

ORDINANCE NO. 34-26

**AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO
AN AGREEMENT TO DEVELOP PROPERTY WITH R-7 MOTORS, INC.
AND DECLARING AN EMERGENCY**

WHEREAS, R7 Motors, Inc. is the owner or authorized representative (hereinafter referred to simply as "Owner") of property located at the southeast corner of Jaycox Road and Chester Road within the City of Avon, Lorain County, Ohio, Permanent Parcel Nos. 0400021000255, 0400021000266, and 040002100026; and

WHEREAS, Owner desires to develop this commercially zoned property by constructing a luxury auto dealership together with surrounding first-class commercial uses (the "Development") thereby improving the value and usage of presently underutilized property through controlled development that achieves a balance between the creation of usable lots and ensuring convenient and safe streets consistent with Avon's land use and development policies; and

WHEREAS, the City has determined that legitimate public interests will be served by the proposed Development in that the Owner intends to dedicate over an acre of land along the southside of exiting Chester Road to be used by the city to expand the current right of way to five (5) lanes in the future. In addition, Owner intends to grant to Columbia Gas of Ohio a 20ft. easement adjacent to this new right of way to facilitate the relocation of their high-pressure gas line; and

WHEREAS, taking all this into consideration, the Administration requests that Council authorize it to enter into this Agreement to Develop Property with said Owner to facilitate the future widening of Chester Road at the lowest possible cost; and

WHEREAS, Council, having considered, among other things, the exchange of land and the quality of the development, finds it to be in the best interests of the health, safety and welfare of the citizens of Avon to authorize the Mayor to enter into said Agreement with R-7 Motors, Inc. as set forth herein.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVON, LORAIN COUNTY, OHIO:

Section 1 - That the proposed Agreement to Develop Property between the City of Avon and R7 Motors, Inc., is reasonable and in the best interests of the city and hereby authorizes the Mayor to enter into said Agreement in substantially the form as attached hereto as Exhibit A and incorporated herein by this reference.

Section 2 – That it is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal actions were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 3 - That this Ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health, safety, and welfare of the citizens of the City of Avon, the immediate emergency being the necessity to authorize the Mayor to enter into an Agreement to Develop Property with R7 Motors, Inc. to facilitate the development of the property at the southeast corner of Jaycox Road and Chester Road, the acquisition of additional right of way along Chester Road and an easement for Columbia Gas to relocate its gas line in as timely a manner as possible; therefore this Ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor.

PASSED: April 27, 2026

DATE SIGNED: April 27, 2026

By: Brian Fischer
Brian Fischer, Council President

DATE APPROVED BY THE MAYOR May 21, 2026

[Signature]
Bryan K. Jensen, Mayor

APPROVED AS TO FORM:

John A. Gasior
John A. Gasior, Law Director

ATTEST:

Barbara J. Brooks
Barbara Brooks, Clerk of Council

POSTED: May 22, 2026
Electronically and at City Hall as
Provided by Council

Prepared by:
John A. Gasior, Esq.
Law Director

I, Barbara J. Brooks, Clerk of the Council of the City of Avon, Ohio, hereby certify this document to be a true and exact copy of Ordinance No. 34-26, passed by the Council of said City on April 27, 2026.

IN WITNESS WHEREOF, I have on this 26th day of May 2026, affixed my signature and official seal.

Barbara J. Brooks
Barbara J. Brooks, Clerk of the Council
of the City of Avon, Ohio

AGREEMENT TO DEVELOP PROPERTY

This **AGREEMENT TO DEVELOP PROPERTY** (the "Agreement") is made and entered into this 21st day of May, 2026, by and between AVON, OHIO an Ohio Municipal Corporation, having a mailing address of 36080 Chester Road, Avon, Ohio 44011 (the "City") and R7 MOTORS, INC., an Ohio Corporation, having a mailing address of 28880 Lorain Road, North Olmsted, Ohio 44070 ("Developer").

RECITALS:

WHEREAS, Developer is the owner or authorized representative of property located at the southeast corner of Jaycox Road and Chester Road within the City of Avon, Lorain County, Ohio, as more specifically set forth in the legal description or depiction attached hereto as Exhibit "A" and incorporated herein by reference; and known as Permanent Parcel Nos. 0400021000255, 0400021000266, and 0400021000261 (the "Developer Property"), which Developer desires to develop as a luxury auto dealership and surrounding first-class commercial development(the "Development"); and

WHEREAS, the City has determined that legitimate public interests will be served in the proposed Development, as further conditioned by this Agreement, by improving the value and usage of presently underutilized property, and through controlled development that achieves a balance between the creation of usable lots and ensuring convenient and safe streets consistent with Avon land use and development policies; and

WHEREAS, the parties desire to enter into this Agreement in order to set forth the respective rights, agreements and obligations of the parties as more fully provided herein.

WITNESSETH:

For and in consideration of the covenants herein contained, and upon the terms and conditions herein set forth, the City and Developer hereby agree as follows:

1. **Zoning.** The parties acknowledge and agree that the Developer Property is currently zoned C-4/O-2 General Business-Planned Office District and that the proposed auto dealerships are permitted uses under such zoning classifications.
2. **Construction of Improvements.** Developer shall construct and install the Development, and if done in phases, any phase thereof, in a good and workmanlike manner, according to all applicable City codes and specifications and in substantial conformance with the Site Plan (as defined below). All required applications shall be submitted and fees paid in

accordance with applicable laws, rules, regulations, codes and ordinances, in effect at that time. All permits necessary for the Development shall be issued by the City as soon as practicable after submittal and in the usual course of business.

3. Development Terms, Conditions, and Deed Restrictions.

- a. The Development shall conform to all development regulations set forth in the City of Avon Codified Ordinances.
- b. The Development shall be comprised of six (6) sub-parcels as shown on the site plan attached hereto as Exhibit "B" (the "Site Plan").
- c. The parties agree and acknowledge that Chester Road is an arterial street as defined in ACO §1246.04(e)(1). As such, its right of way width and pavement width must comply with §§1246.04(a)(12) and (a)(13), respectively. The City anticipates widening Chester Road to five (5) lanes in the future. Such widening shall include, but not be limited to, all related improvements required within the Chester Road right of way (the "Chester Road Widening") following construction of improvements installed by the Developer per the Developer's Agreement (See, Ord. No. 34-26). Simultaneously with [final approval of the final development plan for the development of luxury auto dealerships on the Developer Property, including but not limited to, site plan and lot split approvals], Developer shall convey a variable width of frontage on Chester Road for public right of way and grant an easement to Columbia Gas of Ohio, Inc. for the relocation of a high-pressure gas line, each at no cost, as shown on the Site Plan. In addition, City hereby agrees that with respect to setback variances, all parking setback requirements along the public right of way shall be modified to require only a 15-foot setback from the modified right-of-way line as shown on the Site Plan, provided that Developer shall be responsible for separately seeking any approvals needed from utility providers to permit Developer to construct within any then-existing utility easements. If the City elects to assess any portion of the costs of the Chester Road Widening to the Developer Property, any such assessment shall (i) be limited solely to a portion of the cost of the improvements (including the total cost of storm sewer and sidewalk adjacent to Developer's Chester Road frontage and soft costs of preparing assessment documents) allocable to the Developer Property determined in accordance with the methodology set forth on Exhibit "C", attached hereto and made a part hereof (which is included for illustration purposes only and not as a representation as to the actual cost of the improvements), and (ii) shall be assessed only against the parcels indicated on the site plan as Sublot 3, Block A and Block C with no portion of the cost of the Chester Road Widening assessed against the parcels indicated on the site plan as Sublot 1, Sublot 2 and/or Block B. Provided that the assessment is assessed as set forth in this Section 3(c), Owner agrees to waive their right to contest the assessment under Ohio Revised Code Chapter 727.
- d. The City shall approve and install, at the City's sole cost and expense, (i) a temporary traffic signal shown as "Proposed Traffic Signal" on the Site Plan, and

(ii) a turning lane serving the Developer Property as shown on the Site Plan. City covenants and agrees to complete the City Improvements as soon as possible. In addition, (iii) the City shall cause to be relocated the high pressure gas line within the gas line easement granted above, (iii) and (iv) perform all repair work to the culvert (Heider Ditch) needed to service the Developer Property (collectively, the "City Improvements"). City covenants and agrees to complete the City Improvements as soon as practicable upon completion of the gas line installation.

- e. Without limiting Developer's rights to parcel-specific signage and/or building signage associated with specific buildings within the Development, the City hereby approves Developer's construction of the following: (i) a Porsche sign and a Mercedes sign, each 25 feet in height; (ii) a Chester Rd. multi-tenant sign and a Jaycox Rd. multi-tenant sign each being 15 feet in height and 6 feet in width; and (iii) subject to any governmental approvals required from parties other than the City and to reasonable regulations agreed upon by Developer and City with respect to programmed speed of display and similar matters, a 350 square foot digital sign mounted on a solid base (no pole) fronting on Interstate 90 in the approximate location set forth on Exhibit "D", attached hereto and made a part hereof.

- 4. **This Agreement shall run with the land.** Upon completion of this Agreement and acceptance thereof by the City and all other obligations of Developer hereunder or in the event of termination of this Agreement, the parties agree to execute, in recordable form if requested by either party, a statement confirming termination of this Agreement.
- 5. **Default.** In the event that Developer fails to comply in any material respect with any term, condition and/or deed restriction contained herein, the City may declare a default and terminate this Agreement.
- 6. **Entire Agreement.** This Agreement and the exhibits attached hereto, set forth the complete understanding and agreement of the parties with respect to the Development. No oral statements, representations or agreements other than this Agreement shall have any force or effect and the City and Developer agree that they will not rely on any representations or agreements other than those contained in this Agreement.
- 7. **Miscellaneous.**

a. City Council. This Agreement and all terms and provisions hereof are subject to and conditioned upon the approval of the Avon City Council.

b. Severability. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had not been contained herein.

c. Estoppel Certificate. Each party agrees that within thirty (30) days after receipt of written request from the other party, it will issue to such party, or its prospective mortgagee or successor, an estoppel certificate stating to the best of such party's knowledge that as of such date:

- i) whether it knows of any default under this Agreement by the requesting party, and if there are any known defaults, specifying the nature thereof;
- ii) whether this Agreement has been assigned, modified or amended in any way by it and if so, then stating the nature thereof;
- iii) whether this Agreement is in full force and effect; and
- iv) any other reasonable matters relating to this Agreement.

d. Waiver. The failure of either party to insist, in any one or more instances, upon a strict performance of any of the terms and conditions of this Agreement, or to exercise or fail to exercise any option or right contained herein, shall not be construed as a waiver or a relinquishment for the future of such right or option, but same shall continue and remain in full force and effect. The continued performance by either party of this Agreement with knowledge of the breach of any term or condition hereof shall not be deemed a waiver of such breach, and no waiver by either party of any provision hereof, shall be deemed to have been made, or operate as estoppel, unless expressed in writing and signed by such party.

e. This Agreement shall be legally enforceable by the City and both parties to this Agreement consent to its enforceability. This Agreement shall also be binding on the future fee simple owners, tenants, commercial property owners, and subdivision owners.

f. Notices. All notices herein authorized or required to be given to the Developer shall be sent by certified mail, registered mail or overnight express, postage prepaid to:

City of Avon, Ohio
36080 Chester Road
Avon, Ohio 44011
Attn: Mayor

with a copy to:
John A. Gasior
Law Director, City of Avon
36080 Chester Road
Avon, Ohio 44011

or such other address as the City may from time to time designate in accordance with this paragraph. All notices herein authorized or required to be given to Developer shall be sent by certified mail, registered mail or overnight express, postage prepaid, to:

R7 Motors, Inc.
28880 Lorain Road
North Olmsted, Ohio 44070

with a copy to:

Walter | Haverfield LLP
Attn: Joshua E. Hurtuk, Esq.
1500 W. 3rd Street, Suite 300
Cleveland, Ohio 44113

g. Further Assurances. Either party, upon the request of the other party, shall execute and deliver such further documents or instruments as may be reasonable and appropriate to carry out the terms and conditions of this Agreement, provided that such further documents and instruments are consistent with the terms and conditions of this Agreement.

h. Survival. All agreements, representations, warranties and indemnifications hereof shall be considered to have been relied upon and shall survive the execution and delivery of this Agreement and any conveyance which is the subject of this Agreement.

i. Assignment. No party may assign this Agreement or any of its rights, interests, or obligations hereunder. For the purposes of this Agreement, any change in ownership of Developer by merger, consolidation, sale of assets, or other means of transferring ownership and/or control of Developer and its business shall be deemed an assignment. Notwithstanding the foregoing, Developer shall be permitted to assign this agreement, in whole or in part, to a purchaser of all or any portion of the Developer Property with respect to the portion of the Developer Property so purchased so long as such purchaser agrees to be bound by the terms of this Agreement as they relate to the purchased portion of the Developer Property.

j. Headings. The headings in this Agreement are for the purposes of reference only and shall not affect or define the meanings hereof.

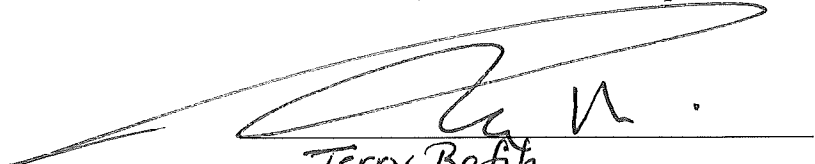
k. Exhibits. The Exhibits attached hereto are made a part of this Agreement.

l. Applicable Law and Binding Effect. This Agreement shall be construed and interpreted in accordance with the laws of the State of Ohio. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

m. Counterparts. This Agreement may be signed in multiple identical counterparts with the same effect as if the signatures thereof and hereto were upon the same instrument. EXECUTED on the date first written above.

DEVELOPER:

R7 MOTORS, INC., an Ohio corporation


Terry Rafih
Its: Chairman & CEO

CITY:

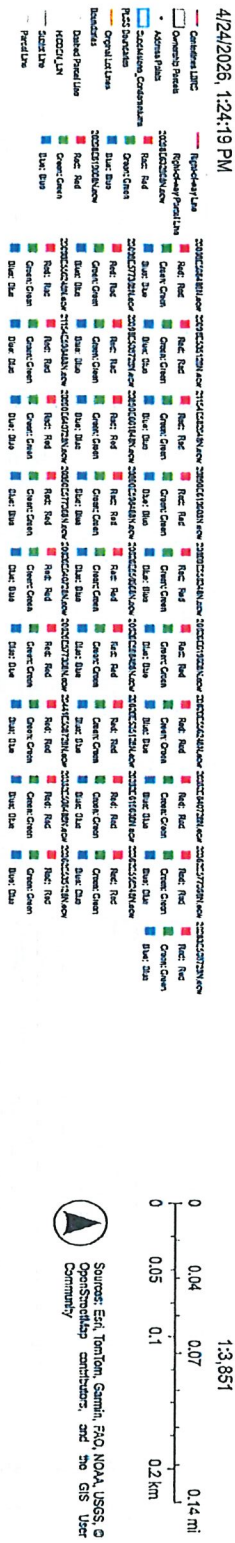
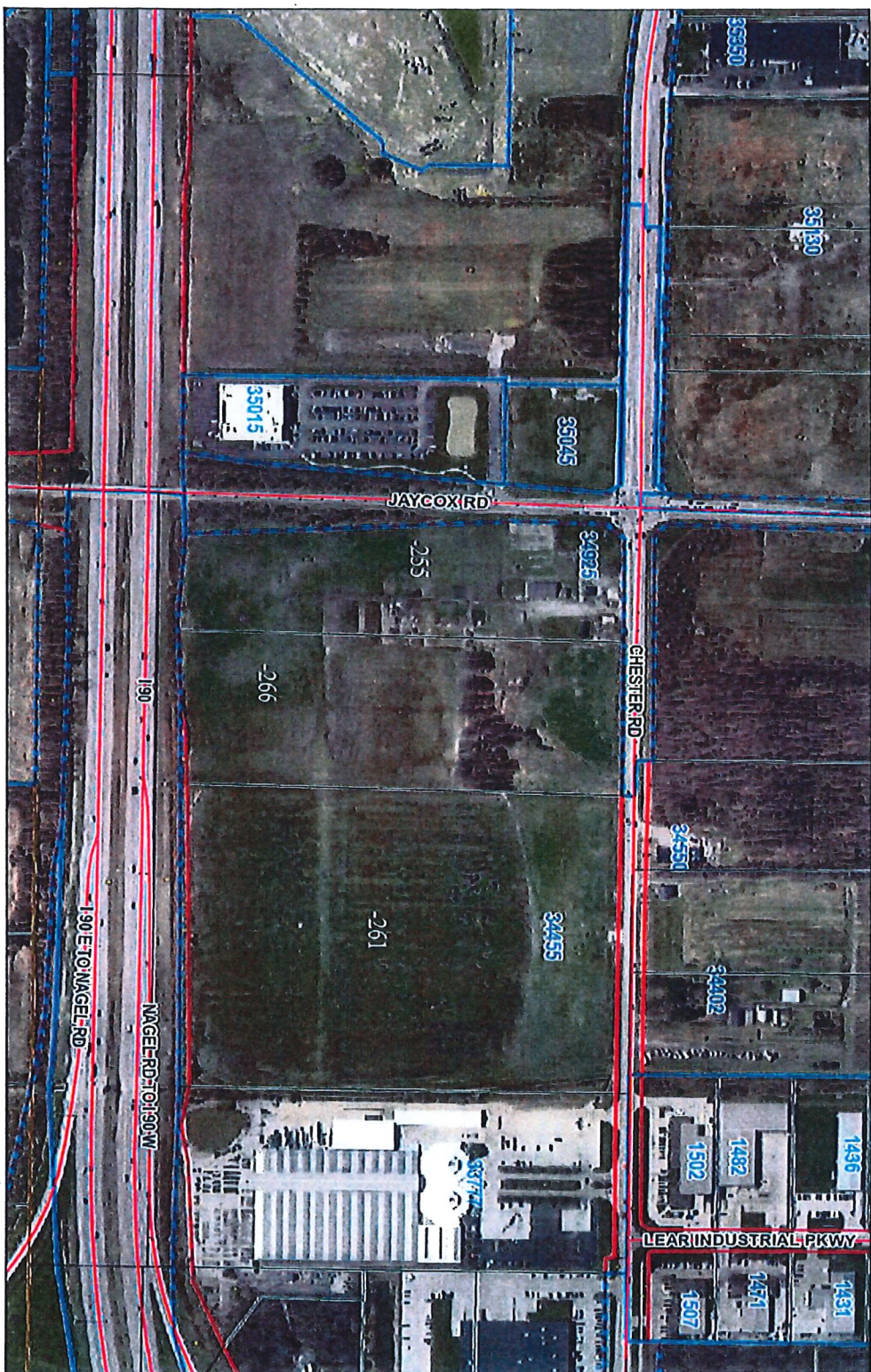
CITY OF AVON, an Ohio municipal corporation

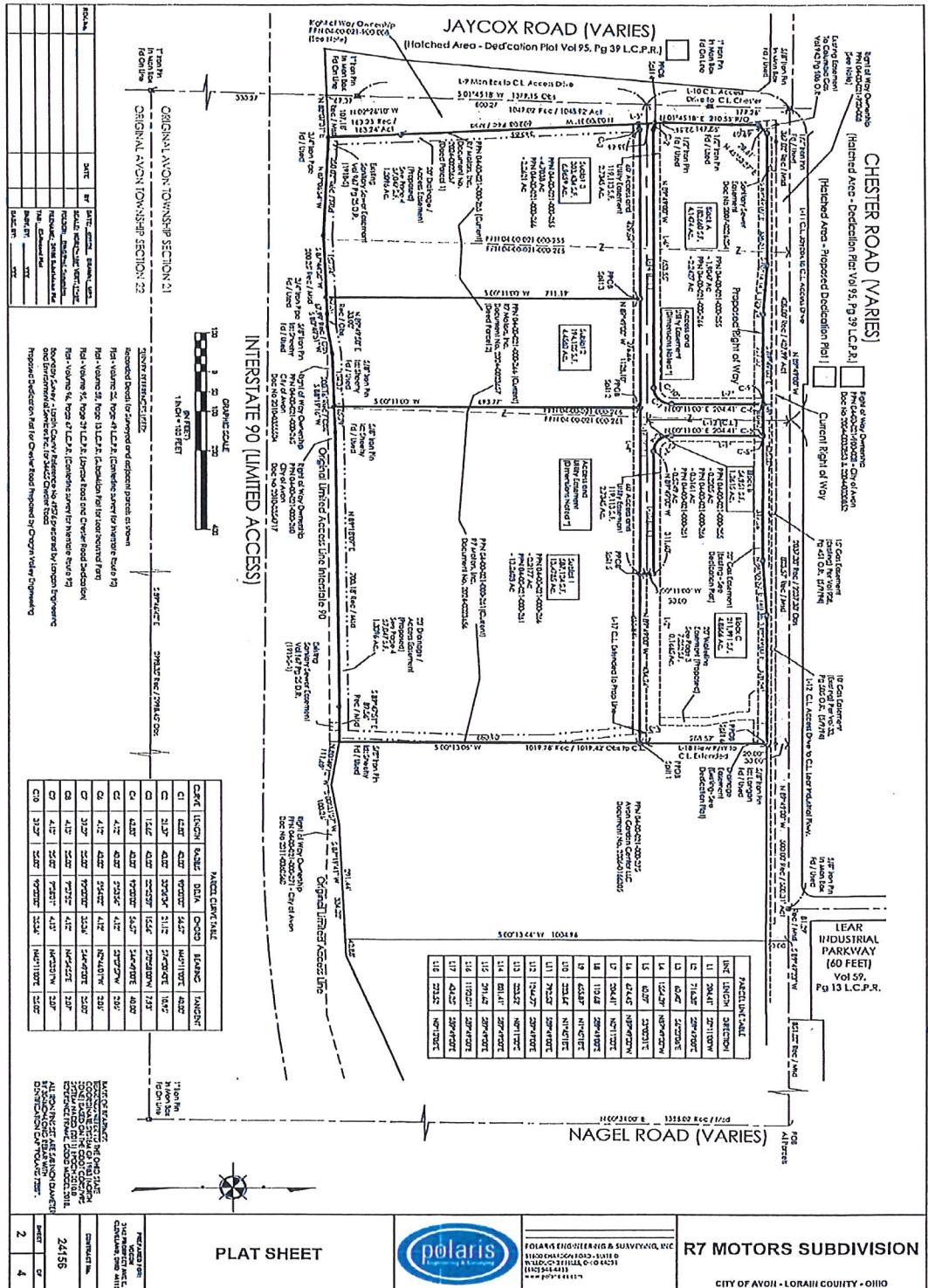

By: BRYAN K. JENSEN, Mayor

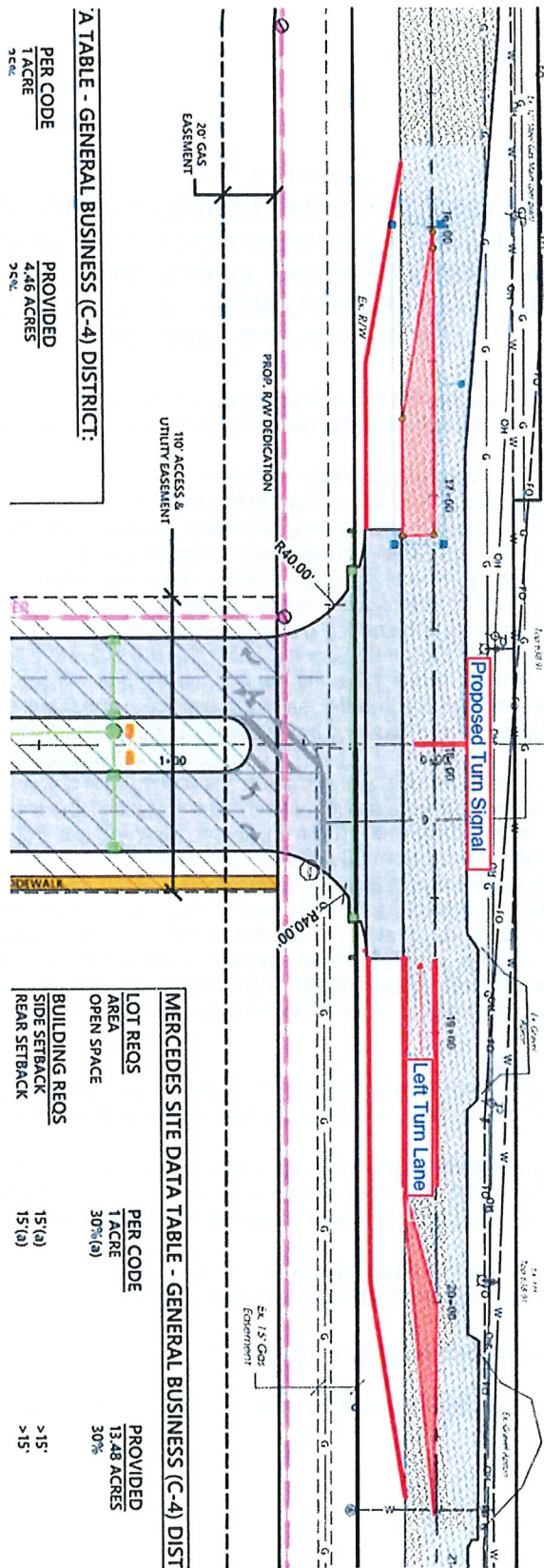
Exhibits:

Exhibit "A": Developer Property

Exhibit "B": Site Plan







A TABLE - GENERAL BUSINESS (C-4) DISTRICT:

PER CODE	PROVIDED
1 ACRE	4.46 ACRES
30%	30%

MERCEDES SITE DATA TABLE - GENERAL BUSINESS (C-4) DIST

LOT REQS	PER CODE	PROVIDED
AREA	1 ACRE	13.48 ACRES
OPEN SPACE	30% (a)	30%
BUILDING REQS		
SIDE SETBACK	15' (a)	>15'
REAR SETBACK	15' (a)	>15'

EXHIBIT "C"

**EXAMPLE ASSESSMENT CALCULATION FOR RAFIH PARCELS
ALONG THE SOUTH SIDE OF CHESTER ROAD SHOULD THE
CITY OF AVON UNDERTAKE IMPROVEMENTS TO WIDEN
CHESTER ROAD FROM 3 LANES TO 5 LANES WIDE FROM
JAYCOX ROAD TO NAGEL ROAD**

Note: These numbers presented herein are fictional and not based on estimated or actual costs to be incurred for the noted improvement project. The intent is purely illustrative.

Scope of Project: The Chester Road Widening Project, Phase 4 will widen Chester Road to a five-lane cross section from Jaycox Road to Nagel Road. The project may include the following aspects: clearing and grubbing, earthwork, subgrade compaction, subgrade reinforcement, ADA curb ramps, survey monument boxes and control, guardrail, erosion control, water quality features, drainage systems, water main improvements, sanitary connections, concrete curb and gutter, asphalt planing, asphalt pavement repairs, asphalt base, asphalt paving, concrete paving, driveway aprons, adjustment of existing structures, fencing, sidewalks, asphalt multi-purpose path, utility relocations, utility coordination, maintenance of traffic, street lights, mobilization, street trees, linear grading, surface restoration, environmental permitting, and appurtenances associated thereto for each aspect as designed for and approved by the City of Avon.

Professional Services to Be Utilized: To facilitate the design, right-of-way acquisition, and construction the noted project the City of Avon will engage the following professionals at a minimum: Design Engineers, Traffic Engineers, Geotechnical Engineers, Lighting Engineers, Environmental Scientists, Construction Administrators, Construction Testing Services, Construction Observers, and Legal Services. Avon reserves the right to use additional professional services not listed herein if the project design/conditions warrant. The costs for such would also be included in the Rafih Assessment Calculation. Professional services for Right-of-Way acquisition will be needed for the project. However, since the Rafih Group is donating right-of-way to the project, none of these costs or other land acquisition costs will be included in the calculation of the Rafih assessment.

Illustrative Assumptions:

- Total length of project measured from the eastern turnout of the Jaycox & Chester Intersection to the western turnout of the Nagel & Chester Intersection = 2,860 feet
- Total length of Rafih property frontage along Chester Road Improvement Phase 4 project measured from eastern turnout of the Jaycox & Chester Intersection to the easternmost property line of lands involved in the Rafih site development = 1,590 feet
- Percentage of Rafih frontage compared to total project frontage = $2,860 \text{ feet} \times 2 = 5,720 \text{ feet total frontage}$; $1,590 \text{ feet} / 5,720 \text{ feet} \times 100\% = 27.8\% \text{ of total frontage}$
- Total as-constructed project cost = \$5,000,000
- Total cost of professional services (assume 20% of as-constructed project cost) = \$1,000,000

- Total cost of storm sewer system along south side of Chester Road across Rafih frontage = \$250,000 (this cost will be derived from the unit prices and final quantities for said system included in the as-constructed project cost)
- Total cost of concrete sidewalk along south side of Chester Road across Rafih frontage = \$80,000 (this cost will be derived from the unit prices and final quantities for said system included in the as-constructed project cost)
- Total as-constructed project cost less cost of Rafih storm sewer system and concrete sidewalks = \$4,670,000
- Portion of as-constructed project cost, less cost of Rafih storm sewer system and concrete sidewalks, attributable to the Rafih portion of the Chester Road frontage = $\$4,670,000 \times 27.8\% = \$1,298,260$
- Portion of project professional services attributable to the Rafih portion of the Chester Road frontage = $\$1,000,000 \times 27.8\% = \$278,000$
- Total project construction and professional services attributable to the south side of Chester Road across the Rafih frontage = $\$1,298,260 + \$278,000 = \$1,576,260$
- On the southern half of the widened 5-lane Chester Road there are 2.5 lanes of pavement
- From a generalized lane perspective, of the 2.5 lanes of pavement, Rafih will pay for 1 lane with the City of Avon paying for 1.5 lanes of pavement = 40% Rafih and 60% Avon
- Rafih costs for 40% of southern half of roadway across Rafih frontage = $\$1,576,260 \times 40\% = \$630,504$
- Avon costs for 60% of southern half of roadway across Rafih frontage = $\$1,576,260 \times 60\% = \$945,756$
- Total costs attributable to Rafih = \$250,000 storm sewer + \$80,000 sidewalk + \$630,504 project = \$960,504
- Total assessment amount to Rafih = \$960,504***

***AS STATED ABOVE, ANY COSTS OR NUMBERS PRESENTED HEREIN ARE ASSUMED, NOT BASED ON ANY ACTUAL RECENT COST ESTIMATE, ARE FOR ILLUSTRATIVE PURPOSES ONLY, AND ARE SUBJECT TO CHANGE. CHESTER ROAD WIDENING PROJECT WILL BE PUBLICLY BID, FINAL PROJECT LENGTHS WILL BE DETERMINED BASED ON PROJECT SURVEY CONTROL, FINAL PROJECT COSTS WILL BE BASED ON AS BUILT AND MEASURED IN PLACE QUANTITIES. AN ENGINEER'S ESTIMATE OF PROJECT COSTS AND ASSOCIATED ASSESSMENT AMOUNTS WILL BE CALCULATED UPON COMPLETION OF DESIGN PLANS PRIOR TO PUBLIC BIDDING.

vocon

1. The first step is to identify the problem.

FÄL

corbin
engineering

10

JAYCOX ROAD (VARIES)

**FUTURE DEVELOPMENT
4.65 ACRES**

**FUTURE DEVELOPMENT
4.50 ACRES**

CHESTER ROAD (VARIES)

**FUTURE DEVELOPMENT
6.72 ACRES**

INTERSTATE 90 (LIMITED ACCESS)

ARREAR RENT STATE PLAS

ARCHITECTURAL SITE
PLAN

AS100

of health, safety and environmental issues

CONSTRUCTION FOR
MERCEDES-BENZ
OF CLEVELAND
WEST

DRAWING RELEASE:

[illegible]

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ARCHITECTURAL SITE PLAN

1000

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