

RESOLUTION NO. 17-764

A RESOLUTION AUTHORIZING THE VILLAGE MANAGER TO EXTEND A MEMORANDUM OF UNDERSTANDING TO EXPLORE LOCATING A CRAFT BREWERY, TAPROOM, AND RESTAURANT AT 6860 PLAINFIELD ROAD

WHEREAS: the Village of Silverton has stated its desire to turn over the property located at 6860 Plainfield Road to the private sector for many years, including considering an alternative location for the municipal building in the Village's 2008 Comprehensive Land Use Plan and the purchase of a property at 7219 Montgomery Road to serve as a new city hall; and

WHEREAS: the Village of Silverton has commenced a major, transformative new development to revitalize the area around the former Silverton Paideia School site, and thus can begin to look ahead at future redevelopment projects;

WHEREAS: the Village of Silverton entered into a non-binding memorandum of understanding with Matt Utter, Brian Liscano, and Josh Jansen on June 2, 2017, to explore the feasibility of establishing a craft brewery, restaurant, and taproom at 6860 Plainfield Road. The MOU expired on August 18, 2017; and

WHEREAS: since entering into the MOU, the brewers have incorporated as High Grain Brewing and the Silverton Brewing Company. Moreover, the Silverton Brewing Company entered into a separate MOU with the Silverton Community Improvement Corporation on August 15, 2017, to govern the expenditure of grant funds obtained by the CIC from the Duke Energy Foundation; and

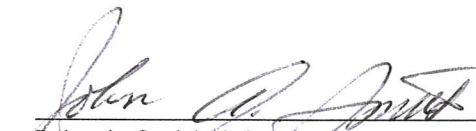
WHEREAS: both the Village Council of the Village of Silverton and the Silverton Brewing Company wish to continue the non-binding but exclusive partnership to establish a craft brewery in the Memorial Municipal Building.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE VILLAGE OF SILVERTON, OHIO, THAT:


SECTION I. The Village Manager is hereby authorized to extend the non-binding memorandum of understanding to explore the location of a brewery at 6860 Plainfield Road, a copy of which is attached hereto and made a part hereof as Exhibit A.

SECTION II. This Resolution shall be in force and effect from the earliest time provided by law.

PASSED this 24th day of August, 2017.


John A. Smith, Mayor


ATTEST:



Thomas M. Carroll, Village Manager

CERTIFICATION:

I, Meredith L. George, Clerk of Council of the Village of Silverton, County of Hamilton, State of Ohio; do hereby certify that there is no newspaper published in said municipality and that publication of the foregoing Resolution No. 17-764 has been duly made by posting true copies in three (3) of the most public places in said municipality, as determined by Council as follows: 1) Parkview Lane at Railroad; 2) Silverton Municipal Building and 3) The Village of Silverton's Website. Said posting was for a period of fifteen days commencing August 28, 2017.

Approved as to form:


Bryan E. Pacheco, Village Solicitor


Meredith L. George
Clerk of Council of Silverton, Ohio

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is entered into by and between THE VILLAGE OF SILVERTON (“SILVERTON”) and the Silverton Brewing Company (the “BREWERS”) for the development of a brewery, restaurant, and taproom (collectively, the “PROJECT”) at the Memorial Municipal Building at 6860 Plainfield Road in Silverton, Ohio.

Whereas, SILVERTON owns the property and building located at 6860 Plainfield (“SITE”) as depicted on Exhibit A at the intersection of Montgomery Road and Plainfield; and

Whereas, SILVERTON and the BREWERS entered into an initial MOU on June 2, 2017 to explore the SITE for the PROJECT and have made continuous progress on the shared goal of establishing a a restaurant, craft brewery, and taproom at the SITE; and

Whereas, the Community Improvement Corporation of Silverton and the Brewers entered into a MOU on August 15th to govern the expenditure of not to exceed \$10,000 of funding provided by the Duke Energy Foundation for the Project; and

Whereas, SILVERTON has a purchased another property to relocate its municipal operations from the SITE to make the SITE available for redevelopment and is nearing completion of renovation plans; and

Whereas, SILVERTON met the BREWERS through an independent third party who is not a real estate agent and who is not owed any commission or finder’s fee. SILVERTON has no prior relationship with the BREWERS and is exploring the PROJECT solely because of its potential economic development potential for the Silverton community; and

Whereas, recognizing that time is of the essence, the parties desire to set forth their preliminary understanding of the respective work to be undertaken by SILVERTON and the BREWERS during the period of preparation and negotiation of a definitive master redevelopment agreement (MDA) for the PROJECT between the parties.

NOW, THEREFORE, THE FOLLOWING POINTS REFLECT THE INTENT OF THE PARTIES AND THE MAJOR NEXT STEPS FOR THE PROJECT PRIOR TO THE EXECUTION OF THE MDA:

1. SILVERTON and the BREWERS agree to negotiate in good faith toward reaching agreement on and executing an MDA for the PROJECT in accordance with this MOU. The goal is of both parties is to finalize the MDA by September 21st, 2017.

2. SILVERTON agrees to negotiate exclusively with the BREWERS with respect to the development of the PROJECT and SILVERTON agrees to entertain no other interest in the SITE during the term of the MOU.
3. The BREWERS agree to negotiate exclusively with SILVERTON with respect to the development of the PROJECT and the BREWERS agree to entertain no other site for the PROJECT during the term of the MOU.
4. BREWERS will conduct/commence certain due diligence activities during the MOU including, but not limited to, the following:
 - a. Solicit input from SILVERTON regarding the PROJECT.
 - b. Develop SITE design concepts, architectural renderings, and other planning documents necessary for the PROJECT.
 - c. Develop detailed proformas for each phase of the PROJECT.
 - d. Conduct financial analyses, business planning, and forecasts regarding the PROJECT.
 - e. Conduct preliminary site engineering, including civil, mechanical, electrical and HVAC, etc. if necessary.
 - f. Develop a preliminary project schedule in concert with SILVERTON's plans for vacancy.
 - g. Share marketing and branding materials with SILVERTON for input.
 - h. Other due diligence activities as determined necessary by the BREWERS.
 - i. Incorporate as a lawful business entity.
 - j. Obtain funding to execute the PROJECT.
 - k. Meet as needed with SILVERTON officials, agents, contractors, or design professionals to discuss and plan the PROJECT.
 - l. Research and initiate procurement of any and all licensing required for the operation of a brewery, taproom, and restaurant.
5. BREWERS shall be solely responsible, at their sole expense, for all of the above due diligence activities, unless otherwise agreed to by SILVERTON or the Community Improvement Corporation of Silverton
6. SILVERTON will undertake the following activities with respect to the PROJECT during the MOU:
 - a. Assist the BREWER with planning, review of the SITE, and the development of details for the PROJECT, including phasing to accommodate the commencement of brewing and distribution operations. Upon reasonable notice, SILVERTON shall provide full access to the SITE during normal business hours or other times mutually agreed to by the parties.

- b. Develop a plan for removing all items from the former fire apparatus bays of the SITE on or before November 1, 2017 to enable the commencement of the PROJECT.
 - c. Develop plans for renovating 6943 Montgomery Road to accommodate the general offices of the Village, including space for the Hamilton County Sheriff District 4 headquarters presently located at SITE.
 - d. Develop a plan and budget for turning over the SITE on or before December 31, 2017 to enable the commencement of the PROJECT.
 - e. Work with BREWERS to develop the preliminary project schedule. Work with the BREWERS to analyze Community Reinvestment Area tax abatements, Small Business Administration, and/or Tax Increment Financing public finance options or incentives.
 - f. Provide copies of all existing site reports, surveys, studies, maintenance reports, etc. regarding the SITE within 30 days of the execution of this MOU.
 - g. Meet as needed with BREWER officials, agents, contractors, or design professionals to discuss and plan the PROJECT.
7. The parties agree that no public statements or press releases related to the PROJECT and SITE shall be made during the period of the MOU, unless agreed to by the parties. It is agreed and understood by the parties that SILVERTON is a municipal corporation governed by the laws of Ohio, and is subject to public records requirements and obligations. Nothing in this clause shall be interpreted as limiting SILVERTON'S legal duty to comply with its public records policy, Ohio's public records laws, Ohio's sunshine laws, or any other applicable disclosure requirements.
 8. SILVERTON and BREWERS agree the term of this MOU shall be from August 24, 2017 until October 6, 2017. Either party may cancel this MOU, for any or no reason, with 30 days written notice to the other party. This MOU may be extended beyond August 18, 2017 only by written agreement of the parties.
 9. This MOU shall not be binding upon either party hereto, and is merely intended to reflect the respective parties' mutual interests in entering into definitive written agreements with respect to the SITE and the PROJECT, which agreements will include the general terms and conditions described above, as the same may be amplified, supplemented, and modified in the course of negotiations between the parties. Neither party shall have any right to rely on this MOU in making any expenditure or other commitments. The general terms and conditions set forth herein may form the basis for the development of a mutually satisfactory MDA and such other documents as may be necessary or desirable to effectuate the

transaction contemplated hereby. The execution of an MDA and any related agreements is conditioned upon the successful negotiation of various open points not yet discussed by the parties or outlined herein.

AGREED AND ACCEPTED:

THE VILLAGE OF SILVERTON

By: _____

Its: Village Manager

Date: August 25, 2017

THE BREWERS:

Josh Jansen

Date: _____, 2017

Matt Utter

Date: _____, 2017

Brian Liscano

Date: _____, 2017