



CITY OF CLEVELAND
Mayor Justin M. Bibb

2001 Runway Settlement Agreement Amendment

Cleveland City Council Transportation and Mobility Committee

June 23, 2026



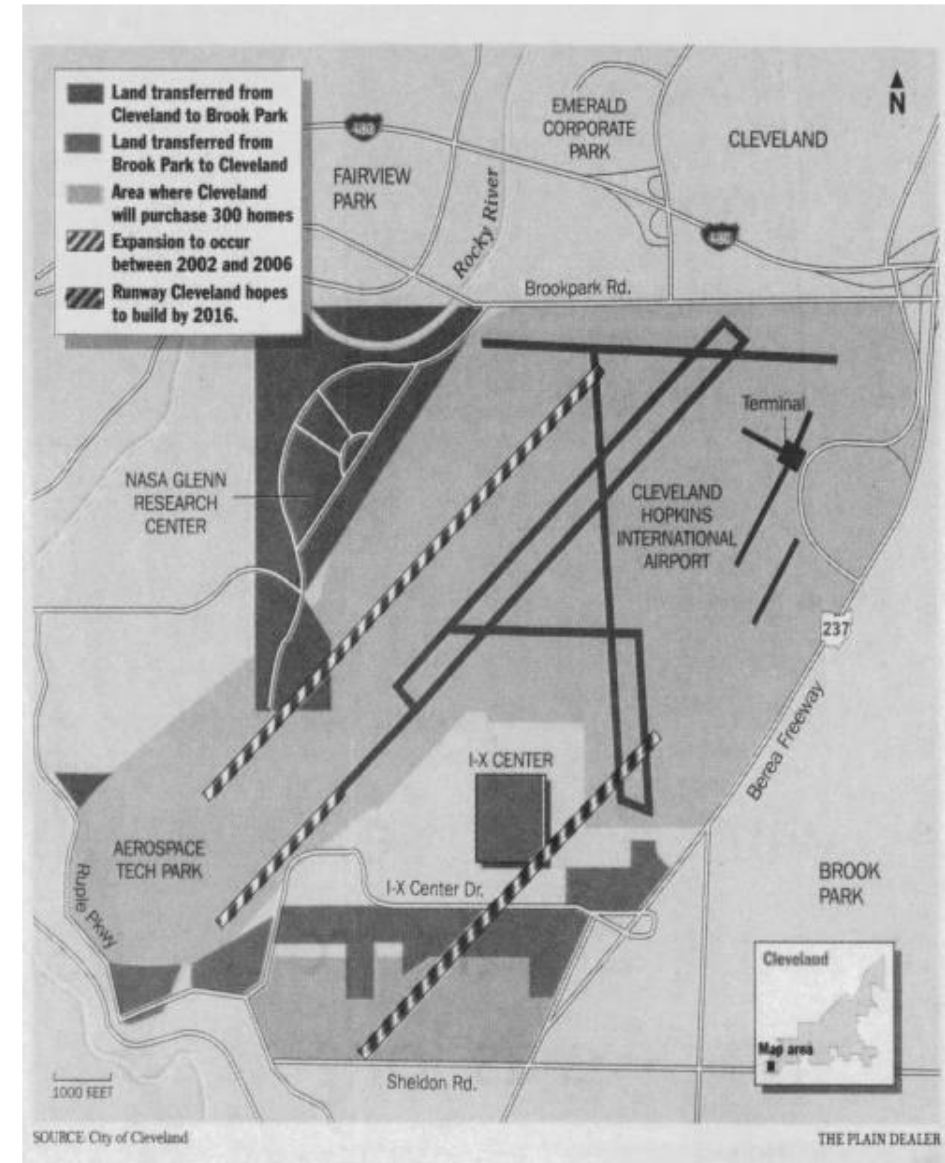
Origins of the Runway Settlement Agreement

Future of the IX Center



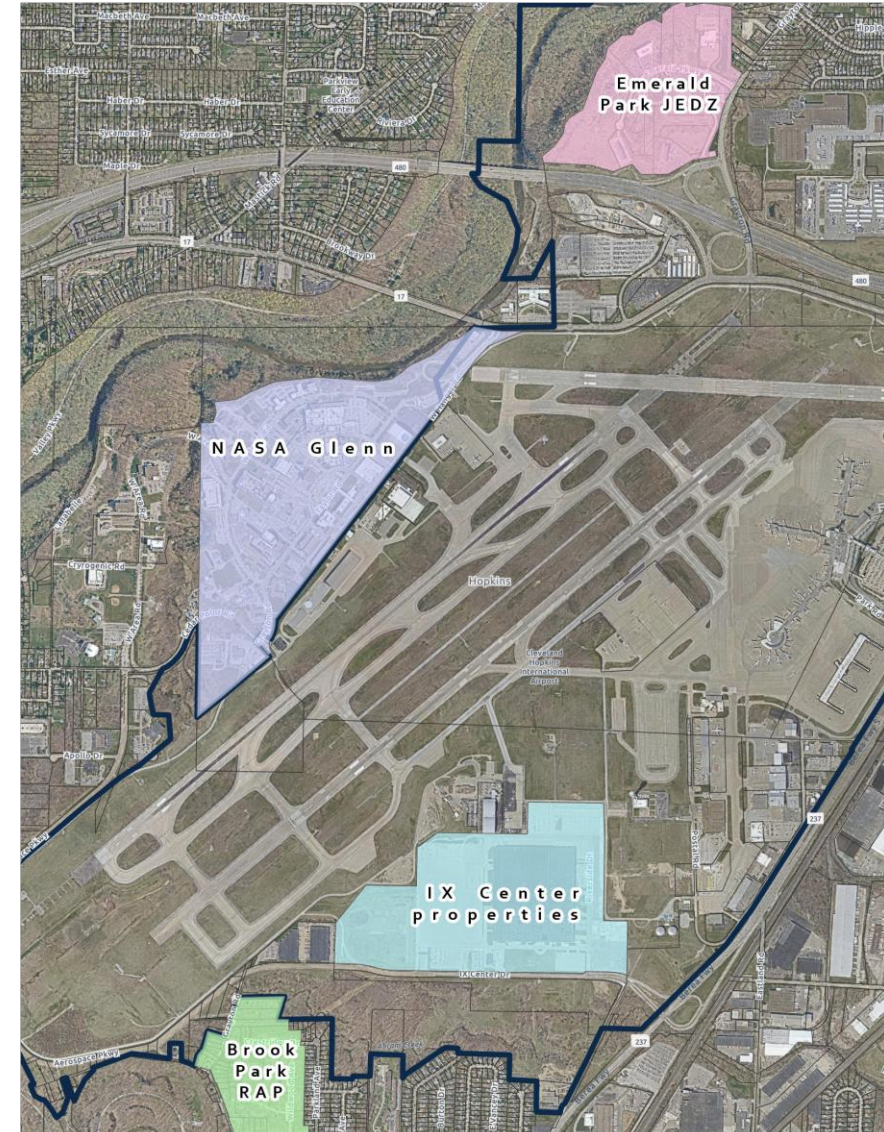
Timeline

- 1992: Cleveland unveils Hopkins expansion plan with two new runways requiring the demolition of the IX Center.
- 1994: Initial lawsuit filed in land dispute
- 1999: Cleveland acquires IX Center (located in Brook Park) from Park Corp for \$66.5m
- 2001: Runway settlement agreement reached preserving the opportunity for the runway expansion
- Runway expansion plans abandoned
- 2017: Brook Park files lawsuit alleging default
- 2021: IX Center lease acquired
- 2026: Settlement amendment deal proposed



2001 Settlement Details

- Cleveland transfers NASA Glenn Research Center land to Brook Park.
- Cleveland creates Emerald Park JEDZ giving 50% of all revenues collected to Brook Park
- Cleveland agrees to acquire and demolish residential properties in Brook Park for a runway protection zone
- Cleveland receives IX Center lands from Brook Park, however Brook Park maintains all 2001 level tax rights until such time as the IX Center is demolished.



2026 Settlement Amendment

Future of the IX Center

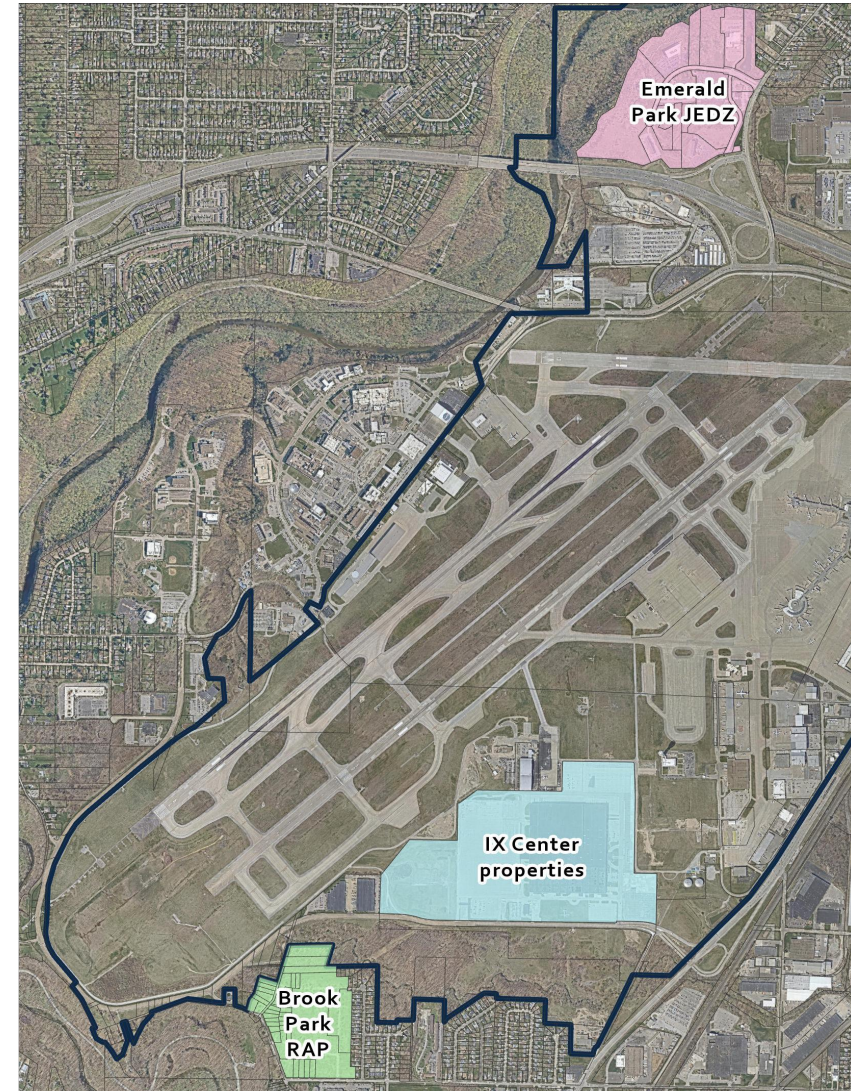


Cleveland Receives:

- Abolish Emerald Park JEDZ
 - Currently ~\$305K annually to each city
 - Unlocks ~40 Acres of Developable Land
- Abolishes Tax Sharing at IX Center
 - 2024: ~\$250k Brook Park, ~\$228k Cleveland
 - Peak: ~\$490 Brook Park, ~\$519k Cleveland
 - Unlocks ~47 Acres of Developable Land
 - Ends perpetuity and proportionality of tax sharing
- Ends 9 years of litigation

Brook Park Receives:

- \$2m settlement payment and dismissal of pending litigation
- \$650K annual payment in lieu of taxes for 33 years
- Approximately 34 acres of land owned by the City of Cleveland in the Brook Park RAP zone (Awaiting FAA guidance)



Emerald Corporate Park:

- Approximately 75 total acres
 - *Approximately 40 acres still developable*
- Land is in the City of Cleveland
- Major tenants include: Oatey Co., Hilton Garden Inn, Grayton Road Tavern
- Currently in Joint Economic Development Zone
 - *Cleveland and Brook Park split property and income taxes 50/50*
 - *Last tax year collected \$610,906 (\$305,453 to each city)*
 - *This represents ~\$17,500 per developed acre (35 acres)*
- Developing the remaining 40 acres with similar tenants at \$17,500 per acre would net an additional ~\$700,000 annually.
- New deal would abolish JEDZ and City would receive all revenues.



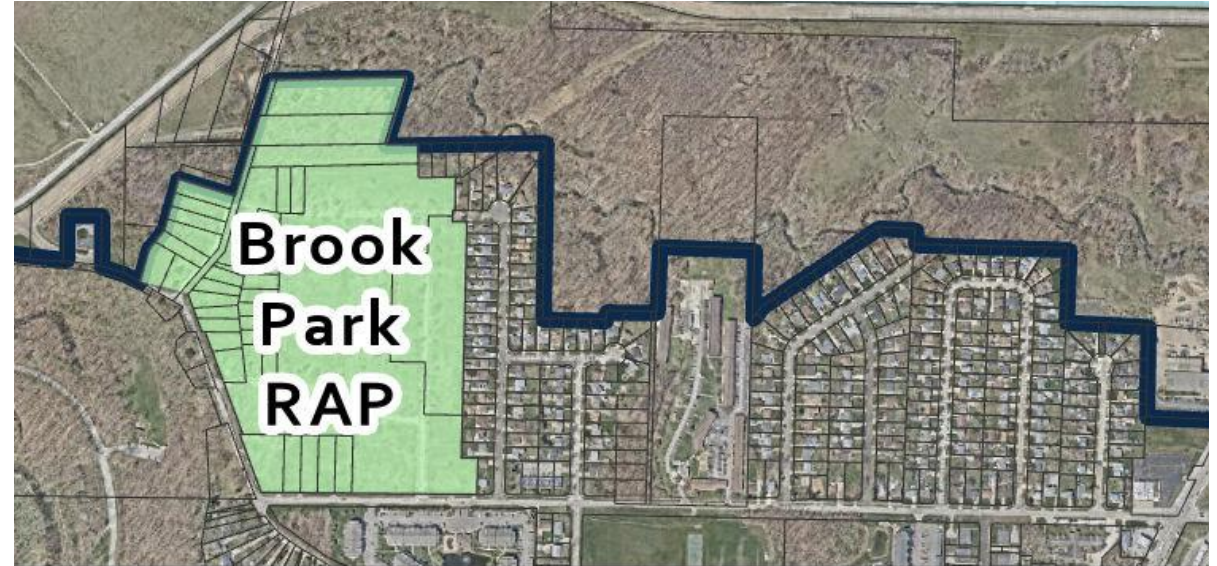
IX Center and Surrounding Land:

- Approximately 165 total acres
 - Approximately 47 acres still developable
 - Existing 2.2 million SF building
- Land is in the City of Cleveland
- Currently subject to tax sharing
 - Income taxes: Brook Park 1.5%, Cleveland 1%
 - Property taxes: Brook Park 36.75%, Cleveland 63.25%
 - This is in the Cleveland-Berea Tax District
 - Admission Taxes: Brook Park 3%, Cleveland 5%
 - Parking: Brook Park receives all revenues
- IX Produced \$475k in total revenues in 2024
 - \$247k Brook Park, \$228k Cleveland
- IX Center Produced \$1m in total revenues in 2018
 - \$520k Cleveland, \$480k Brook Park
- New deal would abolish tax sharing, and Cleveland would collect all revenues.
- IX Center is operated by an affiliate of ICP/IRG under a master lease that runs for ~13 years



Brook Park Residential Acquisition Program Land:

- Land is in the City of Brook Park, owned by Cleveland
 - *The City of Cleveland has no rights to tax revenues*
- Land is subject to current litigation
- Cleveland currently owns ~34 acres
- Original agreement called for Cleveland to acquire ~77 additional acres
- New deal would transfer Cleveland owned land back to Brook Park.
- Land would revert back to original Brook Park zoning
- FAA does not need to approve transaction but has interest in future state.



IX Center

- Built in 1942 as Cleveland Bomber Plant
- 2.2 million square feet
- 55'-77' ceiling heights
- 16' thick concrete floors
- Overhead Bridge Cranes
- 9 truck docks
- On site power substation delivering 25 MW of power
- Operated as trade show facility since 1985



NASA Glenn vs. IX Center Today

- NASA produces ~\$3.5m annually in income tax
- IX Center produced ~\$228k in revenue for Cleveland in 2024
- IX Center produced ~\$520k in revenue for Cleveland in peak (2018)
- IX Center produced ~\$475k in total revenues in 2024
- IX Center produced ~\$1m in total revenues in peak (2018)

Potential Future Revenues:

- Assumptions based on total payroll that could come from IX center, developed adjacent 47 acres, or developed 40 acres at Emerald Park. Assumptions include basic incentives offered, no additional property taxes, and \$650k payment for 33 years.
- \$25m payroll = + \$2.45m
- \$40m payroll = + \$14.1m
- \$80m payroll = + \$44.6m
- \$100m payroll = + \$59.8m

