

Ordinance No.664-2026

Desk copy

AN EMERGENCY ORDINANCE

Authorizing the Mayor and the Directors of Law and Port Control to enter into a first amendment to Settlement Agreement between the Cities of Brook Park and Cleveland relating to the International Exposition Center and the Emerald Park Joint Economic Development Zone and to execute all necessary documents related thereto; authorizing the Commissioner of Purchases and Supplies to convey the real property under the first amendment; and establishing a Special Revenue Fund.

WHEREAS, under the authority of Ordinance No. 624-01, passed July 18, 2001, the Mayor and Directors of Law and Port Control entered into the Settlement Agreement dated September 6, 2001 (the "Settlement Agreement") with the City of Brook Park ("Brook Park") resolving disputes to the expansion of Cleveland Hopkins International Airport, the International Exposition Center (the "I-X Center"), tax revenue sharing, and the Residential Acquisition Program ("RAP"); and

WHEREAS, in 2017, Brook Park filed a complaint against the City of Cleveland ("Cleveland") in the Cuyahoga County Court of Common Pleas, alleging that Cleveland defaulted on the Settlement Agreement, *City of Brook Park v. City of Cleveland*, Common Pleas No. CV-17-890610. The trial court issued a judgment in favor of Cleveland, and Brook Park appealed that judgment, *City of Brook Park v. City of Cleveland*, Eighth District No. CA-25-115754 (cases referred together as the "Litigation"); and

WHEREAS, the cities desire to fully settle and conclude the Litigation by agreeing to resolve the following three (3) distinct and separate aspects of the Settlement Agreement: (1) I-X Center and the Emerald Park Joint Economic Development Zone tax sharing arrangements; (2) payment of attorney fees and dismissal of the pending litigation; and (3) ownership of the real property formerly part of Zones 1 through 4 of the RAP and the future of the RAP; and

WHEREAS, under Section 12.2 of the Settlement Agreement, the Settlement Agreement may be altered, amended, or modified only by a written instrument executed pursuant to governmental consent of both cities; and

WHEREAS, this ordinance constitutes an emergency measure providing for the usual daily operation of a municipal department; now, therefore,

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BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That, notwithstanding any other ordinance or Codified Ordinance to the contrary, the Mayor and the Directors of Law and Port Control are authorized to enter into a first amendment to the Settlement Agreement, substantially in the form of the contract amendment contained in File No. 664-2026-A (the "First Amendment").

Section 2. That there is established the Brook Park Settlement Special Revenue Fund, Fund No. 10 SF 989 (the "Special Revenue Fund"), into which all real and personal property taxes, municipal income taxes, admission taxes, and parking revenues (including taxes) derived from the I-X Center property, and all real and personal property taxes and municipal income taxes derived from the Emerald Park properties, after the Effective Date of the First Amendment shall be deposited and used to make the annual \$650,000 Payment in Lieu of Taxes ("PILOT") under the First Amendment. Subject only to retaining sufficient funds to ensure such annual payments, any excess funds in the Special Revenue Fund may be deposited into Fund No. 01-001.

Section 3. That, notwithstanding any other ordinance or Codified Ordinance to the contrary and by and at the direction of the Board of Control, the Commissioner of Purchases and Supplies is authorized to convey by official deed(s) executed by the Mayor the real property described in the First Amendment which is no longer needed for the City's public use; and that the Mayor, Directors of Port Control and Law, and other appropriate City officials, as appropriate, are authorized to execute any other documents and certificates, and take any other actions which may be necessary or appropriate to effectuate the First Amendment.

Section 3 4. That the \$2,000,000 payment for legal fees and costs under the First Amendment shall be paid from Fund No. 01-1001-6720. (RQS RL2026*040)

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Section 4 5. 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.

SM:RB:uo
5-18-26

FOR: Mayor Bibb

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REPORT
after second Reading

Mr.

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READ FIRST TIME

and referred to

by the council

CITY CLERK

READ SECOND TIME

by the council

CITY CLERK

READ THIRD TIME

by the council

PRESIDENT

CITY CLERK

APPROVED

MAYOR

Recorded Vol.

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