

# Ordinance No. 1345-2023

By Council Members Hairston and Griffin  
(by departmental request)

## AN EMERGENCY ORDINANCE

Authorizing the Director of Economic Development to create the Job Creation Income Tax Credit Incentive Program to provide economic development incentives for the purpose of creating jobs and improving the economic welfare of the people of the City as authorized in Art. VIII, Section 13 of the Ohio Constitution.

WHEREAS, authority for this ordinance is derived from and based upon Revised Code Chapter 718, specifically Sections 718.15, and Chapter 192 of the Codified Ordinances of Cleveland, Ohio, 1976 (“Codified Ordinances”), specifically Section 192.16; and

WHEREAS, the Director of Economic Development desires to create a new Job Creation Income Tax Credit Incentive Program that will provide annual incentive tax credits based on a percentage of new income tax revenue as specified in individual economic development agreements between the City and specific applicants; and

WHEREAS, pursuant to the authority of Revised Code Section 718.15 and Section 192.16, the City of Cleveland, by ordinance, may grant a refundable or nonrefundable credit against its tax on income to a taxpayer to foster job creation in the municipal corporation. If a credit is granted under this section, it shall be measured as a percentage of the new income tax revenue the municipal corporation derives from new employees of the taxpayer and shall be for a term not exceeding fifteen years. Before the municipal corporation passes an ordinance granting a credit, the municipal corporation and the taxpayer shall enter into an agreement specifying all the conditions of the credit; and

WHEREAS, this ordinance constitutes an emergency measure providing for the immediate preservation of the public peace, safety, property, and welfare and that its enactment is a necessary prerequisite to providing immediate assistance to create and preserve job opportunities and advance and promote economic development in the City of Cleveland, and the assistance is immediately necessary; now, therefore,

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

Section 1. That under the authority of Revised Code Chapter 718 and Chapter 192 of the Codified Ordinances of Cleveland, Ohio, 1976, this ordinance authorizes creation of a new Job Creation Income Tax Credit Incentive Program (“JCI Tax Credit Program”).

Section 2. That the Director of Economic Development is authorized to create the JCI Tax Credit Program to provide financial assistance to various for-profit applicants that create a minimum of fifty full-time jobs new in the City and with the Director of Finance to negotiate separate JCI Tax Credit Program economic development agreements with eligible applicable pursuant and subject to Revised Code Section 718.15 and Section 192.16 of the Codified Ordinances. Based on the specific terms of each economic development agreement, eligible applicants may receive up to five annual refundable credits up to fifty percent (50%) against the applicant’s withholding income tax from new employees in the City to be paid to the Central Collection Agency (“CCA”).

The applicant must not be delinquent on any portion of its tax filing and payment requirements including but not limited to real estate taxes, municipal income taxes, and withholding tax obligations on behalf of its employees. The term of an economic development agreement to be authorized by an ordinance of Council shall not exceed the term of the applicant’s lease, and in no event shall exceed five years, unless otherwise approved by Council.

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Section 3. That applicants for initial and ongoing qualification for this JCI Tax Credit Program incentive must create at least fifty (50) new jobs within City boundaries with compensation at or above 100% or City of Cleveland Median Household Income, currently defined as \$33,678 as may be adjusted.

Section 4. That the Director of Economic Development is authorized to charge a fee of \$250.00 for each JCI Tax Credit Program application.

Section 5 That the Mayor, the Director of Finance, the Director of Economic Development, the Director of Law, and/or any City officials, as appropriate, are each authorized to prepare and sign any other documents, instruments, amendments or certificates and to take such actions as are necessary or appropriate to implement the JCI Tax Credit Program contemplated by this Ordinance.

Section 6. That this Council finds and determines that all formal actions of this Council concerning and relating to the passage of this ordinance were taken in an open meeting of this Council and that all deliberations of this Council that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 7. 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

11-20-2023

FOR: Directors McNair and Abonamah

