

Ordinance No. 1440-2025

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

Amended Desk Copy

AN EMERGENCY ORDINANCE

Approving the addition of certain property located at 1301 East 9th Street to the Northeast Ohio Advanced Energy District; accepting and approving a petition and plan from a property owner in the District identifying a special energy improvement project; declaring it necessary to conduct the special energy improvement project; providing for the assessment of the cost of such special energy improvement project; authorizing the Director of Economic Development to enter into an Energy Project Cooperative Agreement and a Special Assessment Agreement to implement the project; and declaring an emergency.

WHEREAS, this Council adopted Resolution No. 1078-10 and passed Ordinance No. 1551-13, which authorized the City of Cleveland to establish and participate in the Northeast Ohio Advanced Energy District, formerly known as the Cleveland First-Suburbs Development Council Advanced Energy Special Improvement District (the “District”); and

WHEREAS, the District is an energy special improvement district formed under Chapter 1710 of the Ohio Revised Code (the “Revised Code”) and is authorized to levy assessments to pay costs for developing and implementing plans for public improvements and public services that benefit the special improvement district, including special energy improvement projects as defined in Chapter 1710 of the Revised Code; and

WHEREAS, Chapter 1710 of the Revised Code authorizes property owners to petition the City to add their property to the District and request the imposition of a special assessment on their property to support a special energy improvement project; and

WHEREAS, Erieview Tower Hotel LLC (the “Owner”) is the owner of Permanent Parcel Nos. 101-34-306, 101-34-311, 101-34-312, 101-34-313, 101-34-314, 101-34-315, 101-34-316, 101-34-317, 101-34-318, 101-34-319, 101-34-345, and 101-34-348, located at 1301 East 9th Street, Cleveland Ohio 44114 (the “Property”); and

WHEREAS, the Property constitutes one hundred percent of the property now proposed to be added to the District and the Owner has submitted a petition (the

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“Project Petition”) to the City and the District requesting that the Property be added to the District and that special assessments be placed upon the Property (the “Special Assessments”) to secure the Project Advance, as that term is defined in the Energy Project Cooperative Agreement (the “Cooperative Agreement”), from Greenworks Lending LLC (together with its affiliates, successors, or assigns, the “Lender”) to fund the special energy improvement project (the “Project”) further described in the plans and specifications (the “Project Plan”) attached to the Project Petition; and

WHEREAS, the District has reviewed and approved the Project Petition and the Project Plan and, under Section 1710.02(E) of the Revised Code, the Project Petition and the Project Plan are to be approved or disapproved by ordinance of this Council within sixty days of filing of the Project Petition with the City; and

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 Project Petition and the Project Plan placed in File No. _____ are approved, and this Council consents to the addition of the Property to the District.

Section 2. That it is determined and declared necessary and conducive to the public health, convenience, and welfare of the City to conduct the Project as defined in the Project Plan for a 28-year period and that the Property will be specifically benefited by the Project and shall be assessed to pay for the costs of the Project, calculated according to the Cooperative Agreement.

Section 3. That the Project Plan placed in the above-mentioned file is approved with a maximum amount of Special Assessments of \$111,087,705.68 which is sufficient to pay the costs of the Project, including other related financing costs in

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connection with the issuance, sale, and servicing of securities, nonprofit corporate obligations, or other obligations issued to pay costs of the Project in anticipation of the receipt of the Special Assessments, capitalized interest on, and financing reserve funds for, such securities, nonprofit corporate obligations, or other obligations so issued, including any credit enhancement fees, trustee fees, and District administrative fees and expenses, which costs were set forth in the Petition and previously reported to Council and are now on file in the offices of the Clerk of Council and the Director of Finance set forth in the Project Petition is adopted and confirmed, and that the maximum Special Assessments are levied and assessed on the Property. The maximum interest portion of the Special Assessments, together with amounts used to pay administrative expenses, has been determined by the District to be substantially equivalent to the fair market rate that would have been borne by notes or bonds issued by the District.

The Special Assessments are to be assessed against the Property commencing in tax year 2027 for collection in 2028 and shall continue through tax year 2054 for collection in 2055; provided, however, if the proceedings relating to the Special Assessments are completed at such time that the County Fiscal Officer of Cuyahoga County, Ohio determines that collections shall not commence for tax year 2027 for collection in 2028 then the collection schedule may be deferred by one year. The semi-annual installment of the Special Assessments shall be collected in each calendar year equal to a maximum semi-annual amount of Special Assessments as shown in the Project Petition.

As requested in the Petition, the final aggregate maximum amount of the Special Assessments may be in an amount less than the aggregate maximum amount of \$111,087,705.68 if the final rate of interest for the financing for the Project is less than

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the assumed maximum rate of interest. If the rate of interest is less than the assumed maximum rate of interest such that the aggregate amount of Special Assessments necessary to repay the financing for the Project is less than the aggregate amount of \$111,087,705.68, the Owner and the provider of the financing shall, prior to April 1 in the first tax year for which the Special Assessments are levied, ~~certify a final~~ provide an amended schedule of Special Assessments to the City, ~~which final~~ and the amended schedule shall be certified to the County Fiscal Officer of Cuyahoga County, Ohio, for collection.

All Special Assessments shall be certified by the Clerk of Council to the County Fiscal Officer pursuant to the Petition and Chapter 727.33 of the Revised Code to be placed on the tax list and duplicate and collected with and in the same manner as real property taxes are collected and as set forth in the Project Petition.

The Special Assessments shall be allocated to the parcels (or, if any such parcel is later subdivided, subsequent parcels) constituting the Property as set forth in the Project Petition and the ~~list~~ schedule of Special Assessments attached to the Project Petition.

Section 4. That no notes or bonds of the City shall be issued in anticipation of the levy or collection of the Special Assessments.

Section 5. The Clerk of Council may cause notice of the adoption of this Ordinance. The Commissioner of Assessments and Licenses is authorized to deliver to the Cuyahoga County Fiscal Officer a certified copy of this Ordinance within 15 days after the passage of this Ordinance..

Section 6. That the Director of Economic Development is authorized, on behalf of the City, to negotiate and enter into the Cooperative Agreement and a Special

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Assessment Agreement to provide for the calculation, imposition, and payment of the Special Assessments.

Section 7. That any such agreements shall be prepared by the Director of Law.

Section 8. That the Director of Economic Development is authorized to charge and accept fees in an amount not to exceed the maximum allowable fees and the fees are appropriated to cover costs incurred in processing the Project Petition and servicing the Special Assessments. The fees shall be deposited to and expended from Fund No. 17 SF 305, the Loan Fees Fund.

Section 9. That this Council finds and determines that all formal actions of this Council concerning and relating to the passage of this ordinance were passed in an open meeting of this Council and that all deliberations of this Council and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the 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.

MC:uo
11-10-25

FOR: Director Bourdeau-Small

Mr.

AN EMERGENCY ORDINANCE approving the addition of property located at 1301 E. 9th Street to the Northeast Ohio Advanced Energy District; accepting and approving a petition and plan from a property owner in the District identifying a special energy improvement project; declaring it necessary to conduct the special energy improvement project; providing for the assessment of the cost of such special energy improvement project; authorizing the Director of Economic Development to enter into an Energy Project Cooperative Agreement and a Special Assessment Agreement to implement the project; and declaring an emergency.

READ FIRST TIME

REPORTS

and referred to

by the council

CITY CLERK

READ SECOND TIME

by the council

CITY CLERK

READ THIRD TIME

by the council

PRESIDENT

CITY CLERK

APPROVED

MAYOR

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