

# Ordinance No. 31-2020

**Council Members McCormack, Brancatelli  
and Kelley (by departmental request)**

## AN EMERGENCY ORDINANCE

Authorizing the Director of Economic Development to enter into a Tax Increment Financing Agreement with Tinnerman Lofts, LLC, or its designee, to develop the former Vista Print building located at 2048 Fulton Avenue into apartment units and other amenities; to provide for payments to the Cleveland Metropolitan School District; and to declare certain improvements to real property to be a public purpose.

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WHEREAS, under Section 5709.41 of the Revised Code, improvements to real property may be declared to be a public purpose where fee title to the real property was, at one time, held by the City of Cleveland and the real property is then leased or conveyed by the City; and

WHEREAS, the City has entered into the chain of title for the Property which is more particularly described in this ordinance (the “Real Property”) pursuant to the requirements of Section 5709.41 of the Revised Code prior to the passage of this ordinance; and

WHEREAS, the Real Property is to be developed in accordance with the Cleveland 2020 Citywide Plan, a copy of which is placed in **File No. \_31-2020-A**; and

WHEREAS, under Section 5709.41 of the Revised Code, the improvements declared to be a public purpose may be exempt from real property taxation; and

WHEREAS, under Section 5709.41 of the Revised Code, the owners of the improvements may be required to make annual service payments in lieu of taxes that would have been paid had the improvement not been exempt; and

WHEREAS, under Section 5709.41 of the Revised Code, the exemption may exceed 75% of the improvements for up to 30 years when a portion of the service payments so collected are distributed to the Cleveland Metropolitan School District (“District”) in an amount equal to the amount the District would have received had the improvement not been exempt; and

WHEREAS, the District has been notified of the intent to enter into the agreement authorized by this ordinance in compliance with Sections 5709.41(C)(4) and 5709.83 of the Revised Code; and

WHEREAS, this ordinance constitutes an emergency measure providing for the usual daily operation of a municipal department; now, therefore,

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BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That the improvements to be constructed by Tinnerman Lofts, LLC, or its designee, (“Redeveloper”), are declared to be a public purpose for purposes of Section 5709.41 of the Revised Code (the “Improvements”). The Real Property is more fully described as follows:

Property 4: 007-05-015

Situated in the City of Cleveland, County of Cuyahoga and State of Ohio, and known as being Sublot Nos. 49 to 60 inclusive in Sargent and Dixon's Re-Subdivision of part of Original Brooklyn Township Lot No. 52, as shown by the recorded plat in Volume 2 of Maps, Page 43 of Cuyahoga County Records, and part of Sublot No. 312 in Barber and Lord's Allotment of part of Original Brooklyn Township Lots Nos. 51, 52, 69 and 70, as shown by the recorded plat in Volume 11 of Maps, Page 26 of Cuyahoga County Records and part of China Court, S.W., as vacated by City Ordinance No. 188-47 and that part of Vinton Avenue, S.W., as vacated by City Ordinance No. 1383-41 and Vinton Court, S.W., as vacated by City Ordinance No. 678-42, the northerly 12 feet of Japan Court, S.W., as vacated by City Ordinance No. 1654-42 and part of Original Brooklyn Township Lot No. 52, bounded and described as follows:

Beginning at a point in the southwesterly line of Fulton Road, S.W., distance North 25° 30' 00" west, 17-83/100 feet from the most easterly corner of said Sublot No. 312 in the Barber and Lord's Subdivision which point is distant 25° 30' 00" east, 244-78/100 feet from the intersection of the southwesterly line of Fulton Road, S.W., with the southeasterly line of Lorain Avenue;

Thence South 64° 30' 00" west along the southeasterly line of Parcel No. 2 of premises conveyed to The Tinnerman Products, Inc., by deed recorded in Volume 5043, Page 628 of Cuyahoga County Records, 106-00/100 feet to the most southerly corner of said Parcel No. 2;

Thence South 25° 30' 00" east parallel with the southwesterly line of Fulton Road, S.W., 17-50/100 feet to the northwesterly line of the said Sargent and Dixon's Subdivision;

Thence North 64° 30' 00" east, along the northwesterly line of said Sargent and Dixon's Subdivision, 1-28/100 feet to the intersection of the northeasterly line of Japan Court, S.W., vacated by the City of Cleveland by Ordinance No. 1565-42 and in the northwesterly line of said Sargent and Dixon's Subdivision;

Thence South 25° 28' 20" east, along the northeasterly line of said Japan Court, S.W., now vacated 12-00/100 feet;

Thence South 64° 30' 00" west, parallel with the northwesterly line of the said Sargent and Dixon's Subdivision, 10-00/100 feet to the southwesterly line of Japan Court, S.W.;

Thence South 25° 28' 20" east, along the southwesterly line of Japan Court, S.W., 393-46/100 feet to the northwesterly line of Chatham Avenue, S.W.;

Thence South 64° 30' 20" west, along the northwesterly line of Chatham Avenue, S.W., 104-97/100 feet to the northeasterly line of West 36th Street;

Thence North 25° 28' 20" west along the northeasterly line of West 36th Street, 306-20/100 feet to the easterly line of West 37th Place;

Thence North 2° 53' 40" west along the easterly line of West 37th Place, 107-50/100 feet to the northwesterly line of said Sargent and Dixon's Subdivision which is also the northwesterly line of Vinton Court, S.W., vacated by the City of Cleveland by Ordinance No. 678-42;

Thence South 64° 30' 00" west along the northwesterly line of said Sargent and Dixon's Subdivision, 1-49/100 feet to the southwesterly corner of Parcel No. 3 of premises conveyed to the Tinnerman Products, Inc., by deed recorded in Volume 5043, Page 628 of Cuyahoga County Records;

Thence North 2° 55' 00" west along the westerly line of said Parcel No. 3, 121-37/100 feet to the northwesterly corner of said parcel, which point is in the southerly line of an alley described in Common Pleas Court of Cuyahoga County Case No. 34171, Volume 342, Page 296 of Common Pleas Court Records;

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Thence North 87° 05' 00" east along the southerly line of said alley, 35-00/100 feet to the northeasterly corner of said Parcel No. 3, conveyed to the Tinnerman Products, Inc., as aforesaid;

Thence South 14° 38' 10" east along the northeasterly line of said Parcel No. 3, 4-02/100 feet to the northwesterly line of Parcel No. 1 of premises conveyed to the Tinnerman Products, Inc., by deed recorded in Volume 5043, Page 628 of Cuyahoga County Records;

Thence North 64° 30' 00" east along the northwesterly line of said Parcel No. 1, 101-74/100 feet to the southwesterly line of Fulton Road, S.W.;

Thence South 25° 30' 00" east along the southwesterly line of Fulton Road, S.W., 77-17/100 feet to the place of beginning and being further known as all of Sublot No. 1 in Tinnerman Products, Inc Resubdivision to the survey dated February 1949, of Charles W. Root, Registered Professional Engineer and Surveyor, be the same more or less, but subject to all legal highways.

Section 2. That one hundred percent (100%) of the Improvements are declared exempt from real property taxation for a period of thirty years, effective and commencing the first year the value of the Improvements are reflected on the tax duplicate; and that in no event shall the exemption period extend beyond 2052. The terms of the agreement are as follows:

**Project Name:** Tinnerman Lofts  
**Project Address:** 2048 Fulton Avenue, Cleveland, OH 44113  
**Developer:** Tinnerman Lofts LLC and/or designee  
**Project Manager:** Robin Brown  
**Ward/Councilperson:** 3-Kerry McCormack  
**City Assistance:** Non-School TIF

## **Project Summary**

Tinnerman Lofts LLC, or its designee, (“Redeveloper”) an entity of The Dalad Group is proposing to develop the former Vista Print Building located at 2048 Fulton Avenue, Cleveland, OH 44113 (“Project Site”). In order to assist with project financing, the Developer has requested the City impose a 5709.41, 30-year, Non-School Tax Increment Financing (TIF). The TIF will support debt service related to the project and assist with the development of approximately 51 market rate and workforce housing apartment units. The building will feature solar panels and amenities including a fitness center, roof deck, reserved 2-story parking garage, bike storage and a pet-washing station. The total project investment is expected to exceed approximately \$10 million.

## **Company Background**

The Dalad Group (“Dalad”) is a full service real estate company based in Independence, Ohio. Founded in 1947, Dalad has been an innovative developer of office, industrial and retail space throughout the region. Dalad has completed numerous historic renovation projects within the City of Cleveland, including the Worthington Yards, Hoyt Block featuring the Blue Point Restaurant, the Hat Factory apartments on West 6th Street, 2320 Lofts located at 2320 Superior (serving CSU students) and the Creswell Building at 1220 Huron Road. Dalad also has a local portfolio of nearly two and a half million square feet of commercial real estate. The Dalad Group provides tenant representation and building management services through its brokerage division, Dalad Realty Company, as well as construction services through its general contracting arm, Dalad Construction Company.

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## **Proposed City Assistance**

The request to Cleveland City Council is to authorize the Director of Economic Development to enter into a non-school Tax Increment Finance (TIF) agreement with Tinnerman Lofts, LLC or its designee. This TIF agreement will be up to 30 years in length. The City will declare certain improvements with respect to the project to be a public purpose and exempt 100% of the improvements from real property taxes.

Under the agreement, parcels acquired and re-conveyed to the developer will be subject to a TIF under Section 5709.41 of the Ohio Revised Code in consideration for the developer agreeing to make certain improvements to those parcels and making payments in lieu of taxes (PILOTs) equal to the taxes that would have been paid for those parcels but for the TIF. A portion of the PILOT will be paid to the Cleveland Municipal School District in the amount the District would have otherwise received but for the TIF. The TIF will be immediately effective on the residential after the expiration of the 15-year tax abatement for new residential construction.

## **Economic Impact**

- Creation of 3 new full time jobs in the City of Cleveland
- Project estimates \$2,625 in new annual City tax revenue generated from residents and new employees

## **City Requirements**

- Subject to Chapter 187: MBE/FBE/CSB requirements
- Subject to Chapter 188: Fannie Lewis Cleveland Residential Employment Law
- Subject to a Workforce Development Agreement for all new jobs
- Subject to a Community Benefits Agreement

Section 3. That, under Section 5709.41 of the Revised Code, Redeveloper, or the owners of the Improvements, shall make service payments for a period of thirty years in lieu of the exempt taxes to the Cuyahoga County Fiscal Officer or Treasurer, or designee; the payments shall be charged and collected in the same manner, and shall be in an amount not less than the taxes that would have been paid had the Improvements not been exempt from taxation.

Section 4. That a portion of the service payments collected under this ordinance shall be distributed by the Cuyahoga County Fiscal Officer or Treasurer, or designee to the Treasurer of the District in the amount of the taxes that would have been payable to the District had the Improvements not been exempt from taxation.

Section 5. That the Director of Economic Development is authorized to enter into an agreement or agreements with Redeveloper to provide for the exemption and service payments described in this ordinance, including agreements securing the

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payments described in this ordinance, which agreement or agreements shall contain those terms contained in this ordinance.

Section 6. That when applicable under Section 5709.43 of the Revised Code, there is established an Urban Redevelopment Tax Increment Equivalent Fund into which shall be deposited Service Payments in Lieu of Taxes (“PILOTS” or “Service Payments”) that shall be used for financing the public purpose Improvements including project debt service, bond payments, and reimbursement of project construction costs, or for other economic development purposes as determined by the Director of Economic Development.

Section 7. 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 open meetings of this Council, and any of its committees that resulted in formal action were in meetings open to the public in compliance with the law.

Section 8. That this ordinance is declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

SMa:nl  
1-6-20

FOR: Director Ebersole

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[File No. \_31-2020-A]

**REPORT  
after second Reading**

**Council Members McCormack, Brancatelli and Kelley (by departmental request)**

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**READ FIRST TIME on JANUARY 6, 2020**

**and referred to DIRECTORS of Economic Development, City Planning Commission, Finance, Law;**

**COMMITTEES on Development Planning and Sustainability, Finance**

**REPORTS**

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**CITY CLERK**

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**READ SECOND TIME**

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**CITY CLERK**

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**READ THIRD TIME**

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**PRESIDENT**

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**CITY CLERK**

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**APPROVED**

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**MAYOR**

Recorded Vol. **107** Page \_\_\_\_\_

Published in the City Record \_\_\_\_\_

**PASSAGE RECOMMENDED BY  
COMMITTEE ON  
DEVELOPMENT, PLANNING AND  
SUSTAINABILITY**

FILED WITH COMMITTEE

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**PASSAGE RECOMMENDED BY  
COMMITTEE ON  
FINANCE**

FILED WITH COMMITTEE

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