

EMERGENCY ORDINANCE NO. 2019-05

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INCENTIVE AGREEMENT BY AND BETWEEN THE CITY OF MONROE AND THE BOARD OF EDUCATION OF THE MONROE LOCAL SCHOOL DISTRICT RELATED TO THE KROGER CO. PROPOSED BUILDING OF APPROXIMATELY 335,000 SQUARE FEET AND DECLARING AN EMERGENCY.

WHEREAS, The Kroger Co. (the “Company”) intends to construct a new building of approximately 335,000 square feet (the “Property”) to be used for the warehouse or distribution operations of the Company (the “Project”) to be located on real property (the “Project Site”) within the School District, provided that certain economic development incentives are granted to support the construction of the Project; and

WHEREAS, the Project will be located within an area designated as a Community Reinvestment Area (“CRA”) pursuant to Ohio Revised Code (“Revised Code”) Section 3735.66; and WHEREAS, the City, as an incentive for the Company to construct the Project at the Project Site, pursuant to Revised Code Sections 3735.65 through 3735.70 and 5709.82, has proposed to enter into a CRA agreement (the “CRA Agreement”) with the Company, granting a ten (10) year, 50% real property tax exemption for any increase in assessed value to the Property attributable to the Project (the “CRA Exemption”); and

WHEREAS, to ensure that the School District will benefit from the Project, the Company has agreed, through a separate agreement (the “Compensation Agreement”), while the CRA Exemption is in effect, to make certain payments to the School District; and

WHEREAS, in recognition of the Company’s payments to the School District under the terms of the Compensation Agreement, the School District has agreed that such payments shall be in lieu of any income tax revenue sharing under Revised Code Section 5709.82.

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

SECTION 1: The City Manager is hereby authorized to enter into an incentive agreement by and between the City of Monroe and the Board of Education of the Monroe Local School District related to The Kroger Co. proposed building of approximately 335,000 square feet. The terms and conditions of this incentive agreement shall be substantially similar to Exhibit “A” attached hereto and made a part hereof.

SECTION 2: This measure is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, welfare and safety and further for the reason that Council desires to remain within the project timing. Therefore, this measure shall take effect and be in full force from and after its passage.

PASSED: February 26, 2019

ATTEST:


Clerk of Council

APPROVED:


Mayor

This legislation was enacted in an open meeting pursuant to the terms and provisions of the Municipal 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

Exhibit "A" E Ord No. 2019-05

INCENTIVE AGREEMENT

This Incentive Agreement (this "Agreement") is made and entered into as of [____], 2019, by and between the **CITY OF MONROE, OHIO** (the "City"), and the **BOARD OF EDUCATION OF THE MONROE LOCAL SCHOOL DISTRICT** (the "School District"), a public school district organized and existing under the laws of the State of Ohio (the "State") with its main offices located at 500 Yankee Road, Monroe, Ohio 45050.

WITNESSETH:

WHEREAS, The Kroger Co. (the "Company") intends to construct a new building of approximately 335,000 square feet (the "Property") to be used for the warehouse or distribution operations of the Company (the "Project") to be located on real property (the "Project Site") within the School District, provided that certain economic development incentives are granted to support the construction of the Project; and

WHEREAS, the Project will be located within an area designated as a Community Reinvestment Area ("CRA") pursuant to Ohio Revised Code ("Revised Code") Section 3735.66; and

WHEREAS, the City, as an incentive for the Company to construct the Project at the Project Site, pursuant to Revised Code Sections 3735.65 through 3735.70 and 5709.82, has proposed to enter into a CRA agreement (the "CRA Agreement") with the Company, granting a ten (10) year, 50% real property tax exemption for any increase in assessed value to the Property attributable to the Project (the "CRA Exemption"); and

WHEREAS, to ensure that the School District will benefit from the Project, the Company has agreed, through a separate agreement (the "Compensation Agreement"), while the CRA Exemption is in effect, to make certain payments to the School District; and

WHEREAS, in recognition of the Company's payments to the School District under the terms of the Compensation Agreement, the School District has agreed that such payments shall be in lieu of any income tax revenue sharing under Revised Code Section 5709.82; and

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

Section 1. The School District hereby agrees that, upon execution of the Compensation Agreement, and in consideration for the City's requirement that the Company enter into the Compensation Agreement with the School District, the School District is not and will not be entitled to any income tax revenue sharing under Revised Code Section 5709.82 for the term of the CRA Agreement. Upon execution of the Compensation Agreement, the School District shall have waived any right to income tax revenue sharing under Revised Code Section 5709.82 for the Project.

Section 2. This Agreement shall commence on the effective date of [____] and inure to the benefit of and shall be binding in accordance with its terms upon the School District and the City and their respective permitted successors and assigns.

Section 3. This Agreement is executed pursuant to Revised Code Sections 3735.671, 5709.82 and 5715.27. The waiver provided in this Agreement relates solely to the exemption

Section 10. The City and the School District acknowledge that this Agreement applies only to the Project referenced in Ordinance ___ - ___ passed by the City Council of the City of Monroe, Ohio. The City and the School District further acknowledge that this Agreement is contingent upon the execution of the Compensation Agreement by and between the Company and the School District within thirty (30) days of the execution of this Agreement.

IN WITNESS WHEREOF, the City and the School District have caused this Agreement to be executed in their respective names by their duly authorized officers or representatives, as of the date hereinabove written.

CITY OF MONROE, OHIO

MONROE LOCAL SCHOOL DISTRICT

By: _____

By: _____

Treasurer

Name: _____

Title: _____

By: _____

President, Board of Education