

FAQ's

Harlem Township & Village of Galena

Cooperative Economic Development Agreement (CEDA)

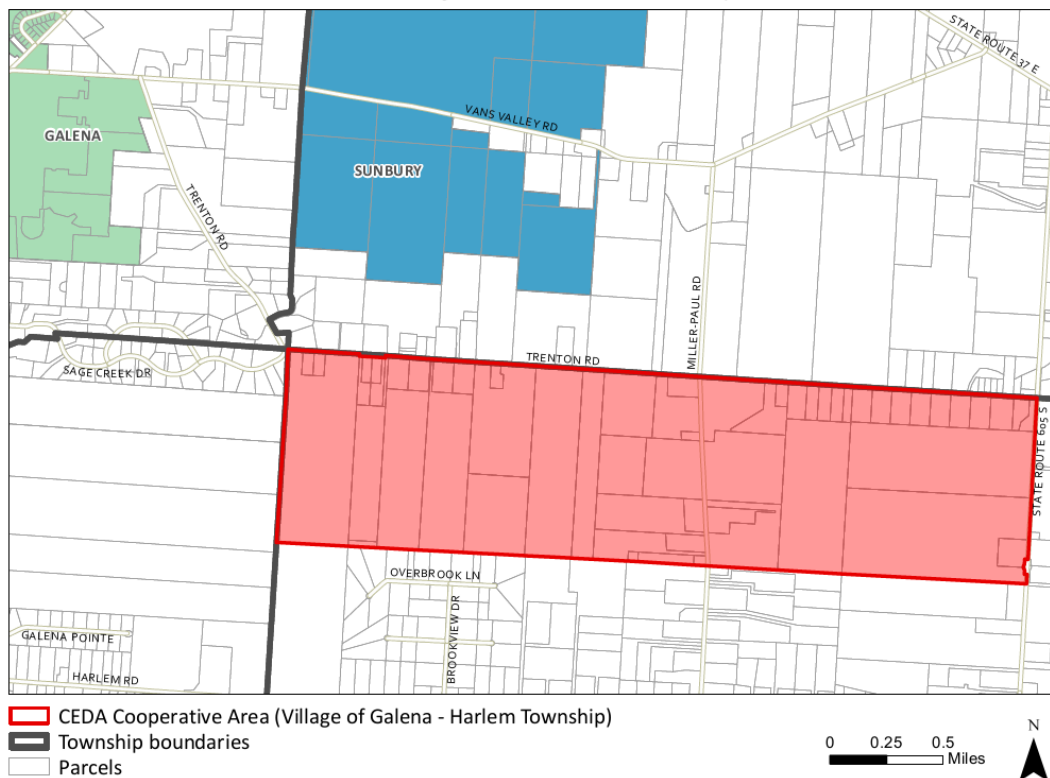
What is a Cooperative Economic Development Agreement (CEDA)?

A Cooperative Economic Development Agreement (CEDA) is a legal agreement in Ohio that lets local governments like cities, villages, townships, and counties work together on economic development projects. It helps communities share things like infrastructure, tax incentives, and revenue to attract businesses and create jobs, without having to annex land. CEDAs give more flexibility than Joint Economic Development Districts (JEDDs) because they can also include counties, the state, or even private partners.

Why is a CEDA being considered for Harlem Township & the Village of Galena?

Harlem Township and the Village of Galena see value in partnering through a CEDA. . The CEDA helps Harlem Township protect its borders by providing a coordinated approach to utility services in this designated area, coupled with a non-annexation agreement in the Village to reduce annexation pressure. The CEDA allows the Village of Galena and Harlem Township to diversify its revenue to improve its infrastructure. Please view the map for the area considered for the CEDA. The specific parcel numbers included in the proposed area can be found in the CEDA agreement available on the Township's and Village's websites.

Harlem TWP and Village of Galena CEDA Cooperative Area



Why was This Area Chosen for a Potential CEDA?

This Cooperative District represents the area in Harlem Township where the Village of Galena has the ability to provide sewer services as part of their 208 sewer district as defined by the Ohio EPA.

Who Would Be Responsible for Planning & Zoning?

Harlem Township would oversee the Planning & Zoning for the areas included in the CEDA.

What is the Planned Zoning and Land Use for the Cooperative District?

There is no current plan to change the zoning in the Cooperative District. Harlem Township's land use plan will control this area. The CEDA envisions planned mixed use and commercial development.

As part of the CEDA, the Township will determine if any land use change is warranted in the area. The Village will be able to provide comments to this process, but the Township will be the entity in control of whether any land use change is made. If there is a proposed change to the zoning in the Cooperative District, the Township will follow its normal public hearing procedure and will receive additional public comments.

Where can I Find Examples of CEDAs in Ohio?

- **Medina and York Township:** Covers 14 parcels (approx. 273 acres) for commercial growth along key roads.
- **New Albany and Jersey Township:** Protects 10,000+ acres post-Intel annexation, with shared development standards and revenue.
- **Statewide Resources:** Review full texts via local government websites or the Ohio General Assembly's Lawriter (codes.ohio.gov). See Ohio Revised Code Section 701.07.

What are the Benefits of a CEDA?

CEDA's provide mutual advantages for participating entities:

- **For Townships:** Retain control over land use, avoid annexation threats, gain access to municipal utilities (e.g., water and sewer), and share in income tax revenues from new developments included within a Joint Economic Development District pursuant to the terms of the CEDA, all without losing property tax authority.
- **For Municipalities:** Secure a portion of new tax revenues (e.g., income taxes levied pursuant to the establishment of a Joint Economic Development District, community development charges levied pursuant to the inclusion of the real property in one or more New Community Authorities, and service payments in lieu of real property taxes derived from the authorization of one or more tax increment financing exemptions, all pursuant to the requirements of the CEDA) from developed land outside city limits, promote regional growth, and extend services like planning expertise.

- **Overall:** Encourage cooperative planning, reduce inter-jurisdictional conflicts, and attract businesses by offering streamlined incentives like tax abatements.

For example, recent agreements, such as the one between Jersey Township and the City of New Albany (approved in October 2024), protect over 10,000 acres of township land while allowing shared revenue from joint economic districts.

What does a Typical CEDA Include?

While customized to local needs, CEDAs commonly cover the following but please see specific terms of the proposed CEDA pursuant to further Sections of this FAQ:

- **Territory Description:** Specific parcels or areas for development (e.g., 273 acres along roads in Medina's York Township agreement).
- **Economic Incentives:** Application of tax abatement statutes, shared income/property taxes, and utility extensions.
- **Infrastructure and Services:** Commitments for roads, water, planning guidance, or zoning alignment.
- **Revenue Sharing:** Formulas for distributing new taxes (e.g., municipalities receive 50-100% of income tax from JEDD-like zones within the CEDA).
- **Duration and Termination:** Often 20-50 years, with provisions for breach remedies (e.g., 90-day cure period before legal action).
- **Dispute Resolution:** Mechanisms for enforcement, such as mediation or court action.

How is Annexation Addressed within the Cooperative District?

While this agreement is in place, neither the Village nor the Township can facilitate or accept an annexation of land within the Cooperative District. The Village agrees not to bring any part of the area into its boundaries, and the Township agrees not to let any other city or village do so unless the Village's council gives formal approval.

What is the Current Proposed Term of the Agreement?

The agreement will last for 50 years, starting from the effective date of the CEDA. After that, it will automatically renew for two more 25-year periods, unless either party gives written notice at least one year before the current term ends.

Why is the Proposed Term of the Agreement a Minimum of 50 years?

50-year terms are standard in CEDAs. This term is standard because it allows the parties to rely upon the CEDA's terms and to make long-term plans without fear of a change in understanding. It allows for a township and municipality to work together on long-term planning instead of forcing each to look to the short term.

Is a JEDD Agreement also being Considered as Part of this CEDA Arrangement?

Yes. The Township and Village plan to create Joint Economic Development Districts (JEDDs) as part of this agreement. A JEDD is the applying of the Village's income tax over the area even though the area will remain in the Township. The Township and Village will work together to expand the JEDDs when needed if there is new development. Revenue from the JEDDs will be split evenly—50% to the Village and 50% to the Township.

My property is Located within the CEDA Boundary. Will I pay Additional Taxes if this Passes?

No! This agreement only affects how Harlem Township and the Village of Galena will work together for utility service and planning in the area. As a result of the CEDA, no new taxes will apply to any current resident or future resident who farms or lives in a single-family home unless and until they decide to redevelop their property and access Village utilities.

What is the Process to Adopt a CEDA?

A CEDA is approved through a public process.

First, the Township and the Village prepare a proposed agreement outlining how they will work together on economic development matters.

Before the agreement can be approved, however, the parties must give residents at least thirty (30) days' notice of a public hearing in a newspaper of general circulation in both jurisdictions and make a copy of the proposed CEDA available for public review during that time.

After the public hearing is held and public comments are received, the Township and the Village each approve the CEDA through their own legislative action. Once those approvals are obtained, the parties sign the CEDA and it becomes effective.

If the CEDA is Passed, Who Would Pay Additional Taxes?

Only the owners of a property requiring a development plan, like a planned commercial property, or a mixed-use development will be subject to any income tax or additional property tax. You will not pay any additional tax if you continue to use your property the way it is being used today. This includes any heirs or any person who may buy the property.

Any person who builds a home addition, new single-family home, shed, barn, outbuilding will not be subject to any additional tax unless the new building requires the Township pass a development plan.

How will incentives work within the Cooperative District?

All net revenue from economic development incentives such as Tax Increment Financing or Joint Economic Development District, will be shared equally, with 50% going to the Village and 50% to the Township.

To help fund public infrastructure, however, the Township will create a New Community Authority (NCA). The NCA can collect Community Development Charges (a set property tax millage similar to special assessments), which will be divided between the Township and the Village based upon whether the project is for a commercial or residential purpose and whether a Tax Increment Financing exemption has expired. For example, if the real property developed within the CEDA is used for residential or commercial purposes and a Tax Increment Financing incentive is in effect, all Community Development Charges will be divided between the Township and the Village equally. However, if the real property developed within the CEDA is used for residential purposes and a Tax Increment Financing exemption has expired, Community Development Charges will be apportioned with the Village receiving four (4) mills and the Township receiving two (2) mills and if the real property developed within the CEDA is used for commercial purposes and a Tax Increment Financing exemption has expired, Community Development Charges will be apportioned with the Village receiving three (3) mills and the Township receiving one (1) mill.

Why would the Village of Galena want to enter into the CEDA?

A CEDA Demonstrates the Village's desire to work cooperatively with Harlem Township to manage the extensive growth in and around our communities thoughtfully and strategically. A CEDA allows the Village to remain a village. We can grow revenues for the Village responsibly, without unnecessarily growing our borders through annexation. Once this partnership is established, our communities can "Grow Together" to address other area of need for our residents such as expansion of the CEDA, dedicated police support, etc.

Why would Harlem Township want to enter into the CEDA?

The CEDA would provide stability for the Township and preserve its boundaries without fear of annexation in the cooperative district. In turn, the Township will maintain control over the zoning and use of the property. Further, if development occurs in the next 50-100 years, the Township will receive an increase of total funds because of the JEDD to use for the benefit of the Township and its residents. The CEDA also serves as a starting point for future partnership with the Village to better serve our residents and aligns with the Townships' Strategic Plan.

How will other critical services be provided within the Cooperative District?

- **Police:** Law enforcement will be handled by the Delaware County Sheriff's Office, just like in other unincorporated parts of the Township. Mutual aid agreements with the Village or others may also apply.
- **Fire and EMS:** Fire and emergency medical services will continue to be provided by Harlem Township, operating as they do currently.

- **Street Maintenance:** The Township (or, when applicable, the County or ODOT) will handle street maintenance and repairs. Funding for maintenance may come from the JEDD, NCA, or other legal sources.

This FAQ is for informational purposes only and is not intended to be a complete description of the proposed agreement. Contact your local economic development office, township trustees, Village Mayor or Village Administrator to initiate further discussions.