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

FOR PASSAGE July 9, 2025

AN EMERGENCY ORDINANCE

Authorizing the Director of Economic Development to enter into a Tax Increment Financing Agreement with TDG Franklin North, LLC, and/or its designee, to assist with the financing of the Franklin Yard North Project to be located at 3210 Franklin Boulevard; 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. 95-2025, passed February 10, 2025, the City entered into chain of title of the real property by conveyance deeds: from TDG Franklin North, LLC, and/or its designee, ("Redeveloper") to City recorded June 3, 2025, DEQC 202506030615; and from City to Redeveloper recorded June 3, 2025, DEQC 202506030616 (the "Real Property"), thus establishing 2025 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. 839-2025-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 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:

<u>Section 1.</u> That the improvements to be constructed by TDG Franklin North,

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:

Franklin North Legal Description

The Land is described as follows:

Parcel 1: (PPN: 003-26-053 including 003-26-054)

Situated in the City of Cleveland, County of Cuyahoga, and State of Ohio:

And known as being Parcel C, in the Plat of Partition & Consolidation, prepared for Orbis Solutions, Inc., of part of Original Brooklyn Township Lot No. 51, as shown by the recorded plat in Volume 350 of Maps, page 41, of the Cuyahoga County Records, as appears by said plat, be the same more or less, but subject to all legal highways.

Parcel 2: (part of PPN: 003-26-081)

Situated in the City of Cleveland, County of Cuyahoga, and State of Ohio:

And known as being part of Sublot No. 14, in the Charles Taylor Farm Allotment, of part of Original Brooklyn Township Lot No. 51, as shown by the recorded plat in Volume 2 of Maps, page 22, of the Cuyahoga County Records, and bounded and described as follows:

Beginning on the Northwesterly side of Franklin Blvd., N.W., at a point, 28.30 feet Southwesterly from the most Easterly corner of Sublot No. 14;

Thence Southwesterly, along the Northwesterly side of Franklin Blvd, N.W., 37.70 feet to the most Southerly corner of Sublot No. 14;

Thence Northwesterly, along the Southwesterly line of said Sublot No. 14, a distance of 88.93 feet to a point; Thence Northeasterly, and parallel with the Northwesterly side of Franklin Blvd., N.W., 37.70 feet to a point;

Thence Southeasterly, parallel with the Southwesterly line of Sublot No. 14, a distance of 89.60 feet to a point in the Northwesterly line of Franklin Blvd., N.W.,

and the place of beginning, be the same more or less, but subject to all legal highways.

Parcel 3: (part of PPN: 003-26-081)

Situated in the City of Cleveland, County of Cuyahoga, and State of Ohio:

And known as part of Sublot No. 13, in the Taylor Farm Allotment, of part of Original Brooklyn Township Lot No. 51, as shown by the recorded plat in Volume 2 of Maps, page 22, of the Cuyahoga County Records, and bounded and described as follows:

Commencing at the Southeast corner of said Sublot No. 13, and on the Northerly line of Franklin Avenue, N.W.;

Thence Northerly, along the Easterly line of said Sublot, 89.60 feet to a point;

Thence Westerly, and parallel with the Northerly line of said Sublot No. 13, about 8.0 feet to a point;

Thence Southerly, on a line parallel to the Easterly line of said Sublot No. 13, a distance of 89.60 feet to a point on the Northerly line of Franklin Ave., N.W.;

Thence Easterly, along the Northerly line of Franklin Ave., about 8.0 feet to the point of beginning, be the same more or less, but subject to all legal highways.

The above legals are now known as Parcel C-1 of Plat of Consolidation recorded in AFN 202405210443 of Cuyahoga County Records. New Parcel No. 003-26-132

<u>Section 2.</u> 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 2057.

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>	Franklin Yards North
Recipient:	TDG Franklin North, LLC
<u>Project Site:</u>	3118 Franklin Blvd., Cleveland, Ohio 44113
<u>Project Manager:</u>	Bobby Bruno
Ward/Councilperson:	3 / McCormack
<u>City Assistance:</u>	30 year non-school TIF



Project Summary

Franklin Yards North is a housing development led by TDG Franklin North LLC, a wellestablished developer based in Independence, Ohio that has completed a number of other multifamily developments, including several in the City of Cleveland.

The developer is proposing a multi-story residential building at 3118 Franklin Blvd (parcel 003-26-132) ("Project Site"). The Project Site is a 0.45 acre property that has been either vacant or used as surface parking or outdoor storage for multiple decades, failing to provide the direct neighborhood with an amenity or the City as a whole with a highest and best use for its tax base.

This development will consist of 21,147 square feet of new multifamily residential space, featuring 29 market-rate 1-bedroom apartment units ("Project"). Construction is anticipated to begin in 2024 and be completed by the end of March 2025.

The design of Franklin Yards North will align with the architectural style of the 100+ year-old residential buildings on the south side of Franklin Blvd, which the developer is also redeveloping as part of a concurrent project. This approach will ensure that the new development harmonizes with the existing neighborhood character while introducing modern amenities. The Project will put a long-underutilized property into productive use in a transit-accessible neighborhood, aligning with the Ohio City Neighborhood Plan and helping to address the local market's supply-demand imbalance for quality housing.

The developer has negotiated with the City's Office of Equal Opportunity and agreed to a Community Benefits Agreement.

In order to assist with project financing, the Developer has requested the City impose a 5709.41, 30-Year, Non-School TIF. The TIF will support debt service and assist with the development at 3118 Franklin Blvd, Cleveland, Ohio 44113.

Proposed City Assistance

• 30 year non-school TIF

Community Benefits

The project has been evaluated and scored favorably for elements that will have a positive impact on the surrounding neighborhood and City of Cleveland. Based on the City's community benefits scorecard, the project scored 30 points.

Project elements that will favorably impact the community include: its development on existing surface parking that has not historically served as highest and best use of the acreage, access to a high-frequency RTA bus line within a 0.25-mile walk, and alignment with the strategic plan of the local CDC.

Economic Impact

• Creation of approximately 3 W-2 jobs with an approximate payroll of \$80,000 and approximately \$2,000 in new annual City tax revenue.

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.

<u>Section 4.</u> 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.

<u>Section 5.</u> That the Director of Economic 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 Economic Development.

<u>Section 7.</u> 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

5

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.

<u>Section 8.</u> That the Directors of Economic 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.

<u>Section 9.</u> 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:nl 7-9-2025 FOR: Director McNair

Ord. No. 839-2025

REPORT after second Reading

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

AN EMERGENCY ORDINANCE

Authorizing the Director of Economic Development to enter into a Tax Increment Financing Agreement with TDG Franklin North, LLC, and/or its designee, to assist with the financing of the Franklin Yard North Project to be located at 3210 Franklin Boulevard; to provide for payments to the Cleveland Metropolitan School District; and to declare certain improvements to real property to be a public purpose.

ш	READ FIRST TIME	REPORTS
a and 1	referred to	
Ξ		
<u>~</u>		
王	CITY CLERK	
- -		
0	READ SECOND TIME	
¥		
2		
-		
	CITY CLERK	
SECOND AND THIRD		
0	READ THIRD TIME on JULY 9, 2025	-
C)	<u>KEAD THIRD THIE ON SOLL 9, 202</u>	1
Щ		
Ē	DDEOIDENT	
5	PRESIDENT	
õ		
=		
D	CITY CLERK	
A	CITTULERK	
READ FIRST,		
2		
	APPROVED	

		MAYOR
Recorded Vol. 112	Page_	
Published in the City Record		