

Ordinance No.1376-2019

Council Member(s) Hairston, Brancatelli and Kelley
(by departmental request)

AN EMERGENCY ORDINANCE

Authorizing the Director of Economic Development to enter into a Tax Increment Financing Agreement with Landmark at the Lake, LLC, or its designee, for development and costs associated with new construction on vacant land at and/or adjacent to 5455 North Marginal Road for the Shoreline Phase II Development Project; to provide for payments to the Cleveland Metropolitan School District; and to declare certain improvements to real property to be a public purpose.

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. 1376-2019-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

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

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

Section 1. That the improvements to be constructed by Landmark at the Lake, 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:

The land referred to herein below is situated in the City of Cleveland, County of Cuyahoga, State of Ohio, and is described as follows:

And known as being part of Original Ten Acre Lot No. 166, and bounded and described as follows:

Beginning on the Westerly line of East 55th Street (100 feet wide), at its point of intersection with the Northeasterly prolongation of the Northwesterly line of Lake Court N.E. (formerly Lake View Avenue, 50 feet wide);

Thence South 58 deg. 03' 50” West, along said Northeasterly prolongation and along said Northwesterly line of Lake Court N.E., 211.51 feet to the most Southerly corner of Sublot No. 1, in J.G. Bruggeman's Subdivision of part of Original Ten Acre Lot No. 166, as shown by the recorded plat in Volume 5 of Maps, Page 43 of Cuyahoga County Records;

Thence North 31 deg. 56' 10” West, along the Southwesterly line of said Sublot No. 1, which is also the Northeasterly line of Sublot No. 21 in J.B. Bruggeman's Subdivision of part of Original Ten Acre Lot No. 166, as shown by the recorded plat in Volume 5 of Maps, Page 44 of Cuyahoga County Records, to the most Northerly corner of said Sublot No. 21;

Thence South 58 deg. 03' 50” West along the Northwesterly line of said Sublot No. 21, 11 feet to a stone; Thence North 31 deg. 56' 10” West, 696.27 feet to a point in the Northwesterly line of Lake Front Road, so called, (120 feet wide), being also the Northwesterly line of the proposed 230 foot highway referred to in City of Cleveland Ordinance No. 85532, passed December 3, 1928;

Thence North 4 deg. 24' 20” West, forming an included angle of 60 deg. with said Northwesterly line of Lake Front Road, so called, and in the Northeasterly quadrant, 5.77 feet to the principal place of beginning, said point being also the Northwesterly corner of land registered in the name of the City of Cleveland by Certificate No. 86737;

Thence North 4 deg. 24' 20” West to Lake Erie;

Thence Easterly along Lake Erie about 282 feet to its intersection with a line drawn at right angles to the main breakwater of Cleveland Harbor through a point on the Westerly line of East 55th Street, (100 feet wide), which bears North 710 feet, measured along said Westerly line of East 55th Street, from its intersection with the Northeasterly prolongation of the Northwesterly line of Lake Court N.E., said point being the intersection of said Westerly line of East 55th

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Street, with the shore line of Lake Erie as it existed in 1925, and the course of which line is South 36 deg. 44' 40" East,

Thence South 36 deg. 44' 40" East along said line about 302.40 feet to the most Northerly corner of land registered in the name of City of Cleveland, as aforesaid;

Thence Southwesterly along the Northwesterly boundary line of land so registered in the name of the City of Cleveland the following courses and distances, South 36 deg. 35' 13" West, 165.80 feet, South 42 deg. 49' 24" West 153.81 feet, South 47 deg. 15' 02" West, 151.60 feet and South 54 deg. 04' 57" West, 113.69 feet to the principal place of beginning, be the same more or less.

The property address and tax parcel identification number listed herein are provided solely for informational purposes, without warranty as to accuracy or completeness.

Property Address: 0 North Marginal Road, Cleveland, OH 44114

Parcel No.: 105-01-001

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: Shoreline Phase II Development
Recipient: Landmark at the Lake, LLC and/ or designee
Project Site: Vacant land at and/or adjacent to 5455 North Marginal Road, Cleveland, Ohio 44114 on PPN 105-01-001
Project Manager: Kevin Schmotzer
Ward/Councilperson: Ward 10: Councilman Anthony T Hairston
City Assistance: 30-year non-school TIF

Project Site: Vacant land at and/or adjacent to 5455 North Marginal Road, Cleveland, Ohio 44114 (PPN# 105-01-001)

Company Background

Landmark at the Lake, LLC is a subsidiary of The Landmark Companies under the leadership of Bob Rains and John J. Carney. These men have had decades of experience in Cleveland real estate development, as their portfolio includes the Bridgestone Apartments and the Perry Payne building.

Project Summary

Landmark at the Lake, LLC or its designee ("Developer") is proposing a residential development that will take place on vacant land at and/or adjacent to 5455 North Marginal Road, Cleveland, Ohio 44114 on PPN 105-01-001 ("Project Site"). The project will be a "Phase II" to the existing Shoreline project. In order to assist with the project financing, the Developer has requested the City impose a 5709.41, 30-Year, Non-School TIF. The TIF will support debt service related to the project and assist with the development of approximately 214 market rate housing units, outdoor surface parking and indoor garage parking for residents, and the

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construction of outdoor common area space. The project will create and/or cause to create approximately four (4) new W-2 jobs at the Project Site.

Proposed City Assistance

The Developer is requesting that city enter into a 30-year non-school Tax Increment Finance (TIF) agreement with Landmark at the Lake, LLC and/or its designee.

Economic Impact

It is estimated the project will generate \$238,500 annual residency taxes, \$4,500 annual income tax, and \$534,000 in annual property taxes for the School District.

City Requirements

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

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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
11-11-19

FOR: Director Ebersole

Ord. No. 1376-2019

File 1376-2019-A

**REPORT
after second Reading**

Council Member(s) Hairston, Brancatelli and Kelley (by departmental request)

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READ FIRST TIME on November 11, 2019 **REPORTS**
and referred to DIRECTORS of Economic Development, City Planning Commission, Finance, Law;
COMMITTEES on Development Planning and Sustainability, Finance

CITY CLERK

READ SECOND TIME

by the council _____

CITY CLERK

READ THIRD TIME

by the council _____

PRESIDENT

CITY CLERK

APPROVED

MAYOR

Recorded Vol. _____ Page _____
Published in the City Record _____

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

FILED WITH COMMITTEE

**PASSAGE RECOMMENDED BY
COMMITTEE ON
FINANCE**

FILED WITH COMMITTEE

