



Extension FactSheet

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Joint Economic Development Districts

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Introduction

In 1993, the Ohio General Assembly passed legislation enabling local communities to create Joint Economic Development Districts (JEDD). A JEDD agreement enables townships, cities, and villages to cooperatively address concerns associated with diminishing local revenues, economic development, growth, and annexation pressures. A JEDD becomes a local community approach to solving economic development issues by providing local governments the ability to enter into legal agreements that will increase revenues and create jobs. The contractual agreements, which vary from jurisdiction to jurisdiction, have become a significant economic development tool for local communities since JEDD authorization in 1993.

What is a Joint Economic Development District?

Under Ohio Revised Code, sections 715.69–715.90, a JEDD is determined by a contract approved by the legislative authorities of one or more contiguous corporations and one or more contiguous townships. Legislative authorities enter into such contracts to facilitate economic development, to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people in the area. The program (JEDD) is designed to encourage cooperation among local communities, and it is considered by many to be a mutually beneficial economic development tool. This cooperation takes the form of tax revenue sharing among municipalities and townships.

How is a JEDD formed between municipalities and townships?

A JEDD is formed when a township and a city or a village create and pass legislation that allows them to enter into negotiations to create a JEDD. They must first hold a public hearing detailing the specifics of the agreement before each of the affected local authorities can adopt legislation creating the JEDD. In addition, each municipality located within one-quarter mile of the proposed JEDD must be afforded the opportunity to make comments or suggestions regarding elements of the proposed contract.

Specific language in the JEDD agreement must contain the following:

- the length of the agreement
- the specific activities to be undertaken
- the appointment and duties of the JEDD Board of Directors
- the geographic boundary of the JEDD (which is not to exceed 2,000 acres)
- specific responsibility of all services each entity will provide, such as utilities and emergency services
- specific details relating to revenue sharing and distribution

Once each party formally approves the JEDD, a copy of the contract and all maps must be submitted to the county recorder and the county commissioners. The final step in the process entails submission of the agreement to the Ohio Department of Taxation for review. The

estimated time frame needed for the entire process is approximately 135 days. A typical timeline is as follows:

30 day minimum	Discussion, negotiation, legislation preparation, and meetings between entities
30 day minimum	Public hearing notice after legislation is created
30 day	Review and comment by municipalities located within one quarter mile of proposed JEDD (can be completed while awaiting public hearing)
15 day minimum	Communities to review input from public hearings and to amend legislation, if necessary
30 day	The JEDD becomes law 30 days after legislation is passed by municipality and formally adopted by the Township
135 days total	JEDD is submitted to county and the Ohio Department of Development

How does a Joint Economic Development District work?

A JEDD is meant to work in this way: Let’s say a city has no more industrial land to develop but has an industrial prospect interested in locating in their community. The city has surplus infrastructure capacity to meet the needs of the prospect but no available land. An adjacent township has available land but no available infrastructure capacity. The two entities could enter into negotiations to create a JEDD, which would allow the prospect to locate in the township, require the city to extend its infrastructure, and enable both entities to collect new income tax revenue from the jobs created by the industrial prospect.

In the example above, the JEDD allowed the city to meet the needs of the prospect without having to consider annexation, and the township could collect income tax that they could not normally receive under Ohio law.

Advantages of a JEDD

State enabling legislation provides the framework under which a JEDD can be created. Beyond state over-

sight of the program’s framework, local communities can use the program however they choose.

Advantages for a township

- Because townships are not permitted to collect income tax, the JEDD provides the ability to increase revenues in the form of income taxes and increased property taxes on previously vacant land.
- The JEDD agreement prohibits annexation by the city or village for a minimum of three years and creates a cooperative arrangement with the city or village.
- The increased revenue provides township officials a new funding source that will provide additional services to its residents at no further cost.

Advantages for a city or village

- The JEDD agreement enables a city or village to increase its income tax revenues.
- The agreement typically extends infrastructure utilities, therefore generating additional revenue.
- The JEDD creates a cooperative arrangement with the township in solving local economic issues.

Conclusion

Since 1993, over 20 Joint Economic Development Districts have been created in Ohio. Many entities view a JEDD as an economic development tool that promotes local cooperation among townships, cities, and villages. The JEDD provides a mechanism by which townships and cities and villages can foster development activities without annexation. With local entities struggling over diminishing revenues and demand for excellent services by their residents, it is important for them to cooperate and find a solution that will satisfy all parties.

References

Akron Beacon Journal. “Officials glad JEDD came to rescue.” March 6, 2005.

Ohio Department of Development, Office of Tax Incentives. Columbus, Ohio. <http://www.odod.state.oh.us/JEDDSUMMARY.pdf>

Ohio Revised Code. Online. <http://onlinedocs.andersonpublishing.com/revisedcode/index.cfm>

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