

Ordinance No. 1051-2022

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

AN EMERGENCY ORDINANCE

To amend Section 8 of Ordinance No. 2247-02, passed December 16, 2002, relating to a Tax Increment Financing Agreement with Lower Euclid Avenue, LLC to authorize the use of excess TIF revenue funds for needed additional work to improve or maintain the Lower Euclid Avenue commercial or residential TIF District.

WHEREAS, Ordinance No. 2247-02, passed December 16, 2002 (the “TIF Ordinance”), authorized the Director of Economic Development to enter into agreements with various property owners to provide tax increment financing to partially finance certain Improvements as part of the Lower Euclid Avenue Commercial and Residential District project and to provide for service payments in lieu of taxes; and

WHEREAS, such service payments have produced revenues in excess of that which has been, and is anticipated to be, needed to pay principal of, and interest on, the revenue bonds issued by the City to partially finance the Improvements in the Area (as defined in Ordinance No. 870-2000); and

WHEREAS, Section 5 of the TIF Ordinance creates the Euclid/Prospect II TIF Fund, and Section 8 of the TIF Ordinance directs that moneys deposited in such fund shall be used to pay the costs of, or to pay the principal (whether at maturity or by prior redemption) of, and interest on revenue bonds or other debt obligations to be issued by the City (or other appropriate issuer) to finance a portion of the costs of the Improvements; and

WHEREAS, the City has determined to amend Section 8 of the TIF Ordinance to authorize use of moneys on deposit in the Euclid/Prospect II TIF Fund to pay a portion of the costs of Improvements in the Area whether or not such Improvements have been financed by the City through revenue bonds or other debt obligations issued by 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 Section 8 of Ordinance No. 2247-02, passed December 16, 2002, is amended to read as follows:

Section 8. That the balance of the service payments collected pursuant to Section 4 hereof shall be distributed by the Cuyahoga County Treasurer to the Treasurer of the City of Cleveland and deposited in the Euclid/Prospect II Fund created by Section 6 hereof. With the approval of the Director of Economic Development and the Director of Law, moneys deposited in the Euclid/Prospect II Urban Redevelopment Tax Increment Equivalent Fund shall be used to (I) pay the costs of, or to pay the principal (whether at maturity or by prior redemption) of, and interest on revenue bonds or other debt obligations to be issued by the City (or other appropriate governmental issuer) to finance a portion of the costs of the Improvements, and the costs attributable to the sale of the such bonds or obligations, inclusive of attorneys’ fees,

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appraisals and other similar fees; and/or (II) pay, directly or on a reimbursement basis to the Redeveloper, a portion of the costs of Improvements in the Area; provided that the Improvements for which bonds are issued and moneys deposited in the Euclid/Prospect II TIF Fund may be used (“Financed Improvements”) shall meet the following requirements, ~~subject in each case, to the approval of this Council.~~

(a) the Financed Improvements shall be either (i) residential, office, retail, restaurant or entertainment facilities or (ii) another use which supports residential, office, retail, restaurant or entertainment facilities, including, without limitation, parking facilities containing at least 250 parking spaces for use by residents or patrons of residential, retail, restaurant or entertainment facilities within the District.

(b) If the Financed Improvements are retail, restaurant or entertainment facilities, such Financed Improvements shall meet at least three of the following four criteria:

(i) the Financed Improvements, or a portion thereof, shall be leased to anchor tenants leasing a minimum of 5,000 square feet;

(ii) the cost of tenant improvements for the Financed Improvements is at least \$125 per square foot;

(iii) either

(x) the proposed tenant is an anchor tenant which, in the reasonable judgment of the owner of the proposed Financed Improvements, and not objected to by the Director of Economic Development, would attract customers from an area greater than 50 miles from the location of the Financed Improvements, or

(y) the proposed tenant operates not less than two retail, restaurant or entertainment facilities within five or more states or not less than two retail, restaurant or entertainment facilities within the state of Ohio

(iv) the lease term for the Financed Improvements is at least five (5) years.

(c) The Director of Economic Development is hereby authorized to enter into an agreement or agreements with Redeveloper to make the Improvements described herein, to be paid from Fund No. 17 SF 030, or from a fund or funds approved by the Director of Finance.

Section 2. That existing Section 8 of Ordinance No. 2247-02, passed December 16, 2002, is repealed.

Section 3. 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:nl
10-10-2022
FOR: Director Abonamah

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REPORT
after second Reading

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READ FIRST TIME on OCTOBER 10, 2022

REPORTS

and referred to DIRECTORS of Economic 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

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Published in the City Record _____

**PASSAGE RECOMMENDED BY
COMMITTEE ON
DEVELOPMENT, PLANNING AND
SUSTAINABILITY**

FILED WITH COMMITTEE

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COMMITTEE ON
FINANCE, DIVERSITY, EQUITY
and INCLUSION**

FILED WITH COMMITTEE

