

Ordinance No. 695-2026

**By Council Members Howse Jones,
Santana and Griffin
(by departmental request)**

AN EMERGENCY ORDINANCE

Authorizing the Director of Development to enter into a Tax Increment Financing Agreement with RJJ 2230 SA Holding LLC, and/or its designee, to assist with the financing of the Heller Keller-Kohn Project to be located at 2230 Superior Ave; 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. 1397-2025 passed December 1, 2025, the City entered into chain of title of the real property by conveyance deeds from RJJ 2230 SA Holding LLC, and/or its designee (“Redeveloper”), to City recorded April 17, 2026, DEQC 202604170079; and from City to Redeveloper recorded April 20, 2026, DEQC 202604200018 (the “Real Property”), thus establishing 2026 as the base year for determining the increment or appreciated value after completion of the improvement, pursuant to the requirements of Section 5709.41 of the Revised Code, prior to the passage of this ordinance; 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. **695-2026-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

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WHEREAS, the District has been notified of the intent to enter into a tax increment financing 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 R JL 2230 SA LLC, and/or its 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:

P.P.N. 102-25-050

Situated in the City of Cleveland, County of Cuyahoga and State of Ohio, and known as being part of Original Ten Acre Lot Nos. 106, 107, and 108, further known as being all of PARCEL “A” as shown by plat LOT CONSOLIDATION FOR R JL 2230 SA LLC as recorded by the plat in AFN. 202310110667 of Cuyahoga County Records, and containing 0.7949 Acres (34,626 SQ. Ft) of land as appears by said plat, be the same more or less, but subject to all legal highways and easements of record.

P.P.N. 102-25-050

Address: 2230 Superior Ave., Cleveland, Ohio 44114

Section 2. That the City having entered into title in 2026, 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 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:

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DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: _____

<u>Project Name:</u>	Heller Keller-Kohn
<u>Project Address:</u>	2230 Superior Avenue, Cleveland, OH 44114
<u>Parcel Number:</u>	102-25-050
<u>Developer:</u>	RJL 2230 SA LLC and/or designee
<u>Project Manager:</u>	Bobby Bruno
<u>Ward/Councilperson:</u>	8 – Howse-Jones
<u>City Assistance:</u>	Non-School TIF



Project Summary

The redevelopment of the Heller and Keller-Kohn textile buildings will be a mixed-use development led by 2202 Superior LLC and RJL 2230 SA LLC or their designee (“Developer” or “Development Company”), entities formed out of TurnDev for the purpose of redeveloping and holding the property located at 2202-2230 Superior Avenue (“Project Site”). Jon Pinney serves as the Manager of the Development Company, based out of Beachwood, Ohio.

In 2026, the Developer will begin the renovation of the 3- and 4-story buildings comprising 99,946 square feet at the Project Site, into 100 residential apartments with resident amenities and approximately 2,261 square feet of renovated office and retail space on the lower levels. The development will also include 108 parking spaces.

The Developer will invest a total of \$45,267,441 in completing apartment construction and commercial 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 2202-2230 Superior Avenue, Cleveland, OH 44114. 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 \$1,204,866 over its term.

Proposed City Assistance

- This ordinance will authorize the Director of Economic Development to enter into a 30-year non-school Tax Increment Finance (TIF) agreement with RJL 2230 SA, 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.

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Economic Impact

- Creation of approximately 7.5 new full-time equivalent jobs in the City of Cleveland
- Project estimates \$10,050 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 or Treasurer, or 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.

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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.

SMA:uo
6-1-26

FOR: Director Bourdeau Small

Ord. No. 695-2026

[File No. 695-2026-A]

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

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READ FIRST TIME on JUNE 1, 2026

REPORTS

and referred to DIRECTORS of Development, City Planning Commission, Finance, and Law; COMMITTEES on Municipal Services and Properties, 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

REPORT
after second Reading

FILED WITH COMMITTEE

PASSAGE RECOMMENDED BY
COMMITTEE ON
MUNICIPAL SERVICES
AND PROPERTIES

FILED WITH COMMITTEE

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FINANCE, DIVERSITY, EQUITY
and INCLUSION