jobs, investment, and tax incentives must be submitted to the City for its approval.

### PURPOSE

The purpose of the Enterprise Zone is to encourage as much investment and job creation as possible within the boundaries of the EZ. Retaining jobs is also a priority. Each agreement negotiated with a local business shall be designed to encourage capital investment while creating or retaining jobs. In return, the City of Maumee will agree to provide the tax incentives necessary, under the circumstances of each transaction, to allow the project to go forward.

### ELIGIBLE BUSINESSES

Only those businesses that are "qualified by financial responsibility and business experience to create and preserve employment opportunities in the EZ and to improve the economic climate of the municipal corporation..." [Section 5709.63 (B)] (Ohio Revised Code) may apply for the tax incentives. Furthermore, only businesses engaged in manufacturing, warehousing, research and development, and distribution will be eligible to apply for tax incentives. No housing, commercial (retail), or institutional uses may request benefits from the EZ program.

### INCENTIVES OFFERED

In order to maximize the collection of new tax revenues, only the minimum abatement necessary to bring about the investment will be offered. The incentives that can be offered locally are only in terms of new real and personal property taxes related to a specific project. State law permits up to 75% abatement for a period of up to ten (10) years in a municipal corporation. The level of incentives can be "stepped" to allow for a higher initial incentive level. In these instances, the average incentive level cannot exceed 60% for the term of the agreement. In very unusual circumstances, the municipal corporation can offer tax incentives in excess of 75%, but these incentives must be approved by the affected local school board. Other services or assistance may be provided to a prospective business by the municipality, county, or State of Ohio.

## EXPANDED INCENTIVES

The Ohio Enterprise Zone law allows a local government to expand the potential incentives to include existing taxable assets in only two particular situations.

1. If a business plans to purchase and operate a large manufacturing operation that has employed an average of 1,000 employees per year during the past five years, which has closed or has announced closure proceedings, the local government may grant an exemption of up to 100% of the existing real and personal property for up to 10 years.
2. If a business agrees to remediate an environmentally-contaminated facility expending at least 250% of the existing value of the facility on a new investment project including at least a 10% investment on remediation activities, then the local government can exempt up to 50% of the existing real property and 100% of the new real and personal property investment described as the project.

## INCOME TAX SHARING

Substitute Senate Bill 19 (SSB 19) which became effective July 22, 1994, requires that all tax incentive agreements with businesses generating one million dollars (\$1,000,000) or more of new annual payroll and located within a municipal corporation which imposes a local income tax, must include a compensation agreement with the Board of Education of the affected school district having jurisdiction over the project site. If the municipal corporation and the Board of Education cannot reach an agreement within six months of the formal legislative approval of the Enterprise Zone Agreement, then the Board of Education shall be compensated with 50% of the local income tax generated by the new employees. Procedures to arrive at this compensation agreement are defined in Exhibit A, which is attached.

## SCHOOL BOARD NOTIFICATION

The Ohio Enterprise Zone Program requires that specific affected entities be formally notified of a proposed Enterprise Zone Agreement prior to a local government reviewing and acting upon the proposal. The Board of Education of each school district, including any vocational/technical school district in which the proposed tax exempt property is to be located, must be formally notified in writing a minimum of 14 calendar days prior to a local government reviewing and acting upon a tax incentive proposal. However, if the proposed incentive package is in excess of the allowable 75% or the allowable term average of 60%, the Board of Education must be formally notified in writing **45 working days** prior to the local government reviewing and acting upon that proposal. House Bill (HB) 627, which became effective December 2, 1996, changed the required notice period to Boards of Education where the incentive package exceeds the statutory limits from 30 calendar days to 45 working days. This legislation also gives the affected Board of Education the express ability to waive the notice provision or to approve the project which would end the notice period prospectively. Please note that the affected School Board must waive the notice period by **formal Board action**.

## RELOCATION NOTICE

The Ohio Enterprise Zone regulations restrict the use of tax incentives for projects which relocate all or a portion of an existing Ohio facility's employee positions or assets to another Ohio site. An intra-state relocation project can be considered for tax incentives only if the Ohio Department of Development (ODOD) Director issues a waiver of the relocation provision according to ORC Section 5709.633(B). A formal waiver petition must be submitted to the ODOD Director with appropriate documentation that the waiver conditions are met. ODOD must respond to the request within 30 days of receiving the request. A 30-day notification must be given to the county or municipality from which the business will relocate prior to the first legislative review meeting. A copy of the draft Enterprise Zone Agreement to be considered should accompany the notice.

## RETROACTIVITY

According to State law, "eligible investment" may include only property which will be first used at the location within the EZ, and which has not been first used at another facility within the State.

## GUIDELINES

### I. Degree of Investment Required

Only businesses that agree to make substantial investment in either real property or personal property shall be eligible to receive the benefits available under the Program. The amount of investment needed to qualify as a substantial investment shall depend on the facts and circumstances of each applying business. As a general guideline, a total investment of \$5 million or a minimum of \$3 million in real property or \$3 million in personal property (whichever category is being requested for abatement) is required. In addition, the following conditions apply:

- A. New Construction - When new construction is involved, total project costs will be at least \$5,000,000 (\$3,000,000 minimum in real property improvements).

#### State Requirements

- A. Expansion - When expenditures are made to add land, buildings, machinery, equipment, or other materials, except inventory, to a facility that equals at least 10% of the market value of the facility prior to such expenditures, as determined for the purpose of local property taxation.
- B. Renovation - When expenditures are made to alter or repair a facility that equals at least 50% of the market value of the facility prior to such expenditures, as determined for the purpose of local property taxation.

- C. Occupancy - When expenditures are made to alter or repair a vacant facility equal to at least 20% of the market value of the facility prior to such expenditures as determined for the purpose of local property taxation.
- D. Inventory- Current inventory levels located at an expanding facility are not eligible for an exemption. Inventory transferred within the boundaries of a designated Enterprise Zone as the result of an expansion project are not eligible for an exemption. In these cases, only increased inventory levels in excess of the amount required to be listed on the personal property tax return for the business' tax return for the year in which the Enterprise Zone Agreement is executed are eligible. However, inventory transferred to a new site becomes eligible for an exemption if the transfer is the result of the facility expanding to a location within a different Enterprise Zone or the establishment of a new facility which does not negatively affect the tax revenue stream of the previous taxing jurisdiction.

## II. Impact on Jobs

Any business applying for the available incentives, in addition to the other requirements herein, must agree by contract that its project will result in the creation of at least fifty (50) new full-time jobs or an equivalent of part-time jobs, or will preserve employment opportunities for at least fifty (50) full-time existing employees. In addition, these jobs must pay at least 150% of the minimum wage.

## III. Other Requirements

In addition to the guidelines set forth herein, any business applying for tax incentives must comply with all other applicable local, county, and State regulations pertaining to the Enterprise Zone Program. Applicants must submit all information required by the City of Maumee or the State of Ohio. The above guidelines are subject to the provisions of the Enterprise Zone statutes, Section 5709.61 et seq., of the Ohio Revised Code and regulations promulgated thereunder.

## IV. Duplication of Public Benefits

Only under extraordinary circumstances may a company receiving incentives under the Enterprise Zone be considered eligible for grants under the City's Job Creation and Retention Grant Program. It should be further understood that these benefits would only be offered together if a school donation agreement were in place. Also, companies locating on property in the Joint Economic Development Zone (JEDZ) cannot receive incentives under the Enterprise Zone unless acceptable alternatives to current JEDZ tax sharing agreements are agreed upon by all parties to the JEDZ agreement.

## **PRINCIPAL ONLY**

Only those individuals who are principally involved as an owner or manager of a business interested in the Enterprise Zone tax incentives may negotiate with the City of Maumee regarding the specific incentives available under the terms of any investment agreement. Landlords of property, rather than brokers, may also negotiate for tax incentives relative to real property improvements.

## **TAX INCENTIVE REVIEW COUNCIL**

Pursuant to State law, a Tax Incentive Review Council (TIRC) must be created to annually monitor compliance with the terms of any EZ agreements. The TIRC shall be composed of three members appointed by the Board of Lucas County Commissioners; two members appointed by the Mayor of Maumee with the concurrence of City Council; the County Auditor, or his/her designee; a representative of the Board of Education or his/her designee; and a representative of the JVS Board of Education or his/her designee.

This TIRC shall review all agreements annually to determine whether the businesses have complied with the terms of their agreements and shall make recommendations regarding the continuation of each agreement to the Board of Lucas County Commissioners and the Mayor and City Council of Maumee. The County and/or City may take any action available to a party to an agreement to obtain compliance with the agreement.

## **ANNUAL REPORTING REQUIREMENTS**

Each designated Ohio Enterprise Zone must report annually (by March 31) to the Ohio Department of Development (ODOD) regarding the status of all EZ activities and must provide information outlined in Ohio Revised Code(ORC) Section 5709.68. ODOD will distribute to each designated Enterprise Zone Manager a copy of the report format approximately ten (10) weeks prior to the submittal date. The local Enterprise Zone Manager must coordinate the collection and compilation of the information and certify that it is the most current and accurate information available. A copy of this report must be forwarded to the local affected Board of Education.

The failure to comply with the reporting requirement results in an automatic suspension of Enterprise Zone authority and a fine on the City. The City shall not enter into any Enterprise Zone Agreements until the reporting requirements are satisfied. The penalty consists of a \$500 monthly fine until the status report is received by ODOD.

## **NEGOTIATE AGREEMENTS**

The Board of Lucas County Commissioners has approved the designation of the Maumee Enterprise Zone and has delegated the responsibility for negotiating agreements to the City of

Maumee. Exhibit A establishes a team of individuals responsible for the actual negotiation of agreements and any applicable tax or revenue sharing provisions. This "negotiation team" consists of five individuals. Procedures and policies are established in Exhibit A. Once City Council approves an Enterprise Zone Agreement for a particular project, it shall be forwarded to the Board of Lucas County Commissioners for approval by resolution and then to the Ohio Departments of Development, Taxation, and the County Auditor within fifteen (15) days after the agreement is executed.

## **CONTINUING OBLIGATION**

During the term of any approved Agreement, the business involved must continue to cooperate with Lucas County and City officials by providing any information requested to ensure compliance with the terms of the Enterprise Zone Agreement.

## **DEADLINE**

Pursuant to State law, the deadline for executing Enterprise Zone Agreements shall be December 31, 1997. Any agreements negotiated prior to that time, and providing tax incentives for a period extending beyond the deadline shall remain in full force and effect until the end of the term or termination of the agreements.

## **FEES**

Companies requesting tax incentives must submit, with their application, a check for \$500 made payable to the Ohio Department of Development. This fee is non-refundable.

Each project is subject to an annual monitoring fee of 1% of the benefit received--a minimum of \$500 and a maximum of \$2,500, payable to the City of Maumee. This fee may be waived by the City of Maumee on specific projects.

## **GENERAL APPLICATION PROCESS**

An application for Enterprise Zone benefits will be processed through the following steps:

1. The business must file an application with the Enterprise Zone Manager on a State form provided by the City. A check for \$500, made payable to the Ohio Department of Development, must be submitted with the **Application for the Ohio Department of Development Enterprise Zone Program**.
2. After the Enterprise Zone Manager determines that the project is eligible, the negotiation team will meet and recommend an abatement level and tax or revenue sharing agreement, if required.

3. Based on the recommendation of the negotiation team, a proposed "Enterprise Zone Agreement" will be prepared and submitted to City Council for approval. Required notice shall be provided to the Board(s) of Education prior to Council action. This notice should include a copy of the Application and the draft EZ Agreement. If a relocation waiver is granted, appropriate notice must also be given to the county or municipality from which the business will relocate prior to Council action. A copy of the draft EZ Agreement to be considered should accompany the notice.
4. The proposed Agreement, after being approved by City Council, will be submitted to the Board of Lucas County Commissioners for approval, again with appropriate notice to the Board(s) of Education. [A single notice of the dates of both the proposed City Council action and the proposed Board of County Commissioners action on the proposed Agreement may be provided to the Board(s) of Education.]
5. Upon approval of the proposed Agreement by both the City and County, an executed Agreement will be sent to the Ohio Departments of Development, Taxation, and the County Auditor within fifteen (15) days.
6. The project will be reviewed annually by the Tax Incentive Review Council (TIRC) for conformance with the Agreement. The Enterprise Zone Manager will provide staff assistance for the TIRC in obtaining and reviewing necessary facts as to conformance with the Agreement. An annual processing fee may be required. Failure to comply with the Agreement may result in the loss of the incentives.

## EXHIBIT A

### AN AGREEMENT ON POLICIES AND PROCEDURES BETWEEN THE CITY OF MAUMEE AND THE BOARD OF EDUCATION CONCERNING REVENUE SHARING ASSOCIATED WITH TAX INCENTIVE PROJECTS.

#### 1) **NEGOTIATION TEAM & REVENUE SHARING ARRANGEMENT**

To facilitate an orderly and effective determination of tax incentives to be offered to an industry proposing to locate or expand in the City of Maumee, a negotiation team is created. This negotiation team is responsible for both negotiations of tax incentives to be offered to industry and for proposing an arrangement for revenue sharing agreements or income tax sharing agreements when applicable under State law.

#### 2) **COMPOSITION OF THE NEGOTIATION TEAM**

The negotiation team shall consist of five (5) members as described below:

- A) **SCHOOL BOARD:** By formal action, each Board of Education shall designate one representative, and a designated alternate.
- B) **JOINT VOCATIONAL SCHOOL:** By formal action, the Joint Vocational School shall designate one representative, and a designated alternate.
- C) **CITY OF MAUMEE:** The Mayor of Maumee, with the approval of Council, shall designate two representatives and alternates.
- D) **CITY OF MAUMEE:** The Enterprise Zone Manager shall be appointed by Council to serve and coordinate meetings of the negotiation team.

In addition to the members indicated above, non-voting individuals including legal counsel or consultants, may be present at meetings to assist with technical issues and implementation of the decisions of the negotiation team.

#### 3) **MEETINGS OF THE NEGOTIATION TEAM**

People appointed to serve as members of the negotiation team must be able to meet on short notice. All meetings shall be private and where possible, members should meet before formal meetings with a company. Initial meetings of the negotiation team will be called by the Enterprise Zone Manager following receipt of the required application from a company. Subsequent meetings will also be called by the Enterprise Zone Manager. Strict adherence to the Enterprise Zone Guidelines adopted by City of Maumee and the Enterprise Zone Law is critical to ensure that incentive agreements are valid.

#### 4) **PROCEDURES FOR NOTIFICATION AND REVIEW**

When an application for Enterprise Zone tax abatement has been received, the Enterprise Zone

Manager shall establish a meeting time(s) to begin negotiations. The Enterprise Zone Manager will provide team members with copies of the Enterprise Zone application, tax analysis, and any other information deemed relevant at the earliest opportunity.

#### **5) ROLE OF TEAM MEMBERS**

The role of the negotiation team is to recommend a level of tax incentives deemed necessary to carry out the economic development objectives of the City of Maumee with due regard for all fiscal consequences. Team members should consider not just the percentage and term of an agreement, but other negotiable items, as well as local hiring commitments, training or mentoring programs, donations of equipment to schools, and other relevant items. All agreements must be approved by the Council, Board of County Commissioners, and State of Ohio before becoming effective.

For all projects in which the resulting new payroll is projected to exceed one million dollars, the negotiation team shall propose a revenue sharing agreement consistent with the requirements of ORO 5709.82. The owner of the property may be included as a party to such an agreement.

#### **6) REVENUE SHARING PROCESS**

According to the Ohio Revised Code (Section 5709.82), when an Enterprise Zone Agreement involves a project that will generate more than one million dollars of new payroll, there must be a negotiated sharing of revenue between the municipality and the involved school district. If an agreement cannot be reached, provisions of State law require that new income tax revenue must be shared on a 50/50 basis. Implementing such a 50/50 sharing of income tax revenue however, is complicated and may be very time consuming given various provisions of State law. Preferably, a revenue sharing agreement can be recommended by the negotiation team and prepared as a separate instrument to be executed by City Council and the Board of Education. Such a revenue sharing agreement, therefore, would supersede the 50/50 income tax sharing requirements and result in a less complicated and more clearly defined level of compensation to the school district.

If the team is unable to reach a recommendation on a revenue sharing agreement before the need to act on a recommended level of tax abatement to offer to an industry, the team may postpone action on a recommended revenue sharing agreement. However, unless a revenue sharing agreement is reached within six months of the executed Enterprise Zone Agreement, the 50/50 income tax sharing arrangement, as called for in the Ohio Revised Code, shall be in effect.

#### **7) REVENUE SHARING AGREEMENTS**

Unless otherwise specified in a revenue sharing agreement, the following considerations will be included in all revenue sharing agreements:

- A) The owner of exempted property may be included as a party to the revenue sharing agreement. A revenue sharing agreement may include provisions obligating the owner to compensate the school district by paying cash or providing an acceptable gift, loan, or other property to the school district. Such an obligation is enforceable by the Board of Education. The value of acceptable gifts, loans or other property shall be enumerated in the revenue sharing agreement and counted toward the total required compensation to the school district.

- B) The revenue sharing agreement shall require that any compensation to the school district be made annually over the life of the tax incentives. The payments shall be payable on the thirty-first day of December of the tax year in which the tax incentives commence and on that day for each subsequent tax year during which the tax abatement agreement is in effect, unless otherwise specified in the revenue sharing agreement.
- C) The overall goal of the revenue sharing agreement is that the schools receive contribution on each tax incentive project. This contribution can be an amount equal to the difference between what the business enterprise would have paid in taxes if the project were not abated and the net revenues that the schools would have received for that project if it were not abated, and assuming the school district is a non-guaranteed district. (However, this same formula will be used regardless of the guarantee status of the school district.)

Contributions paid to the schools could be cash, goods, services, personal property tax, or unabated real property tax, or any combination of the above. Should inadequate funds be available from these sources, the City has the option of utilizing a portion of the new payroll income taxes generated by the abated project to fill the gap, or any other source of funds that it sees fit.

Note: This formula and resultant revenue sharing payments are negotiable on a case by case basis.

#### **8) INCOME TAX SHARING AGREEMENTS**

Should a revenue sharing agreement not be reached, ORC applies regarding the 50/50 sharing of new municipal income tax generated. Some specific issues to consider in these cases include:

- A) The amount of the income tax sharing shall be calculated with the following considerations: First, the municipal income taxes subject to any 50/50 split or sharing shall be based on the difference between the municipal income taxes collected on the incomes of all new employees hired as a result of the project by the enterprise receiving the abatement, and the amount of any infrastructure costs incurred by the community related to facilitating the location or establishment of the project in the City of Maumee. Such infrastructure costs may not, however, exceed thirty-five (35) percent of the taxes that would be due to the school district under a 50/50 sharing arrangement. Infrastructure costs are defined in CRC Section 5709.82.
- B) If any estimate of taxes or infrastructure costs is required, payments in subsequent years shall be adjusted accordingly.
- C) To determine the specific levels of new municipal income taxes being paid by a company that either established operations or expanded in the community, the records maintained on employee income tax withholding in the income tax office of the community will be used. In the case of any expansion of an existing facility, the income taxes on existing payroll before the expansion takes place shall serve as a base. Only new payroll taxes generated

from the new employment which results from the project as defined in the executed agreement, shall be considered for income tax sharing.

- D) The definition of "new employee" appears in ORC Section 5709.82. Included in the definition of new income tax revenues, resulting from a project, are tax revenues from construction jobs, as well as persons who are first employed at the site of the project and who within the two previous years, have not been subject to income taxation by the community. "New employee" does not include any person who replaces a person who is not a new employee as defined in OR C Section 5709.82.

## AGREEMENT

This Agreement ("the Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 199\_\_ by and between the City of Maumee, Ohio (the "Community") and the \_\_\_\_\_ School District (the "School District").

### WITNESSETH:

WHEREAS, pursuant to Section 5709.632 of the Ohio Revised Code, the County of Lucas, (the "County") and the Community have proposed to enter into an Enterprise Zone Agreement (a copy of which is attached hereto as Exhibit A) with \_\_\_\_\_, (the "Company"), under which the County and the Community would approve a personal property tax exemption of 75% for ten years for eligible new tangible personal property (including inventory) and a real property tax exemption of 75% for ten years for real property improvements relating to a project to be undertaken by the Company at the Company's existing facility in Maumee, Ohio, all as further described in the Enterprise Zone Agreement (the "Project"); and

WHEREAS, to ensure that the School District will benefit from the Project to be undertaken by the Company, the County and the Community have requested, and the Company has agreed, to make certain payments to the School District; and

WHEREAS, it is anticipated that the payroll of new employees (as the term is used in Section 5709.82 of the Revised Code) resulting from the Project will equal or exceed one million dollars annually in all or a portion of the tax years for which such real and personal property is exempted;

NOW, THEREFORE in conclusion of the premises and covenants contained herein, the parties agree as follows:

SECTION 1: Because of the Company's agreement to provide certain payments to the School District, the School District hereby agrees that it will not receive any municipal income tax payments from the Community under Section 5709.82 of the Ohio Revised Code which are derived from the employees of the Project. Such approval and agreement shall be in effect even if the Company ever defaults on its obligations to the School District.

SECTION 2: This Agreement sets forth the entire Agreement and understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements, undertakings of every kind and nature between the parties with respect to the subject matter of this Agreement.

SECTION 3: This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party to this Agreement may execute this Agreement by signing any such counterpart.

IN WITNESSETH WHEREOF, the parties hereto have caused this Agreement to be executed as of the date set forth above.

THE CITY OF MAUMEE

\_\_\_\_\_ SCHOOL DISTRICT

By \_\_\_\_\_  
Mayor

By \_\_\_\_\_  
Superintendent

By \_\_\_\_\_  
Municipal Clerk

By \_\_\_\_\_  
Treasurer

By \_\_\_\_\_  
President of the Board

Approved as to Form:

\_\_\_\_\_  
Law Director

enclosure: Enterprise Zone Agreement

## AGREEMENT

This Agreement (the "Agreement") is made and entered into this \_\_\_ day of \_\_\_\_, 199\_ by and between \_\_\_\_\_, (the "Company") and the \_\_\_\_\_ District (the "School District").

### WITNESSETH:

WHEREAS, pursuant to Section 5709.632 of the Ohio Revised Code, the County of Lucas, (the "County") and the City of Maumee (the "Community") have proposed to enter into an Enterprise Zone Agreement (a copy of which is attached hereto as Exhibit A), under which the County and the Community would approve a personal property tax exemption of 75% for ten years for eligible new tangible personal property (including inventory) and a real property tax exemption of 75% for ten years for real property improvements relating to a project to be undertaken by the Company at its **existing** facility in Maumee, Ohio, all as further described in the Enterprise Zone Agreement (the "Project"); and

WHEREAS, to ensure that the School District will benefit from the Project to be undertaken by the Company, the County and the Community have requested, and the Company has agreed, to make certain payments to the School District; and

WHEREAS, because of the Company's agreement to provide certain payments to the School District, the School District has agreed that it will not receive any municipal income tax payments from the Community under Section 5709.82 of the Ohio Revised Code which are derived from the employees of the Project;

NOW, THEREFORE, in consideration of the premises and covenants contained herein, the parties agree as follows:

SECTION 1: The Company hereby agrees to make annual payments to the School District on or before \_\_\_\_\_ of each year in an amount equal to between \$\_\_\_\_\_ and \$\_\_\_\_\_ or that amount of taxes that the School District would have received from the State as a formula if the exemption were not granted. (This amount is to be calculated as if the School District were not a guaranteed district, regardless of its status.) That estimated amount is indicated on Exhibit B, attached hereto. The duration of the annual payments shall be for the same ten-year period as the approved tax abatement.

The Company agrees to cooperate with the School District to provide information necessary to calculate the amount owing under this Agreement. The Company shall provide to the School District annually, immediately upon filing, a copy of its personal property tax return (specifically including Form 913-Ex or its successor) containing information on the personal property comprising the Project. The Company shall also provide to the School District a copy of any real property exemption form filed with the County Auditor promptly following the filing thereof. Any late payments under this Agreement shall bear interest at the rate of 10% per annum until such payment is made.

Such annual payments may include cash, goods, services, or any combination of the above, or any other valuable asset, as mutually agreed upon between the School District and the Company. Should the parties not agree on the type of payment, the company shall make the payment to the School District in cash.

SECTION 2: This Agreement shall insure to the benefit of and shall be binding in accordance with its terms upon the School District and the Company and their respective permitted successors and assigns. This Agreement may not be assigned by the Company without the prior written consent of the School District, except to any successor entity as a result of a consolidation or merger, which consent will not be unreasonable withheld.

SECTION 3: This Agreement sets forth the entire Agreement and understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements, undertakings or every kind and nature between the parties with respect to the subject matter of this Agreement.

SECTION 4: This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party to this Agreement may execute this Agreement by signing any such counterpart.

IN WITNESSETH WHEREOF, the parties hereto have caused this Agreement to be executed as of the date set forth above.

\_\_\_\_\_, Inc

\_\_\_\_\_ SCHOOL DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Superintendent

By \_\_\_\_\_  
Treasurer

By \_\_\_\_\_  
President of the Board

Approved as to Form:

\_\_\_\_\_  
Law Director

enclosure: Enterprise Zone Agreement  
enclosure: Revenue Sharing Summary