

Ordinance No. 98-2026

By Council Members Davis, Santana and Griffin (by departmental request)

AN EMERGENCY ORDINANCE

Authorizing the Director of Development to enter into a Tax Increment Financing Agreement with Westinghouse-Breakwater Properties, LLC, or its designee, TW58 Cleveland, LLC, and/or another designee, to assist with the financing of the Westinghouse Redevelopment Project to be located at 1200 West 58th Street; 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, under Ordinance No. 1411-2025 passed December 1, 2025, the City entered into chain of title of the real property by conveyance deeds from Westinghouse-Breakwater Properties, LLC (the “Owner”), to the City, recorded December 26, 2025, DEQC #202512260450, and from the City to the Owner, recorded December 26, 2025, DEQC #202512260451 (the “Real Property”), pursuant to Revised Code Section 5709.41(D), this legislative year of 2025 shall serve as the base year for determining the increment or appreciated value after completion of the improvements; 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. **98-2026-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

Ordinance No. 98-2026

WHEREAS, the District has been notified of the intent to enter into a Tax Increment Financing (“TIF”) Agreement authorized by this ordinance in compliance with Sections 5709.41(C)(4) and 5709.83 of the Revised Code; 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 improvements to be constructed by Westinghouse-Breakwater Properties, LLC, or its designee, TW58 Cleveland, LLC, and/or another 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:

EXHIBIT “A”
LEGAL DESCRIPTION – Parcel No. 002-11-002

Situated in the City of Cleveland, County of Cuyahoga and State of Ohio, and known as being part of Original Brooklyn Township Lot Numbers 31 and 50 and being further bounded and described as follows:

Beginning at a point on the westerly line of West 58th Street at a point bearing North 0° 02' 10" East, a distance of 447.36 feet measured along said westerly line from its intersection with the northerly line of Breakwater Avenue, 66 feet wide;

Thence North 0° 02' 10" East along said westerly line of West 58th Street a distance of 283.49 feet to a point;

Thence South 89° 57' 50" East, a distance of 23.96 feet to a point on the southwesterly curved sideline of Ohio State Route 2;

Thence northwesterly along said southwesterly curved sideline of Ohio State Route 2, deflecting to the left an arc distance of 177.80 feet; said arc having a radius of 890.00 feet and a chord which bears North 53° 34' 40" West a distance of 177.50 feet to a point on the southwesterly curved line of the Lake Shore and Michigan Railroad, 100 feet wide;

Thence southwesterly along said southwesterly curved line of said railroad deflecting to the right an arc distance of 17.96 feet, said arc having a radius of 5783.61 feet and a chord which bears South 61° 13' 53" West, a distance of 17.96 feet to a point of tangent;

Thence South 63° 34' 20" West, along the southwesterly line of said railroad a distance of 430.43 feet to a point;

Thence South 0° 02' 10" West, a distance of 192.97 feet to a point;

Thence North 89° 20' 00" East, passing through the center of a common wall, a distance of 84.65 feet to an angle point in said common wall; .

Thence South 0° 40' 00" East, passing through said center of a common wall, a distance of 1.72 feet to an angle point;

Ordinance No. 98-2026

Thence North 89° 20' 00" East, passing through said center of a common wall, a distance of 435.37 feet to a point on said westerly line of West 58th Street and the place of beginning of the premises herein intended to be described and further known as Sublot No. 2 in the Shoreway-West Subdivision No. 1 containing 3.6255 acres of land as surveyed and described by Hedrick & Associates, Inc., March 1985, as recorded in Vol. 232, Page 72 in the Cuyahoga County Map Records. Be the same more or less, but subject to all legal highways.
Property Address: 1200 West 58th Street, Cleveland, Ohio 44102

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 the tax duplicate; and that in no event shall the exemption period extend beyond 2058. The TIF will become effective on the residential portion after the expiration of the fifteen (15)-year, one hundred percent (100%) CRA tax abatement. 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>	Westinghouse Redevelopment
<u>Project Address:</u>	1200 W. 58 th Street
<u>Parcel Number:</u>	002-11-002
<u>Owner:</u>	Westinghouse-Breakwater Properties, LLC
<u>Developer:</u>	TW58 Cleveland, LLC, and/or designee
<u>Project Manager:</u>	Bobby Bruno
<u>Ward/Councilperson:</u>	7 – Davis
<u>City Assistance:</u>	Non-School TIF



Project Summary
The redevelopment of the former Westinghouse buildings will be a mixed-use development led by TW58 Cleveland, LLC and/or designee (“Developer” or “Development Company”) for the purpose of

Ordinance No. 98-2026

redeveloping and holding the property located at 1200 West 58th Street (“Project Site”). James Rusnov serves as the Manager of the Development Company, based here out of Cleveland, Ohio.

In 2026, the Developer will begin the renovation of the 8-story tower on the north of the Project Site, and development of a new 3-story structure that will restore and utilize the existing W. 58th Street-side façade of the structure to otherwise be demolished on the south side of the Project Site. In total, the development will bring 158,000 square feet to productive use at the Project Site, through 106 residential apartments with resident amenities and commercial end users such as a gym/spa and a commercial office headquarters.

The Developer will invest a total of \$81,482,920 in completing construction and renovation work (“Project”).

To assist with project financing, the Developer has requested that the City impose a 5709.41, 30-Year, Non-School TIF. The TIF will support debt service and assist with the development at 1200 West 58th Street, Cleveland, OH 44102. The TIF will take effect on the residential portion of the Project Site following the expiration of the 15-Year Community Reinvestment Area Tax Abatement, to be administered by the City’s Community Development Department. The TIF’s estimated net present value is \$4,750,353 over its term.

Proposed City Assistance

- This ordinance will authorize the Director of Development to enter into a 30-year non-school Tax Increment Finance (TIF) agreement with TW58 Cleveland, 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 equivalent jobs in the City of Cleveland
- Project estimates \$15,350 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, Treasurer, or their

Ordinance No. 98-2026

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 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 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 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 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.

Ordinance No. 98-2026

SMa:uo
2-2-2026

FOR: Director Bourdeau Small

By Council Members Davis, Santana and Griffin (by departmental request)

AN EMERGENCY ORDINANCE

Authorizing the Director of Development to enter into a Tax Increment Financing Agreement with Westinghouse-Breakwater Properties, LLC, or its designee, TW58 Cleveland, LLC, and/or another designee, to assist with the financing of the Westinghouse Redevelopment Project to be located at 1200 West 58th Street; to provide for payments to the Cleveland Metropolitan School District; and to declare certain improvements to real property to be a public purpose.

READ FIRST TIME on FEBRUARY 2, 2026

REPORTS

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

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME

PRESIDENT

CITY CLERK

APPROVED

MAYOR

REPORT

after second Reading

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