

# Ordinance No. 1174-2024

By Council Members Hairston and Griffin  
(by departmental request)

## AN EMERGENCY ORDINANCE

Authorizing the Director of Economic Development to enter into a Tax Increment Financing Agreement with 1030 East 62<sup>nd</sup> Street LLC, and/or its designee, to assist with the financing of the 1030 East 62<sup>nd</sup> Redevelopment Project to be located at 1030 East 62<sup>nd</sup> Street; 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, pursuant to Ordinance No. 1013-2024, passed October 21, 2024, the City will have duly entered into the chain of title for the real property that 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. 1174-2024-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 seventy-five percent (75%) of the improvements for up to thirty (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 a tax increment financing 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 1030 East 62<sup>nd</sup> Street, LLC, and/or its designee, (the “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 below and as may subsequently be replatted, re-numbered, or revised:

1030 East 62<sup>nd</sup> Street, Cleveland, Ohio 44103

Parcel 1: 105-07-071 (listed with -072, -073, and -074)

Situated in the City of Cleveland, County of Cuyahoga and State of Ohio:

And known as being all of Sublot Nos. 132, 133, 134, 135, 136, 137, 138 and 139 in Foreman, Bates and Stone’s Subdivision, as shown by the recorded plat in Volume 8 of Maps, Page 26 of Cuyahoga County Records, being part of Original One Hundred Acre Lot No. 346, as appears by said plat. Be the same more or less, but subject to all legal highways.

Prior Instrument Reference for Parcel 1: 202203310390

Parcel 2: 105-07-067 (listed with -068, -069, and -070):

Situated in the City of Cleveland, County of Cuyahoga and State of Ohio:

And known as being all of Sublot Nos. 12, 13, 14 and 15 in the St. Clair-Norwood Community Rehabilitation Corp. Subdivision of part of Original One Hundred Acre Lot No. 346, as shown by the recorded plat in Volume 138 of Maps, Page 11 of Cuyahoga County Records, as appears by said plat, be the same more or less, but subject to all legal highways.

Parcel Nos. 105-07-067, 105-07-068, 105-07-069 & 105-07-070

Prior Instrument Reference for Parcel 2: 202203310390

Section 2. That the City having entered into title in 2024 that year is established as the base year for determining the increment or appreciated value after completion of the Improvements. One hundred percent (100%) of the Improvements are declared exempt from real property taxation for a period of thirty (30) 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 2057.

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The terms of the agreement, which shall not be materially changed without further legislative action by Council, will be as follows:

Project Name: 1030 East 62<sup>nd</sup> Redevelopment  
Project Address: 1030 East 62<sup>nd</sup> Street, Cleveland. OH 44103  
Developer: 1030 East 62<sup>nd</sup> LLC and/or designee  
Project Manager: Robin Brown  
Ward/Councilperson: 10 – Anthony Hairston  
City Assistance: Non-School TIF

## Project Site



## Project Summary

Candy Mashmoor, a female minority entrepreneur with 20 plus years of experience has made a multi-million dollar enterprise where she had the privilege to work with six of the top 10 retailers in the world. She travels the world working alongside artisans reviving centuries-old art forms in a sustainable way. In June 2019, Candy created YaYa & Co, a brand based on truly organic, natural and sustainable textiles. YaYa & Co. currently operates out of 8,000 sq. ft. warehouse and a 6,000 sq. ft. showroom space located at 3635 Perkins Ave, Cleveland, OH 44114. Candy formed 1030 East 62<sup>nd</sup> LLC to acquire and redevelop the building located at 1030 E. 62<sup>nd</sup> Street, Cleveland, Ohio 44103.

1030 East 62<sup>nd</sup> LLC (“Borrower”) purchased the 68,000 square foot structure from the Land Bank in 2022. The three buildings linked together sits on 6 parcels located at 1030 E. 62<sup>nd</sup> Street just off St. Clair in the heart of the old industrial section of the neighborhood. (“Project Site”). The building is a Cleveland Landmark known as the American Gas Association Appliance Testing Laboratory (AGA) which witnessed the most disastrous fire in Cleveland’s history.

Improvements to the property’s three buildings (North, South, and Main) will take place now through 2025. Candy Mashmoor’s plans for the entire property is to make it a destination known as a “Center for Design.” The North Building will be renovated specifically to house a light local manufacturer, Humongous Fan, to lease the single floor 20,000 sq. ft. space. The South Building will be renovated to expand the owner’s showroom and warehouse for her most successful brand YaYa & Co which has been operating since June 2019 selling handmade online home textiles and accessories. The Main Building is approximately 21,442 sq. ft. will be renovated for Co-working/classroom space which will work specifically with minority women entrepreneurs to have a space for networking. There will be a drop in day care center on premises to facilitate their journey. The classrooms will be used to teach local high school students home design, social media, photography, and set/window design with possibilities for jobs and/or entrepreneurship. The second floor will be a showroom to the trade where designers will come to purchase exclusive designs of home furnishings

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and furniture. 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. The project will create and/or cause to create approximately 50 new W-2 jobs at the Project Site with an approximate payroll of \$1,560,000. The total project investment is expected to exceed \$1.8 million.

## Proposed City Assistance

- This ordinance will authorize the Director of Economic Development to enter into a 30-year non-school Tax Increment Finance (TIF) agreement with 1030 East 62<sup>nd</sup> LLC and/or its designee. The City will have declared certain improvements with respect to the project to be a public purpose and exempt 100% of the improvements from real property taxes.
- The Developer agrees to make certain improvements to the parcel and make payments in lieu of taxes (PILOTs) equal to the taxes that would have been paid for the parcel but for the TIF. A portion of the PILOTs will be paid to the Cleveland Metropolitan School District in the amount the District would have otherwise received but for the TIF by the County (“District Payments”). The balance of the PILOTs will be utilized to fund eligible project costs and project debt. The developer will be responsible for any shortfall of PILOT payments for project costs.

## Economic Impact

- Creation of approximately 50 new full time jobs in the City of Cleveland
- Project estimates \$39,000 in new annual City tax revenue generated from 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 (30) 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 the Directors of Economic Development, Finance and Office of Equal Opportunity are authorized to enter into a Community Benefits Agreement with the Redeveloper as a condition to receiving the benefit of the incentive under this ordinance.

Section 9. That the contract or contracts authorized by this ordinance shall be prepared by the Director of Law.

Section 10. 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  
10-28-2024  
FOR: Director McNair

**By Council Members Hairston and Griffin (by departmental request)**

**AN EMERGENCY ORDINANCE**

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**READ FIRST TIME on OCTOBER 28, 2024**

**and referred to DIRECTORS of Economic Development,  
City Planning Commission, Finance, Law;  
COMMITTEES on Development Planning and Sustainability,  
Finance Diversity Equity and Inclusion**

**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. **111** Page \_\_\_\_\_

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

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

FILED WITH COMMITTEE

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FINANCE, DIVERSITY, EQUITY  
and INCLUSION**

FILED WITH COMMITTEE

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