

NON-BINDING MEMORANDUM OF UNDERSTANDING

THIS NON-BINDING MEMORANDUM OF UNDERSTANDING (“MOU”) is made and entered into this _____ day of _____, 2025 (the “Effective Date”) by and between the CITY OF GROVEPORT, OHIO, an Ohio municipal corporation (“City”) and ADDISON GROVEPORT DEVELOPMENT COMPANY, LLC, an Ohio limited liability company (“Developer”). City and Developer are individually referred to as a “Party” and collectively referred to as the “Parties.”

RECITALS

- A. Developer intends to acquire approximately 295.86 acres or land, comprised of Franklin County Tax Parcels 180-000959, 180-000326, 180-001486, 180-000437, 180-000212 and 180-000329 (the “Site”) for a multi-use residential development (the “Development”).
- B. City and Developer intend to cooperate on financing and implementation of the Development and supportive infrastructure improvements, which are described in more detail herein (the “Public Infrastructure Improvements”).
- C. The purpose of this MOU is to set forth the terms and conditions pursuant to which the parties will cooperate with respect to the Development and the Public Infrastructure Improvements, which terms and conditions will be incorporated into a subsequent agreement (the “Economic Development Agreement”) and such other additional documents as the Parties deem necessary to document the matters outlined in this MOU.
- D. This MOU outlines the mutual intentions and commitments of the Parties regarding the Development.
- E. City Council for the City has authorized this MOU by Ordinance No. _____, adopted _____, 2025.

NOW, THEREFORE, in consideration of the mutual promises set forth in this MOU, the Parties agree as follows:

AGREEMENT OF THE PARTIES

- 1. The Development is intended to be comprised of:
 - a. Approximately +/- 182 acres will be used for ~580 single-family homes.
 - b. Approximately +/- 55 acres will be used for ~204 townhomes.
 - c. Approximately +/- 60 acres will be used for multi-family housing and mixed-use structures.
 - d. Phase I of the Development is anticipated to begin by April 2027 and reach substantial completion by December 2029.
 - e. Phase I of the Development will include approximately 112 single-family homes and 48 townhomes, targeted for completion by December 2029.
 - f. Developer anticipates all Certificates of Occupancy will be obtained within 10 years of commencement of construction of Public Infrastructure Improvements.
 - g. Complete build-out includes all single-family lots, townhomes, multi-family housing, and mixed-use structures.
 - h. Complete site build-out is anticipated by December 31, 2035.

2. The Public Infrastructure Improvements will include:
 - a. “On-Site Public Infrastructure Improvements” include roadways, sidewalks, traffic signalization, water mains, sanitary sewer mains, storm sewers, retention basins, bike paths, open space, parks, and public signage.
 - b. “Off-Site Public Infrastructure Improvements” include a new sanitary sewer main extension and a new water main extension.
3. Developer will construct, or cause to be constructed, the Public Infrastructure Improvements in one or more phases in accordance with the Developer’s development plans, as shall be described in more detail in the Economic Development Agreement. The estimated total cost of Public Infrastructure Improvements is approximately \$60,500,000, which includes soft costs. The Parties acknowledge that these costs are estimates and subject to change pending the findings of a traffic impact study, to be paid and provided for by the Developer within 180 days of the execution of this MOU.
 - a. City makes no representation on final costs of Public Infrastructure Improvements.
 - b. The costs of the Public Infrastructure Improvements will include the cost of the right of way for the North-South Connector, as such term is defined in the approved Development Plan and accompanying Development Text for the Development, at a cost of \$20,000 per acre.
 - c. All other rights of way will be donated by the Developer.
4. Subject to Force Majeure and execution of the Economic Development Agreement and such additional agreements, instruments or other documents referred to in the Economic Development Agreement and approved by the Parties as are deemed necessary to document the TIF, CRA and NCA incentives described hereinafter, Developer will use commercially reasonable efforts to commence construction of Public Infrastructure Improvements by December 2026. In connection with the same:
 - a. Developer will partner with selected builders to facilitate Phase I construction.
 - b. Developer will obtain final plat approvals and necessary utility easements at its own cost.
 - c. Developer will provide permanent and temporary easements to the City, subject to reimbursement.
 - d. Developer will pay application, processing, administrative, monitoring, state-imposed, late, and amendment fees.
 - e. Developer will provide necessary easements and pay applicable fees to the City.
5. Developer will, prior to obtaining financing for the Public Infrastructure Improvements, submit to the City a petition to form a New Community Authority (“NCA”) with respect to the Development under Ohio Revised Code Chapter 349.
 - a. City will support the creation of the NCA.
 - b. The NCA will provide for the imposition of a community development charge (“Millage CDC”) of up to 7 mills levied on all property within the Development.
 - c. In addition, the NCA will provide for the imposition of a community development charge (the “Replacement CDC” and, together with the Millage CDC, the “CDC”) up to an amount equal to the real property taxes abated pursuant to the CRA, as described under Section 7 hereof.

6. City will establish tax increment financing (“TIF”) exemptions under ORC Section 5709.40(B) and (C) for the Development.
 - a. TIF exemptions will be 100% for up to 30 years or such earlier date by which costs of Public Infrastructure Improvements are paid.
 - b. TIF exemptions will be “make-whole” with respect to the affected school districts and will exclude Madison Township fire levies or will provide for a “make whole” payment to Madison Township from other sources, including CDCs.
7. City will establish CRA districts for residential and commercial properties.
 - a. Residential CRA abatements on for-sale and for-rent single-family housing will be up to 100% for 15 years.
 - b. Commercial CRA abatements will be up to 100% for 15 years, subject to school board approval for rates above 75%.
8. Costs of Public Infrastructure Improvements will be paid from service payments in lieu of taxes, minimum service payments in lieu of taxes, CDCs, including any Replacement CDC (collectively, the “Pledged Revenues”), and proceeds of bonds secured by such Pledged Revenues.
 - a. Developer is solely responsible for all final and actual costs of Public Infrastructure Improvements.
 - b. Developer may seek financing for the costs of the Public Infrastructure Improvements through a financial institution or through the issuance of bonds (“Bonds”) by a third-party issuer (e.g., the Columbus-Franklin County Finance Authority, the “Finance Authority”).
 - c. In no case will the City be responsible for financing the Public Infrastructure Improvements or to pledge other funds other than the Pledged Revenues to the payment of the Bonds.
 - d. In the case of a Bond issuance, the Parties agree to employ commercially reasonable efforts to structure an arrangement with the Finance Authority or such other issuer as mutually agreed upon by the City and the Developer. The City and Developer agree and acknowledge such commercially reasonable efforts include using good faith efforts by the Parties to select the lowest possible market rate financing for the Bonds that are publicly issued; provided, however, that the all-in true interest cost (“TIC”) for a series of Bonds will be based on market conditions at the time such Bonds are sold.
 - e. If the Developer seeks financing from another source, including a commercial loan, or through Bonds issued by the Finance Authority or other third-party issuer, either or both of which are secured by a subordinate pledge of the Pledged Revenues, then the TIC for such financing will not exceed eight percent (8.00%) without City approval. The Parties further agree that interest shall not accrue on accrued interest owed.

DURATION

The term (“Term”) of this MOU shall commence on the Effective Date and continue until the earlier of December 31, 2025, or the date the Parties execute the Economic Development Agreement and such other documents as the Parties deem reasonably necessary to document the matters outlined by this MOU.

FURTHER ASSURANCE

The Parties agree and acknowledge that they shall execute, acknowledge and deliver such additional documents and take such additional actions as may be required to fulfill the terms and conditions of this MOU and complete the transaction(s) contemplated herein, as expeditiously as practicable.

CONFIDENTIALITY

The terms and conditions of this MOU are strictly confidential and shall not be disclosed to any third party unless disclosure of this MOU shall be required to facilitate the transactions contemplated herein. Notwithstanding the foregoing, the City is a municipal corporation and political subdivision of the State of Ohio, which subjects it to certain public disclosure law requirements. The Parties understand and agree that the terms and conditions of this MOU may be disclosed by the City pursuant to such legal requirements.

NON-BINDING INTENTIONS

This MOU is not intended to be a legally binding contract but rather a statement of mutual intentions regarding the Development and related infrastructure.

AMENDMENTS

This MOU may be amended from time to time prior to its expiration by mutual agreement of the Parties, provided that such amendment be in writing and executed by the Parties. The amendment shall be effective on the date on which the last Party executes said amendment. Any amendment shall supersede and control over conflicting provisions of this MOU, but this MOU shall remain in full force and effect as to all unaffected provisions.

TERMINATION

In the event that either Party determines the terms and conditions of this MOU will not or cannot be carried out, said Party shall immediately inform the other Party of its intent to terminate this MOU by writing delivered to the other Party (the "Notice"). The Parties shall meet and confer within three (3) business days of the Notice and attempt, in good faith, to reach a mutually agreed upon amendment as described hereinabove. If within seven (7) days of said meeting of the Parties an agreement as to an amendment cannot be reached, either Party may terminate this MOU upon written notification to the other Party.

COUNTERPARTS

This MOU may be executed in one or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, taken together, constitute a single instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the City and the Developer have caused this MOU to be executed in their respective names by their duly authorized representatives to be effective as of the Effective Date.

CITY OF GROVEPORT, OHIO

By: _____
Benjamin J. King
City Administrator

Date: _____

Approved as to Form:

By: _____
Kevin C. Shannon
Law Director

**ADDISON GROVEPORT
DEVELOPMENT COMPANY, LLC**

By: _____
Jason A. Friedman
Authorized Signer

Date: _____

[Signature Page to Memorandum of Understanding –
City of Groveport and Addison Groveport Development Company, LLC]