

**GROVE CITY, OHIO COUNCIL
LEGISLATIVE AGENDA**

December 08, 2014

6:00 – Special Meeting

Presentations:

FINANCE: Mr. Bennett

Resolution CR-64-14 Supporting the Memorandum of Understanding with Pizzuti Companies.

Ordinance

Make Appropriations for Current Expenses and Other Expenditures for which the City of Grove City must provide during the Twelve Months ending December 31, 2015.

REVIEW

Date: 10/28/14
Introduced By: Mr. Bennett
Committee: Finance
Originated By: Mayor Stage
Approved: _____
Emergency: 30 Days: _____
Current Expense: _____

*Postponed
to 11-17-14
12-08-14*

No.: CR-64-14
1st Reading: 11/03/14
Public Notice: _____
2nd Reading: _____
Passed: _____ Rejected: _____
Codified: _____ Code No: _____
Passage Publication: _____

RESOLUTION CR-64-14

A RESOLUTION SUPPORTING THE MEMORANDUM OF UNDERSTANDING WITH THE PIZZUTI COMPANIES

WHEREAS, in 2011, the City chose the Pizzuti as the "Developer of Choice" for redevelopment of the Town Center and the continued improvement, revitalization and development of the Town Center is a priority for the City; and

WHEREAS, on November 19, 2012 Pizzuti presented a concept plan to City Council that included the relocation of the library, redevelopment of the current library site, relocation of City Hall, redevelopment of the current City Hall site, the addition of a park on the former lumberyard site and a new residential development; and

WHEREAS, on August 26, 2013 Pizzuti presented a revised concept plan to City Council that included relocation of City Hall, redevelopment of the current City Hall building and site, the addition of green space in and around the present City Hall site and a new residential development; and

WHEREAS, on September 3, 2013 Council enacted Resolution CR-42-13 which endorsed the Pizzuti Project; and

WHEREAS, the Pizzuti Project will result in an approximately Nineteen Million Dollar (\$19,000,000) total investment on the former lumberyard site and surrounding area; and

WHEREAS, the anticipated TIF proceeds from the Pizzuti Project will be used to benefit the Town Center including the new library project.

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

SECTION 1. This Council hereby supports the Memorandum of Understanding and the general financial terms outlined in the Memorandum Of Understanding for the relocation of City Hall, redevelopment of the current City Hall building and site, the addition of green space in and around the present City Hall site and a new residential development previously supported in Resolution CR-42-13.

SECTION 2. This resolution shall take effect at the earliest opportunity allowed by law.

Ted A. Berry, President of Council

Passed:

Richard L. Stage, Mayor

Effective:

Attest:

Tami K. Kelly, MMC, Clerk of Council

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF GROVE CITY AND THE PIZZUTI COMPANIES**

This Memorandum of Understanding (this "Memorandum") is entered into and effective as of this ____ day of November, 2014 by and between the City of Grove City, 4035 Broadway, Grove City, Ohio 43123 ("City"), and The Pizzuti Companies ("Pizzuti"), Two Miranova Place, Suite 220, Columbus, Ohio 43215 (hereinafter individually referred to as a "Party" and collectively referred to as the "Parties"). This Memorandum is intended to document the Parties' intentions with regard to the redevelopment of the current City Hall/former Lumberyard site and related public improvements.

RECITALS

WHEREAS, the Grove City Town Center is extremely important to the success of our community and the City wants to maintain the Town Center as part of the quality of life for the residents of the City; and

WHEREAS, the continued improvement, revitalization and development of the Town Center is a priority; and

WHEREAS, the City proactively commissioned studies from developers to assist in developing plans and strategies for redevelopment of the Town Center; and

WHEREAS, in 2011, the City chose the Pizzuti as the "Developer of Choice" for redevelopment of the Town Center; and

WHEREAS, on November 19, 2012 Pizzuti presented a concept plan to City Council that included the relocation of the library, redevelopment of the current library site, relocation of City Hall, redevelopment of the current City Hall site, the addition of a park on the former lumberyard site and a new residential development; and

WHEREAS, on August 26, 2013 Pizzuti presented a revised concept plan to City Council that included relocation of City Hall, redevelopment of the current City Hall building and site, the addition of green space in and around the present City Hall site and a new residential development; and

WHEREAS, on September 3, 2013 Council enacted Resolution CR-42-13 which endorsed the revised concept plan presented by Pizzuti on August 26, 2013; and

WHEREAS, the City and the Southwest Public Libraries have entered into an Agreement for the relocation of the library (with Pizzuti serving as the Owners Representative for the City); and

WHEREAS, Pizzuti wishes to move forward with the redevelopment of the current City Hall/former Lumberyard site and related public improvements.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the Parties agree as follows:

I. General Provisions

A. Non-Binding Agreement.

THIS MEMORANDUM IS NOT INTENDED TO AND SHALL NOT BE DEEMED TO BE A BINDING CONTRACT OR AN OFFER TO ENTER INTO A CONTRACT, AND WILL NOT CREATE ANY RIGHT OR OBLIGATIONS BASED ON ANY LEGAL OR EQUITABLE THEORY INCLUDING THE RIGHT TO CONTINUE ANY NEGOTIATIONS; IT BEING UNDERSTOOD THAT THE PROPOSED TERMS SET FORTH HEREIN ARE ALSO NON-BINDING AND SUBJECT TO CHANGE.

B. Purpose. The purpose of this Memorandum is to outline the basic terms and conditions for several projects, both public and private, in the Town Center area.

C. Scope. The overall scope of this project includes the following (collectively referred to as the “Project”):

1. Development of a 120-unit multi-family project (Private Improvement);
2. Renovation of the existing City Hall with a first floor conversion to commercial retail use (Public Improvement) (Note: Following conclusion of Project, the City will retain ownership of City Hall);
3. Construction of a walkway to the Library from the current City Hall location (Public Improvement);
4. Construction of a new plaza within the Town Center (Public Improvement);
5. Construction of the Park St. parking lot (Public Improvement);
6. Relocation of Veteran’s Memorial monument (Public Improvement); and
7. Potential acquisition and demolition of needed properties (Public Improvement).

Following conclusion of the Project, the City shall retain ownership of all of the Public Improvements. The City retains oversight responsibility for the construction of all of the Public and Private Improvements.

D. Relation to Other Projects. As set forth in the Recitals, Pizzuti is currently serving as the City’s Owners Representative on the relocation of the library. The Parties agree that this Project is completely independent of the relocation of the Library so long as the library is relocated onto the property on Broadway previously agreed to by the City and the Southwest Public Libraries. Pizzuti specifically acknowledges that the current study of the Columbus Street extension has absolutely no bearing or impact on the Project or the feasibility of the Project as set forth herein. The acknowledgements set forth in this Section are not subject to Section (I)(A) and are binding on the Parties.

II. Pizzuti Responsibilities. Pizzuti shall be responsible for the following:

- A. Developing the underwriting models for the City Hall renovation and 120-unit multi-family development.
- B. Funding the Private Improvement (this does not include any TIF proceeds that may be used to fund the Private Improvement).
- C. Mobilizing and coordinating public and private capital investment into the Project through all available equity and debt sources.

- D. Directing and coordinating the appropriate consultants on the design of the Project.
- E. Complete the design and construction of the Private Improvement, subject to approval by the City.
- F. Providing guaranty(s) required by the construction lender.
- G. Following completion of the Project, providing all leasing and property management duties for City Hall after its conversion to a commercial building. Such responsibilities shall include the collection and distribution of rent payments due to the City for commercial space in the redeveloped City Hall.
- H. At the sole discretion of the City and upon terms and conditions agreed to by the Parties, Pizzuti may serve as the City's Owners Representative on:
 - 1. The Public Improvements listed herein (excluding those already contemplated to be covered by Grove City's 2014-2015 capital improvement funds); and/or
 - 2. The design, construction and renovations of City Hall.

III. City Responsibilities

- A. Funding the Public Improvements.
- B. Subject to the approval of City Council, establishing a Tax Increment Financing (TIF) District on the former Lumberyard Site.
- C. Subject to the approval of City Council, execute all necessary agreements and documents required to advance the project including, but not limited to, the designation of the TIF project area and the TIF Agreement.
- D. Subject to the approval of City Council, assist in obtaining any lot splits and/or the vacation of the alleyway on the former Lumberyard Site.
- E. Following completion of the Project, provide space in the re-developed City Hall for a leasing office and other supportive requirements for the multi-family project.

IV. Anticipated Costs/Funding.

- A. As part of this Project, Pizzuti acknowledges and agrees that it will **NOT** request a real estate tax abatement on the Private Improvement. The Private Improvement shall be eligible for TIF funding.
- B. The estimated costs are as follows:
 - 1. Development of a 120-unit multi-family project (Private Improvement) – \$16,493,000. (\$12,093,000 from Pizzuti and \$4,400,000 of TIF proceeds.)
 - 2. Renovation of the existing City Hall with a first floor conversion to commercial retail use (Public Improvement) - \$930,000 (from TIF proceeds).

3. Construction of a walkway to the Library from the current City Hall location (Public Improvement) - \$220,000.
4. Construction of a new plaza within the Town Center (Public Improvement) - \$265,000.
5. Construction of the Park St. parking lot (Public Improvement) - \$329,000.
6. Relocation of Veteran's Memorial monument (Public Improvement) - \$25,000.
7. Potential acquisition and demolition of needed properties (Public Improvement) - \$790,000.

C.	Total Estimated Cost of Project:	Pizzuti:	\$12,093,000
		TIF Proceeds:	\$5,330,000
		<u>City:</u>	<u>\$1,629,000</u>
		Total:	\$19,052,000

Note: The City costs do not include an offset for any future revenue from the leasing of the redeveloped City Hall site.

City of Grove City

The Pizzuti Companies

 Charles W. Boso, Jr.
 City Administrator

 William J. Brennan
 Executive Vice President

Date: _____

Date: _____

Approved as to Form:

 Law Director, City of Grove City