

Ordinance No. 434-2025

By Council Members Starr, Hairston and Griffin (by departmental request)

AN EMERGENCY ORDINANCE

Authorizing the Director of Economic Development to enter into a Tax Increment Financing Agreement with JSAACC LLC, and/or its designee, to assist with the financing of the African Town Plaza Project to be located at 7515 Cedar Avenue, Cleveland, Ohio; 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, pursuant to ordinance authority, 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. 434-2025-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 (the “Improvements”) to be constructed by JSAACC LLC, and/or its designee (the “Redeveloper”), are declared to be a public purpose as required by of Section 5709.41 of the Revised Code. The Real Property is more fully described below and as may subsequently be replatted, re-numbered, or revised:

Exhibit A
Legal Description

Situated in the City of Cleveland, County of Cuyahoga and State of Ohio and known as being Sublots Nos. 43 and 44 in George Watkins Subdivision of parts of the Original 100 Acre Lots Nos. 336 and 339 as shown by the recorded plat in Volume 4 of Maps, Page 21 of Cuyahoga County Records and of original 100 Acre lots 336 and 339 and together forming a parcel of land bounded and described as follows:

Beginning at the intersection of northerly line of Cedar Avenue S.E. with the westerly line of East 77th Street (formerly Watkins Avenue) thence Northerly along the westerly line of East 77th Street 150 feet, to the southeasterly corner of Sublot No. 42 in George Watkins Subdivision as aforesaid, thence Westerly along the Southerly line of said Sublot No. 42, 111 feet to the southwesterly corner thereof; thence Northerly along the Westerly line of Sublots Nos. 42 and 41 in George Watkins Subdivision as aforesaid, 51.16 feet to the Southeasterly corner of land conveyed to The Fuller Carpet Cleaning and Rug Manufacturing Company by deed dated April 4, 1904 and recorded in Volume 949, Page 577 of Cuyahoga County Records; thence Westerly along the Southerly line of land so conveyed to the Fuller Carpet Cleaning and Rug Manufacturing Company 85.89 feet to the Easterly line of land conveyed to Bernhard Schatzinger by deed dated March 1, 1898 and recorded in Volume 690, Page 124 of Cuyahoga County Records; thence Southerly along the Easterly line of land so conveyed to Bernhard Schatzinger 192.27 feet to the northerly line of Cedar Avenue S.E. about 197.30 feet to the place of beginning, be the same more or less, but subject to all legal highways.

Property Address: 7515 Cedar Avenue, Cleveland, OH 44103

Permanent Parcel Number: 118-25-101

Section 2. That the City having entered into title in 2025, 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

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the tax duplicate; and that in no event shall the exemption period extend beyond 2057.

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

<u>Project Name:</u>	African Town Plaza
<u>Project Address:</u>	7515 Cedar Avenue, Cleveland, OH 44103
<u>Developer:</u>	JSAACC LLC and/or designee
<u>Project Manager:</u>	Bobby Bruno
<u>Ward/Councilperson:</u>	5 – Starr
<u>City Assistance:</u>	Non-School TIF



Project Summary

James Sosan is an award-winning real estate developer and contractor with 20 plus years of experience with adaptive reuse and historic rehabilitation development projects. He has redeveloped the twenty-unit apartment building at 2928 South Moreland Boulevard, the Historic YMCA building at 3200 Franklin Boulevard, and the building known today as Metro Lofts in Tremont. For his next real estate development project, Mr. Sosan formed JSAACC LLC (“Company”) to acquire and redevelop the building located at 7515 Cedar Avenue, Cleveland, Ohio 44103 (“Project Site”).

The Company purchased the 47,816 square foot structure in 2023. The building’s historical use was as the Cedar Branch for the YMCA, which it operated as from the 1940’s through the 1970’s. The building is on the National Register of Historic Places, having been one of the only Cleveland-area YMCA branches to serve, support, and house Black patrons including, Carl and Louis Stokes, in Jim Crow America.

Mr. Sosan’s plan for the property is to make it the first phase of a destination known as “African Town Plaza.” The 3-story building will be renovated into a mix of commercial and residential uses. The third floor will comprise 19 apartment units, including units designated for low-income residents. The first and second floors will be converted to an event center for cultural events, a commercial kitchen promoting African cooking, a multi-media space, and commercial office space. Future retail-focused phases of the African Town Plaza are in early-stage planning. Improvements to the property will take place now through 2025. 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 5 new W-2 jobs at the Project Site with an approximate payroll of \$150,000. The total project investment is expected to exceed \$9 million.

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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 JSAACC, 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.
- The TIF will be immediately effective on the residential after the expiration of the 15-year, 100% tax abatement.

Economic Impact

- Creation of approximately 5 new full time jobs in the City of Cleveland
- Project estimates \$3,750 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:uo
3-31-2025
FOR: Director McNair

By Council Members Starr, Hairston and Griffin (by departmental request)

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READ FIRST TIME on MARCH 31, 2025
and referred to DIRECTORS of Economic Development,
City Planning Commission, Finance, Law;
COMMITTEES on Development Planning and Sustainability,
Finance Diversity Equity and Inclusion

REPORTS

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME

PRESIDENT

CITY CLERK

APPROVED

MAYOR

PASSAGE RECOMMENDED BY
COMMITTEE ON
DEVELOPMENT, PLANNING AND
SUSTAINABILITY

FILED WITH COMMITTEE

PASSAGE RECOMMENDED BY
COMMITTEE ON
FINANCE, DIVERSITY, EQUITY
and INCLUSION

FILED WITH COMMITTEE