

IN WITNESS WHEREOF, the City of Parma, Ohio and the Economic Development Review Board by Timothy DeGeeter, Mayor and Chairperson of the Board and pursuant to Ordinance No. 56-01 has caused this instrument to be executed this _____ day of _____, 2016 and the Cleveland Plant & Flower Company by _____ its _____, has caused this instrument to be executed this _____ day of _____, 2016.

WHEREAS, the City of Parma and the Cleveland Plant & Flower Company hereby agree, under Section 14 ENTIRE AGREEMENT of the Economic Development Grant Award Agreement entered into by both parties on October 28, 2002, to modify Section 2, part (b) Period of Grant, to extend the Agreement terms an additional six (6) Real Estate tax periods beginning with January 1, 2016 and ending December 31, 2018.

Witnessed by: **CITY OF PARMA**

By: _____
Mayor

Witnessed by: **ECONOMIC DEVELOPMENT REVIEW BOARD**

By: _____
Chairperson

Witnessed by: **CLEVELAND PLANT & FLOWER COMPANY**

By: _____
President

Approved as to form:

Timothy Dobeck, Law Director
City of Parma

Date: _____



ECONOMIC DEVELOPMENT GRANT AWARD

AGREEMENT

This agreement is made and entered into by and between the City of Parma, Ohio, a municipality with its main offices located at 6611 Ridge Road, Parma, Ohio 44129 (hereinafter referred to as the "City") and The Cleveland Plant & Flower Company, a corporation licensed to do business in the State of Ohio (hereinafter referred to as the "Enterprise") and a project site at 12920 Corporate Drive, Parma, Ohio.

WITNESSETH

Whereas, the City of Parma is desirous of expanding available job opportunities within the City for its residents by encouraging new businesses to locate within the City and those businesses presently located here to expand within the City, and

Whereas, both of the above actions, not only increase the job opportunities but also has the positive benefit of increasing the payroll tax proceeds received by the City, thereby lessening the tax burden on Parma homeowners for operating funds required by the City, and

Whereas, the Council of the City of Parma, by adoption of Ordinance 56-01 on March 21, 2001, authorized an Economic Development Grant Program as a means of providing encouragement to enterprises meeting the program criteria to locate or expand within the City, and

Whereas, The Cleveland Plant & Flower Co. presently located at 2419 East 9th Street Cleveland, Ohio is seeking to relocate, consolidating some of its operations and corporate offices to 12920 Corporate Drive, Parma, Ohio and has submitted an application for a Grant under the Economic Development Grant Award Program, and

Whereas, the Economic Development Review Board has reviewed the Grant application and determined the eligibility of the Project by The Cleveland Plant & Flower Co. and the amount and conditions for Real Property Grant to award.

NOW, THEREFORE in consideration of the mutual covenants hereinafter contained and the benefits to be derived by the parties from the execution hereof, the parties herein agree as follows:

1. The Project

The Enterprise agrees to undertake the Project, as submitted, which is to relocate and consolidate some of their distribution activities and corporate offices from Cleveland, Ohio to 12920 Corporate Drive, Parma, Ohio located in the Parma Commerce Center.) This occupancy would be on a leased basis with PRIMAC, an Ohio partnership, with the leased period being from approximately March 1, 2003 to February 28, 2013

2. Job Creation and Payroll

The Enterprise, as stated in its application for the Economic Development Grant Program, hereby reiterates its expectations of new jobs and total annual payroll which is expected to be generated in each of the following time periods as a result of the Project to be as follows

<u>YEAR</u>	<u>TOTAL NEW</u>		<u>ESTIMATED ANNUAL</u>
	<u>JOBS</u>		
	<u>Full Time</u>	<u>Part Time</u>	
1.	30	10	\$1,443,581.00
2.	31	10	1,479,670.00
3.	31	10	1,516,662.00
4.	32	10	1,554,578.00
5.	32	10	1,593,442.00

2. GRANT AWARD

In consideration of the above and in accordance with the provisions of the Economic Development Program of the City of Parma the Economic Development Review Board hereby awards the following REAL PROPERTY GRANT AWARD to The Cleveland Plant & Flower Co.

a.) Type of Award: REAL PROPERTY GRANT

This Grant Award is associated with the Enterprise's responsibility to pay Real Property taxes, on a pro-rated basis, on the building it occupies at the Project site and the total build-out cost of same, if any. The Grant Award does not take into consideration any of the Real Property taxes for the land associated with the building or property site.

b.) Period of Grant:

Real Property taxes are tabulated in Cuyahoga County for two six month periods (Jan. 1 through June 30 and July 1 through Dec. 31) annually. This Grant award is being made to the Enterprise for twenty (20) consecutive periods of Real Property Taxes. The first period for which this Grant is applicable shall be for the Real Property taxes associated with the period of January 1, 2003 through June 30, 2003 and extend for 19 tax periods thereafter, for a total of 20 periods. (i.e. January 1, 2003 to December 31, 2012).

c.) Amount of Grant:

The specific dollar amount of the Grant for any of the taxing periods, is dependent upon the amount of payroll tax receipts actually received by the Tax Department of the City of Parma from the Enterprise for the employees at the Project site, for the exact same inclusive dates as the specific tax period. The City of Parma hereby agrees to share with the Enterprise 48.4% of the payroll tax dollars so received, up to a maximum of the dollars actually paid by the Enterprise to satisfy its Real Property Tax obligation under provisions of its lease with Blossom Investment Group Inc., excluding that of the land as noted in 3(a) above, for the Project for the specific period.

4. Payment of Taxes and Filing Reports and Returns

The Enterprise shall pay such Real Property taxes that are charged against such property related to this Grant and shall file all tax reports and returns as required by law. If the Enterprise fails to pay such taxes or file such returns and reports, the Grant provided under this Agreement will not be paid for the period(s) involved for which such taxes are charged or such reports or returns are required to be filed and thereafter. Resumption of Grant payments will only take place once the Enterprise has paid all outstanding property taxes and filed the required reports. Grant payments would resume for any periods remaining from the original Grant Award, with any foregone periods recorded as a Grant payment of zero (0) dollars.

If the Enterprise is leasing a building or part of a building for the Project and one of the lease provisions obligates the Enterprise to be responsible for all or a pro-rated share of the Real Property taxes to the property owner, and the Enterprise has not remitted the entire amount of said tax obligation to the owner by the due (reconciliation) date for a given tax period, then the Enterprise will not be given any Grant for that period.

5. Information for The Economic Review Board.

If the Enterprise fails to provide the City of Parma by the date specified, copies of all the documents requested by the City for computation of the Grant Award for a specific period of time, or fails to respond in a timely manner to requests for additional data to resolve any issue relative to submitted data, or to any request by the Economic Grant Review Board to verify compliance with conditions and terms of this Agreement, the Economic Grant Review Board may, at its own discretion withhold or cancel the Grant Award for the specific time period under study.

6. Maintenance of Grant Award

If for any reason the Council of the City of Parma revokes the Economic Development Grant Program, the Grant provided under this Agreement shall continue for the periods specified under this Agreement, unless the Enterprise shall materially fails to fulfill its obligations under this Agreement and the Economic Development Review Board terminates or modifies the Award granted under this Agreement.

7. Certification as to Payment of Taxes

The Enterprise hereby certifies that at the time this Agreement is executed, the Enterprise does not owe any delinquent Real or Tangible Personal

Property taxes to any taxing authority or the State of Ohio, and does not owe delinquent taxes for which the Enterprise is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747, or 5753 of the Ohio Revised Code, or if such delinquent taxes are owed, the Enterprise currently is paying the delinquent taxes pursuant to an undertaking enforceable by the State of Ohio or an agent or instrumentality thereof, has filed a petition in bankruptcy under 11 U.S.C.A. 101, et seq., or such petition has been filed against the Enterprise. For purposes of this certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Revised Code governing payment of those taxes.

The Enterprise further certifies that at the time this Agreement is executed it is not delinquent in any payroll taxes owed to the City of Parma for any of its employees within the City.

8. Non-Discrimination in Hiring

The City of Parma has developed a policy to ensure that recipients of Economic Development Grants practice non-discrimination hiring in its operations. By executing this Agreement, the Enterprise is committing to follow non-discriminating hiring practices, acknowledging that no individual may be denied employment on the basis of race, religion, sex, disability, color, familial status, national origin or ancestry.

9. Corporate Citizenship

The Enterprise has as one of its practices to be a good corporate citizen wherever it is located. In conformance with that practice, the Enterprise agrees to abide by the following provisions:

- A. The Enterprise shall show preference to the residents of the City of Parma when hiring new employees. It shall be the goal of the Enterprise that at least 50 % of the new employees hired during period of this Agreement be residents of the City of Parma.
- B. The Enterprise shall maintain membership in the Parma Area Chamber of Commerce.
- C. Prevailing wages as defined in Ohio Revised Code 4115.03 must be paid to all contractors or sub-contractors of the Project, for which the Enterprise is receiving the Economic Development Grant, when the total cost of the project equals or exceeds \$200,00.00.

10. Termination or Modifications of Grant Award

- A. If the Enterprise fails to cure any breach of any material terms of this Agreement within sixty (60) days of receiving written notice of default from the Economic Development Review Board (if cure of the breach cannot be completed within sixty (60) days but the Enterprise has made a good faith start of the cure, this paragraph shall not apply so long as the Enterprise continues to diligently cure the breach within a reasonable time acceptable to the Economic Development Review Board), the Economic Development Review Board may terminate or modify this Agreement and deny or modify the Grant Award heretofore granted from the date of the Enterprise's breach or default; provided, however, that nothing contained herein shall permit the Economic Development Review Board to recapture or otherwise deny the Enterprise the benefit of any Grant Award paid with respect to any period prior to the date of notice of such termination or modifications by the Economic Development Review Board.
- B. If the Enterprise materially fails to fulfill its obligations under this Agreement, or the Economic Development Review Board determines that the certifications as to delinquent taxes required by this Agreement is fraudulent, the Economic Development Review Board may terminate or modify the Grant Award provided under this Agreement. This remedy shall be in addition to any other lawful remedies available to the City of Parma.
- C. The Economic Development Grant Award is automatically cancelled on the date that the Enterprise closes the facility at the Project site. Even if the grant period extends beyond that date, no further payments will be made from the City of Parma to the Enterprise as part of this Award.
- D. The Enterprise or successor entity shall promptly notify the Economic Development Review Board if any of the following events occur:
1. If control of the Enterprise or substantially all of its assets located at the Project site is obtained by another entity of shareholders, or
 2. If the Enterprise merges with another entity, or

3. If the Enterprise substantially restructures itself through an acquisition or divestiture or otherwise irrespective of whether these events affects the ability of the Enterprise or its successor entity to perform substantially the obligations of the Enterprise under this Agreement and to develop the payroll tax revenues anticipated herein. The notice shall describe the changed conditions and what the Enterprise projects its performance and anticipated payroll tax payments to the City will be for the balance of the Award period.

The Economic Development review Board may, after review of this information, modify the Grant Award or may terminate same.

"Control of the Enterprise" for purposes of this subsection means that persons and/or entities owning a majority of the Enterprise's outstanding voting stock at the date of this Agreement cease to own such or cease to have the unconditional right to elect a majority of the Enterprise's Board of Directors.

4. Notice of termination or modification shall be given by the City to the Enterprise ten (10) days prior to the effective date of said termination or modification.
5. Each provision for modification or termination hereunder shall not effect the City's rights or the Enterprise's obligations or under other provisions of this Agreement.
6. Notwithstanding any other provision of the Agreement, all Grant Award payments shall terminate on the date of cessation of the Enterprise's operations at the Project site.

11. Transfer and Assignment

This Agreement is not transferable or assignable without the express written approval of the Economic Development Review Board. The Economic Development Review Board acknowledges that it would be unreasonable to withhold such consent in the event of a proposed transfer or assignment by the Enterprise to any parent, subsidiary or affiliate of the Enterprise or to any third party as long as with respect to any transfers or assignments, the

proposed transferee or assignee adequately and sufficiently demonstrates to the Economic Development Review Board's reasonable satisfaction, its financial ability and intentions to continue its operations of the facility and Project in a manner similar to that of the Enterprise in all pertinent respects.

12. Hold Harmless

The Enterprise agrees to hold the City of Parma and its Economic Development Review Board harmless from any and all liability, which may arise if this Agreement cannot be affected for reasons outside of the City of Parma's control.

13. Notices, Statements, etc.

Any notices, statements, acknowledgements, consent approvals, certificates or requests required to be given on behalf of either party shall be made in writing addressed as follows:

If to the Economic Development Review Board:

City of Parma
6611 Ridge Road
Parma, Ohio 44129
Attention: Economic Development Review Board

With a copy to:

City of Parma
6611 Ridge Road
Parma, Ohio 44129
Attention: Timothy Dobeck, Law Director

If to the Enterprise:

The Cleveland Plant & Flower Co.
12920 Corporate Drive
Parma, Ohio 44130
Attention: Mr. Kevin M. Priest

Or at such other address as may be noticed.

14. Entire Agreement

This Agreement constitutes the entire understanding between both parties. Any prior understandings, whether written and/or verbal, shall be considered as void and of no legal effect.. This agreement may only be changed and/or modified if the change and/or modification is in a written document which is signed by both parties.

IN WITNESS WHEREOF, the City of Parma, Ohio and the Economic Development Review Board by Gerald M. Boldt, Mayor and Chairperson of the Board and pursuant to Ordinance No. 56-01 has caused this instrument to be executed this 28th day of October, 2002 and The Cleveland Plant & Flower Co. by Kevin Priest its President, has caused this instrument to be executed this 9 day of September 2002.

Witnessed by: **CITY OF PARMA**

[Signature]
[Signature]

By *[Signature]*
Mayor

ECONOMIC DEVELOPMENT REVIEW BOARD

Witnessed by:

[Signature]
[Signature]

By *[Signature]*
Chairperson

Witnessed by:

[Signature]

The Cleveland Plant & Flower Co.

[Signature]

By *[Signature]*
President

Approved as to form:

[Signature]

Timothy Dobeck
Law Director, City of Parma

Date: 10/25/02

IN WITNESS WHEREOF, the City of Parma, Ohio and the Economic Development Review Board by Timothy DeGeeter, Mayor and Chairperson of the Board and pursuant to Ordinance No. 56-01 has caused this instrument to be executed this 31st day of December, 2013 and the Cleveland Plant & Flower Company by KEVIN PRIEST its PRESIDENT, has caused this instrument to be executed this 30 day of December, 2013.

WHEREAS, the City of Parma and the Cleveland Plant & Flower Company hereby agree, under Section 14 ENTIRE AGREEMENT of the Economic Development Grant Award Agreement entered into by both parties on October 28, 2002, to modify Section 2, part (b) Period of Grant, to extend the Agreement terms an additional six (6) Real Estate tax periods beginning with January 1, 2013 and ending December 31, 2015.

Witnessed by: **CITY OF PARMA**

Carroll

By: *TJ DeGeeter*
Mayor

Witnessed by: **ECONOMIC DEVELOPMENT REVIEW BOARD**

Carroll

By: *TJ DeGeeter*
Chairperson

Witnessed by: **CLEVELAND PLANT & FLOWER COMPANY**

Rosalie Alcega

By: *Kevin Priest*
President

Approved as to form

Timothy Dobeck

Timothy Dobeck, Law Director
City of Parma

Date: 12-20-13