



LEGISLATIVE COVER MEMO

Introduction: October 20, 2025

Agenda Item: **RESOLUTION 2025-72**

AUTHORIZING THE EXECUTION AND DELIVERY OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY AND FHD REAL ESTATE LLC; AND APPROVING RELATED MATERIALS

Submitted by: Karisa Steed, Assistant City Manager

Scope/Description: This resolution authorizes the City Manager to execute a Development Agreement with FHD Real Estate LLC for the construction of a new Lee's restaurant on Commerce Center Drive.

Exhibit: Exhibit A: Development Agreement

Budget Impact: None

Recommendation: Approval

CITY OF FRANKLIN, OHIO
RESOLUTION 2025-72

**AUTHORIZING THE EXECUTION AND DELIVERY OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY AND
FHD REAL ESTATE LLC; AND APPROVING RELATED MATERIALS**

WHEREAS, the City of Franklin, Ohio (the “City”) has encouraged the development of commercial and industrial structures within its boundaries, which development would result in the creation and retention of employment opportunities in the City; and

WHEREAS, FHD REAL ESTATE LLC., (the “Developer”), owns and controls approximately 1.634 ± acres of real property located within the City, as more fully described on Exhibit A (the “Project Site”); and

WHEREAS, the Developer has proposed the construction of a quick service restaurant, to be known as Lee's Famous Recipe Chicken, a new 2,389 sq. ft. restaurant together with necessary appurtenances and related improvements; and

WHEREAS, the City desires to provide a contractual basis for the Developer to add the Project Site into the Franklin New Community Authority as set forth in a development agreement (the “Development Agreement”); and

WHEREAS, the City Council desires to approve the execution of the Development Agreement, substantially in the form attached to this Resolution as Exhibit A, incorporated by reference.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Franklin, Ohio, a majority of members present concurring, that:

Section 1. The Development Agreement between the City and the Developer, substantially in the form attached to this Resolution as Exhibit A, is hereby approved and authorized, with changes or amendments thereto not inconsistent with this Resolution and not substantially adverse to the City, as determined by the City Manager, or his or her designee executing the Development Agreement, and any other documents necessary to implement the Development Agreement, on behalf of the City. The City Manager, or his or her designee, is authorized to implement the Development Agreement on behalf of the City.

Section 2. It is found that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council that resulted in this formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code and the Rules of Council.

Section 3. This Resolution shall become effective immediately upon its passage.

ADOPTED: October 20, 2025

ATTEST: _____
Khristi Dunn, Clerk of Council

APPROVED: _____
Brent Centers, Mayor

CERTIFICATE

I, the undersigned Clerk of Council for the Franklin City Council, do hereby certify that the foregoing is a true and correct copy of a resolution passed by that body on October 20, 2025.

_____ Khristi Dunn, Clerk of Council

DEVELOPMENT AGREEMENT

This Development Agreement (the “Agreement”), is entered into as of October 13, 2025] (the “Effective Date”) by and between, FHD Real Estate LLC, an Ohio limited liability company (together with its successors and permitted assigns, the “Developer”), and the City of Franklin, Warren County, an Ohio municipal corporation duly organized and validly existing under the Constitution and the laws of the State of Ohio and its Charter (the “City”). The City and Developer may be referred to hereinafter individually as a “Party” and collectively as the “Parties”. In furtherance of public purposes, the Parties enter into this Agreement under the circumstances described in the following recitals:

RECITALS:

WHEREAS, the Developer is the property owner of a site within the City on approximately 1.634± acres of real property, as more fully described on attached Exhibit A (the “Project Site”), and the Developer intends to develop and construct thereon an approximately 2,389± sq. ft. quick service restaurant together with necessary appurtenances related thereto as more fully depicted on attached Exhibit B (the “Project”); and

WHEREAS, the Developer has submitted conditional use applications and major site plan applications regarding the Project to the City, and the City Planning Commission has docketed these applications as PC 25-13; and

WHEREAS, the Project Site is located within the City’s “Community Reinvestment Area #4” created by City Resolution 1991-12, passed February 14, 1991, and as amended by City Resolutions 1991-49, passed September 16, 1991, 1994-42, passed May 16, 1994 and 1995-99, passed November 6, 1995 (the “CRA”); and

WHEREAS, the Developer has applied for a tax abatement on the increase of assessed value for the construction of a new commercial or industrial structure, or structures, for fifteen (15) years (the “CRA Exemption”), [in accordance with the CRA as described in the attached Exhibit C (the “CRA Application”)]; and

WHEREAS, the City and the Developer have discussed provisions related to the Developer adding Project Site to the City’s Franklin New Community Authority established by City Ordinance 2023-10, passed April 17, 2023 (the “NCA”); and

WHEREAS, the Declaration of Covenants and Restrictions for the NCA, recorded October 23, 2024, in the records of the Warren County Recorder as document number 2024-023917 (as the same has been amended from time to time, the “Declaration”) describes certain community development charges that may be imposed upon real property within the boundaries of the NCA; and

WHEREAS, the City Council of the City has authorized the execution and delivery of this Agreement pursuant to Resolution [____]; and

WHEREAS, the Parties agree that it is in their mutual interest to enter into this Agreement to provide for (i) the Developer's development of the Project, (ii) the City's implementation of the CRA Exemption, and (iii) the addition of the Project Site to the NCA; and

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the City and the Developer agree as follows:

Section 1. **General Agreement and Term.** For the reasons set forth in the Recitals hereto, which Recitals are incorporated herein by reference as a statement of the public purposes of this Agreement and the intended arrangements between the Parties, the Parties shall cooperate in the manner described herein. This Agreement shall remain effective until such time as the Parties have satisfied all their respective obligations as set forth in this Agreement, unless sooner terminated in accordance with the provisions set forth herein.

Section 2. **Representations and Warranties of the Parties.**

a) City represents and warrants that as of the Effective Date:

(i) It is a municipal corporation duly organized and validly existing under the Constitution and the applicable laws of the State and its Charter.

(ii) It has the power and authority to enter into and perform this Agreement.

(iii) This Agreement has been duly authorized, executed and delivered by the City and constitutes the legal, valid and binding obligation of City enforceable in accordance with its terms.

(iv) Neither the entry into nor the performance of and compliance with this Agreement has resulted or will result in any violation of, or a conflict with or a default under, any judgment, decree, order, contract or agreement by which City is bound or any legal requirement applicable to City.

(v) Resolution [____]- [____], passed by City Council on [____], authorizing the execution and delivery of this Agreement, has been duly passed and is in full force and effect as of the Effective Date.

b) Developer represents and warrants, on behalf of itself only, that as of the Effective Date:

(i) It (A) is a limited liability company duly organized, validly existing and in good standing under the laws in which it was organized and (B) has all requisite power and authority to carry on its business in the State of Ohio as now being conducted and as presently proposed to be conducted.

(ii) This Agreement has been duly authorized, executed and delivered by the Developer and constitutes the legal, valid and binding obligation of the Developer enforceable in accordance with its terms.

(iii) Developer has legal authority to bind the Project Site according to the terms set forth herein.

(iv) Neither the entry into nor the performance of and compliance with this Agreement has resulted or will result in any violation of, or a conflict with or a default under, the organizational documents of the Developer, any judgment, decree, order, contract or agreement by which the Developer is bound, or any legal requirement applicable to the Developer.

Section 3. **Community Reinvestment Area.** Developer and City acknowledge that the Project Site is within the CRA and the Developer is entitled to apply for a 100% tax abatement on the increase of assessed value resulting from the construction of a new commercial or industrial structure, or structures, or the increased assessed valuation of an existing structure after remodeling began, for up to fifteen (15) years. Developer and City acknowledge that the Developer [has/will applied/apply] to the City for a CRA abatement, and the City shall review the application and determine if construction of the Project complies with the terms of the CRA. If the City determines that the Project complies with the terms of the CRA, the City shall grant the tax abatement of real property taxes in accordance with the terms of the CRA.

Section 4. **New Community Authority.** Developer acknowledges that, pursuant to the terms of this Agreement, (a) it is obligated to consent to the inclusion of the Project Site into the NCA in accordance with the processes set forth in Chapter 349 of the Ohio Revised Code; and (b) that the application (the "Application") providing for the expansion of the NCA and related supplemental declarations shall provide for the collection of the following community development charges (the "CDCs") in accordance with Declaration:

(i) a CRA Abatement Replacement Charge equal to one-hundred percent (100%) of the total effective millage of the real property taxes attributable to the increase in assessed valuation of the real property that would have been payable upon such real property but for the CRA Exemption; and

(ii) an Additional Charge equal to five (5) mills; and

(iii) a Sales Charge equal to one percent (1.0%) of the gross receipts of any Sale from the operations on the Project Site.

The Parties agree that the Parties will work cooperatively to submit the Application to the City to add the Project Site to the NCA, and to impose and collect the CDCs, and the board of trustees of the NCA shall ensure that one or more representatives from businesses within the NCA are represented on the board

pursuant to Ohio law. Capitalized terms used in this Section 4 and not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the Declaration.

Section 5. **Assignment.** This Agreement shall be binding on the parties hereto and their respective successors and assigns. The Parties acknowledge that substantial time and effort have been invested in the negotiation of this Agreement, and the City has entered into this Agreement with an understanding of the unique capabilities of the Developer, and, therefore, any assignment of this Agreement by the Developer to parties other than its affiliates shall be subject to the prior written consent of the City, which consent shall be granted in the City's sole discretion and may only be made to a person or entity financially capable of completing the Project. Any such assignment shall expressly provide that the assignee shall comply with all the terms and requirements of this Agreement and receive all of the benefits of this Agreement.

Section 6. **Cancellation or Termination for Convenience.** This Agreement may be cancelled or otherwise terminated by mutual written agreement of the Parties or pursuant to the terms of this Agreement as to conflict in law, impracticality, and/or acts of God. Furthermore, in the event Developer does not acquire any material portion of the Project Site, this Agreement shall terminate, after which neither party shall have any further obligations hereunder except for those responsibilities which are expressly stated to survive.

Section 7. **Default; Remedies.**

a) **Default.** The failure of either party (the "Defaulting Party") to perform or observe any obligation, duty, or responsibility under this Agreement, and failure by Defaulting Party to correct such failure within thirty (30) days after the Defaulting Party's receipt of written notice thereof from the non-Defaulting Party; provided, however, that if the nature of the default is such that it cannot reasonably be cured within thirty days, the Defaulting Party shall not be in default so long as Defaulting Party commences to cure the default within such thirty (30) day period and thereafter diligently completes such cure within ninety (90) days after Defaulting Party's receipt of the non-Defaulting Party's initial notice of default.

b) **Remedies.** Upon the occurrence of an event of default, the non-Defaulting Party, at its option, may, but shall not be obligated to, enforce, or avail itself of, any remedies available at law or in equity. The failure of either party to insist upon the strict performance of any covenant or duty, or to pursue any remedy, under this Agreement shall not constitute a waiver of the breach of such covenant or of such remedy.

Section 8. **Counterparts.** This Agreement may be executed in counterpart, and in several counterparts, each of which shall be regarded as an

original and all of which shall constitute but one and the same Agreement. Delivery of an executed counterpart of the signature page to this Assignment by facsimile or other electronic means (including .pdf format) shall be effective as delivery of a manually executed counterpart of this Assignment.

Section 9. **Governing Law; Venue.** This Agreement shall be governed exclusively by and construed in accordance with the laws of the State of Ohio (the “State”), without regard to its conflict of law provisions that would cause the application of the laws of another jurisdiction. Each party hereto (i) irrevocably consents to the exclusive jurisdiction of any state court located within Warren County, Ohio, in connection with any matter based upon or arising out of this Agreement, (ii) agrees that process may be served upon them in any manner authorized by the laws of the State and (iii) waives and covenants not to assert or plead any objection which they might otherwise have under such jurisdiction or such process.

Section 10. **Language.** The language in all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning and not strictly for or against the City or the Developer. Section headings in this Agreement are for convenience only and are not to be construed as a part of this Agreement or in any way defining, limiting, or amplifying the provisions hereof.

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IN WITNESS WHEREOF, the City and the Developer each has caused this Agreement to be executed by its respective duly authorized officer, as of the day and year first above written.

CITY OF FRANKLIN, OHIO

By: _____
Jonathan Westendorf
City Manager

FHD Real Estate LLC
As "Developer"

By: Ken Riddle
Name: Ken Riddle
Title: member

[Signature Page to Agreement]

FISCAL OFFICER'S CERTIFICATE

The undersigned, Finance Director of the City of Franklin, Warren County, Ohio, hereby certifies that the moneys required to meet the obligations, if any, of the City during the year 2025 under the foregoing Agreement have been lawfully appropriated by the City Council of the City for such purpose and are in the treasury of the City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Jenna Trice
Finance Director
City of Franklin, Ohio

Dated: _____, 2025

[Certificate of Fiscal Officer to Agreement]

EXHIBIT A

Project Site

The Project Site is the real property located in the City of Franklin, County of Warren, consisting of tax year 2025 parcel number 0426426034 (including any subsequent combinations and/or subdivisions of the current parcel number) and depicted on the below map:

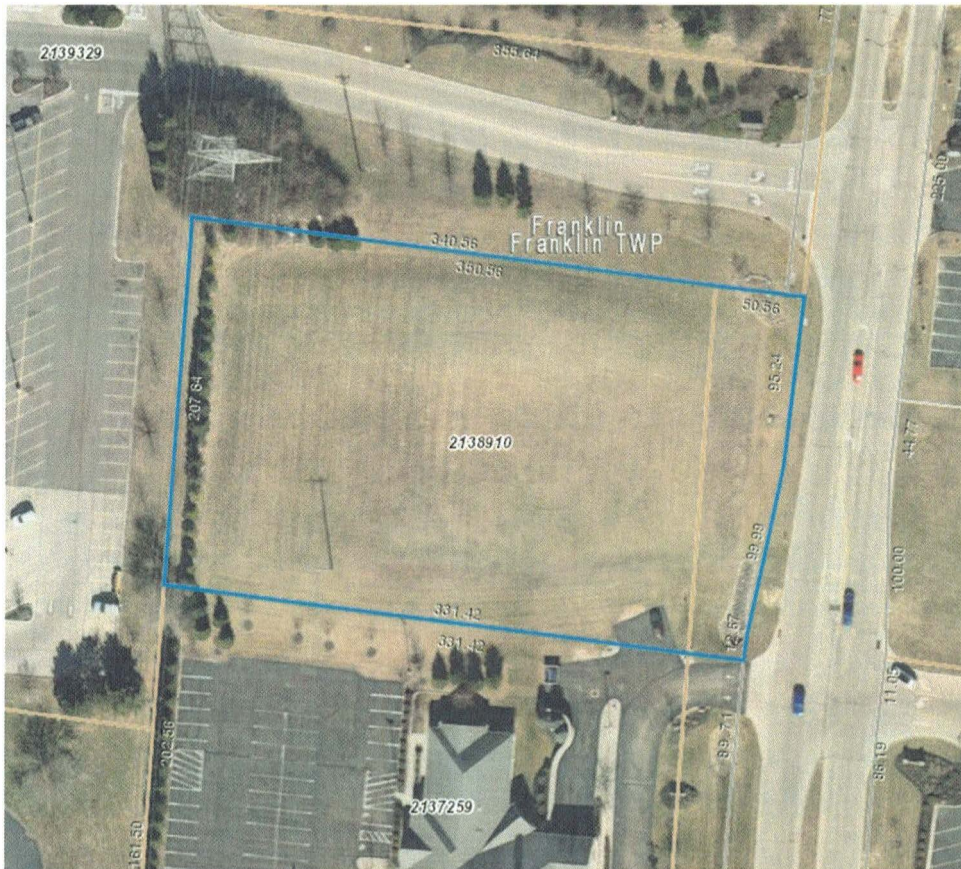


EXHIBIT B

Project Depiction

[TO BE INSERTED]

EXHIBIT C

CRA Application

[TO BE INSERTED]