

THERE IS NO LEGAL OBJECTION TO THIS LEGISLATION IF AMENDED AS FOLLOWS:

1. In the title, line 2, strike "repeal" and insert "amend the third whereas clause and Sections 1, 2, and 3".

2. In the second whereas clause, line 4, strike "repealed" and insert "amended".

3. In the fourth whereas clause, line 3, strike "(the "Real Property") and insert "(depicted and defined in Exhibit A attached hereto, the "Real Property" with each parcel comprising the Real Property being referred to individually as a "Parcel") as documented by conveyance limited warranty Deed from the City to Project Boron, LLC ("Redeveloper) recorded June 24, 2022, deed No. 202206240556,".

4. In the sixth whereas clause, line 2, after "taxation" insert "on a parcel-by-parcel basis;".

5. In the ninth whereas clause, line 1, after "intent to" insert "pass this ordinance and".

6. Strike Sections 1, 2, 3, and 4 in their entirety and insert:

"Section 1. That the third whereas clause and Sections 1, 2, and 3 of Ordinance No. 997-2021 passed November 29, 2021, are amended to read as follows:

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. 997-2021-A-888-2022-A which also contains a full list of parcels, map, and legal descriptions; and

Section 1. That the improvements to be constructed by Project Boron, LLC, and/or its designee ("Redeveloper"), are declared to be a public purpose for purposes of Section 5709.41 of the Revised code (the "Improvements"). The Real Property includes all property owned or previously owned by the City of Cleveland as more fully depicted in the maps placed in the above-mentioned file and as may subsequently be replatted, re-numbered, or revised. That pursuant to and in accordance with Revised Code Section 5709.41, this Council hereby finds and determines that 100% of the increase in assessed value of each Parcel comprising the Real Property (which increase in assessed value is also hereinafter referred to as the "Improvement" as defined in the TIF statutes), subsequent to the acquisition of such Parcel by the City, is hereby declared to be a public purpose.

Section 2. That one hundred percent (100%) of the Improvements are Improvement is declared exempt from real property taxation for a period of thirty

years, effective and commencing, on a parcel-by-parcel basis, the first year the value of the Improvements are Improvement is reflected on the tax duplicate for such Parcel ending on the earlier of (a) thirty (30) years after such exemption commenced or (b) the date on which the city can no longer require service payments in lieu of taxes, all in accordance with the requirements of the Revised Code; and that in no event shall the exemption period extend beyond 2054 2055. The terms of the agreement, which shall not be materially changed without further legislative action by Council, will be as follows:

Project: Orlando Baking Company Expansion
Developer: Orlando Baking Co./~~Westin~~ Weston Development
Ward: 5

The Orlando Baking Co. has been operating in the Central neighborhood for decades, employing over 300 at their current facility. They have been expanding in place for years and are bursting at the seams. One of their largest needs is commercial-grade freezer space. Cold storage is in extreme shortage throughout the region: Orlando currently leases space in Columbus and one company looking at opportunities in the region could not find freezer space closer than Harrisburg, PA.

To address their immediate need, Orlando has ~~partnered~~ contracted with ~~Westin~~ Weston to ~~develop~~ suggest a Public Refrigerated Warehouse on the site immediately south of them across the Opportunity Corridor. The initial commercial freezer will be approximately 150,000 square feet of development, of which Orlando will operate in about 50,000 square feet and the remainder will be leased to commercial food companies in and around Cleveland. As a shared warehouse, shipping can be pooled, with products from multiple companies shipped to the same site, either as a final destination or to a centralized warehouse (for example to a grocery warehouse within a market). ~~The project site will include sufficient space for development of 100,000 additional square feet of cold storage as well as potential retail development on the Opportunity Corridor frontage.~~

This cold storage development will benefit not only Orlando, but many of Cleveland's existing food manufacturers, as well as creating a competitive advantage for the attraction of other food-related businesses in and around the Corridor. This is the type of catalytic, large-footprint commercial development that is needed through the City and the State.

Purpose of Legislation:

- ~~— Authorize the sale of City owned property and a purchase option for other City owned property~~
- Authorize a Amend existing 30-year Non-School TIF ordinance

Estimated Economic Impact:

- Retention of over 300 existing jobs at the Orlando Baking Co. and a \$16,000,000 payroll
- ~~Creation of 70 additional jobs between Orlando's current footprint and the cold storage facility and an additional \$5,000,000 payroll.~~
- Potential for the creation of 20+ Create 20 additional jobs through future expansions.

Estimated Sources & Uses:

<u>Uses</u>	<u>-</u>	<u>Sources</u>	<u>-</u>
Acquisition & Soft Costs	\$7,000,000	Senior Loan (inc. TIF)	\$18,450,000
Site Preparation	\$2,500,000	JobsOhio	\$3,000,000
Construction (Shell)	\$12,500,000	NDP Grant	\$50,000
Construction (Freezer Buildout)	\$9,500,000	Equity	\$10,000,000
Total Uses	\$31,500,000	Total Sources	\$31,500,000

Estimated TIF Value: \$2,240,000

Community Benefits:

Chapter 187 Applies

Chapter 188 Applies

Workforce Development Agreement

Section 3. That, under Section 5709.41 of the Revised Code Redeveloper, or the owners of the Improvements, as owner of the Real Property, and all subsequent owners of the real Property, shall make service payments for a period of thirty years in lieu of the exempt real property 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 2. That the existing third whereas clause and Sections 1, 2, and 3 of

Ordinance No. 997-2021, passed November 29, 2021, are repealed."

7. Renumber existing Sections 5, 6, 7, 8, 9, and 10, to new "Section 3", "Section 4", "Section 5", "Section 6", "Section 7", and "Section 8".

Date: _____ (Signed): _____

Steve Martinek
Assistant Director of Law

Ord. No. 888-2022