

RESOLUTION NO. 11-2021

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE CITY OF MONROE AND PERFORMANCE FOOD GROUP RELATED TO THE 2019 PAYROLL TAX HURDLES UNDER THEIR COMMUNITY REINVESTMENT AREA AGREEMENT.

WHEREAS, Performance Food Group received a five year, 50% property tax abatement on their 35,000 SF expansion in 2017; and

WHEREAS, the tax abatement agreement included a provision where Performance Food Group could avoid a penalty in the event a payroll hurdle was missed by providing a three year donation to the City of Monroe's annual Fourth of July fireworks display.

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

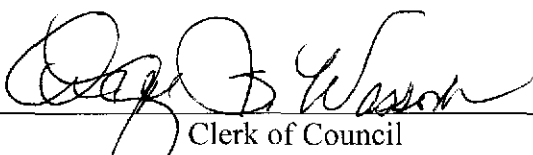
SECTION 1: The City Manager is hereby authorized to enter into a Memorandum of Understanding by and between the City of Monroe and Performance Food Group related to the 2019 payroll tax hurdles under their Community Reinvestment Area Agreement. The terms and conditions of said Memorandum of Understanding is set forth on Exhibit "A" attached hereto and made a part hereof.

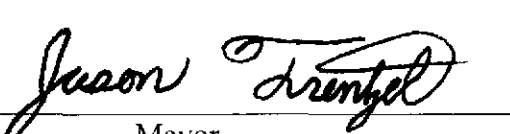
SECTION 2: This measure shall take effect and be in full force from and after the earliest period allowed by law.

PASSED: February 23, 2021

ATTEST:

APPROVED:


Clerk of Council


Mayor

First Reading: February 9, 2021

This legislation was enacted in an open meeting pursuant to the terms and provisions of the Sunshine Law, Section 121.22 of the Ohio Revised Code

"I, the undersigned Clerk of Council of the city of Monroe, Ohio, hereby certify the foregoing (ordinance or resolution) was published as required by Section 7.16 of the Charter of the City of Monroe.


Clerk of Council
City of Monroe, Ohio

Memorandum of Understanding

between the

City of Monroe, Ohio

and

Performance Food Group, Inc.

regarding

Community Reinvestment Area Payment to City

This Memorandum of Understanding (MOU) is entered into as of the 21st day of January 2021 (the **Effective Date**), by and between the City of Monroe, Ohio (the **City**) and Performance Food Group, Inc. (the **Company**) (each of the City and the Company is referred to as a **Party** and together as the **Parties**).

I. Background

The City Council (the **City Council**) of the City adopted Emergency Resolution No. 46-3007 on August 14, 2007, describing the boundaries of a Community Reinvestment Area in the City. The City Council adopted Resolution 47-2017 on October 24, 2017, authorizing the City to enter into a certain Community Reinvestment Area Agreement (the **Agreement**) between the City and the Company effective as of November 23, 2017.

Under Section 4 of the Agreement, the Company agreed that its subsidiaries would increase employment at the Project Site (as that term was defined in the Agreement) by the amounts and with the payroll as set forth in Section 4 of the Agreement. The Company and its subsidiaries did not meet the amount of payroll specified in Section 4 of the Agreement for tax year 2019. Section 11 of the Agreement provides that the Company may avoid termination or modification of the Agreement as a result of a failure to meet the payroll obligations in Section 4 of the Agreement by paying to the City an amount equal to the value of the abated real property taxes for that year. The amount of property taxes on the Project Site abated in tax year 2019 was \$14,669.00.

II. Purpose

The purpose of this MOU is to identify the terms under which the Company will satisfy the payment obligation of \$14,669.00 under Section 11 of the Agreement to avoid the termination or modification of the Agreement.

III. Payment to the City

The Company shall provide a sponsorship to the City's Independence Day community events in 2021, 2022, and 2023. The Company shall pay to the City (i) \$5,000.00 for the sponsorship in 2021 on or before June 1, 2021; (ii) \$5,000.00 for the sponsorship in 2022 on or before June 1, 2022; and (iii) \$4,669.00 for the sponsorship in 2023 on or before June 1, 2023.

The City and the Company hereby agree that such payments set forth above in the aggregate amount of \$14,669.00 are in place of and satisfy the Company's payment obligations under Section 11 of the Agreement.

IV. Term and Termination

This MOU shall remain in effect until the final payment is made by the Company to the City on June 1, 2023. This MOU is terminable by the Company upon full payment of the \$14,669.00 due to the City; provided that the Company shall provide 15 days' notice to the City prior to such payment. This MOU shall also terminate automatically in the event that the Company does not meet the ongoing hiring or payroll amounts specified in Section 4 of the Agreement; provided that the Company shall at that time be obligated to pay to the City the difference between \$14,669.00 and the amounts already paid by the Company to the City as specified in this MOU and shall pay such amounts within 30 days of receipt of written notice from the City. This payment is in addition to any other payments required under the terms of the Agreement.

V. Modification

This MOU may be modified by mutually acceptable written amendment duly executed by authorized representatives of the Parties.

VI. Notices

All notices under this MOU shall be in writing and deemed given or made when deposited in the U.S. mail, postage pre-paid or sent via facsimile with confirmation receipt, to the following addresses or facsimile numbers:

City of Monroe, Ohio
Attn: Economic Development
233 South Main Street
Monroe, Ohio 45050

Performance Food Group, Inc.
Attn: Christopher N. Crowe
Vice President of Real Estate
12500 West Creek Parkway
Richmond, Virginia 23238

VII. Other

This MOU is subject to, and will be carried out in compliance with, all applicable laws, regulations, and other legal requirements. Nothing contained in this MOU shall be construed to create any employment relationship, agency, partnership, or venture, for any purpose.

The obligations of the City, including specifically with respect to the community reinvestment area are subject to and contingent upon certain approvals of the City Council of the City.

This MOU may be signed in one or more counterparts or duplicate signature pages with the same force and effect as if all required signatures were contained in a single original instrument. Any one or more of such counterparts or duplicate signature pages may be removed from any one or more original copies of this MOU and annexed to other counterparts or duplicate signature pages to form a completely executed original instrument. Electronic or facsimile signatures shall be acceptable.

The parties to this MOU agree to submit any claims arising under this MOU to the exclusive jurisdiction and venue of the Court of Common Pleas of Butler County, Ohio.

IN WITNESS WHEREOF, the Parties have each caused their duly authorized representatives to execute this Agreement, effective as of the Effective Date.

CITY OF MONROE, OHIO

Signature: _____

Name: William J. Brock, P.E.

Title: City Manager

Date: _____

PERFORMANCE FOOD GROUP, INC.

Signature:  _____

Name: Christopher N. Crowe

Title: Vice President of Real Estate

Date: 1/21/21