

Ordinance No. 1241-2024 AS AMENDED

By Council Members McCormack and Griffin
(by departmental request)

AN EMERGENCY ORDINANCE

Authorizing the Director of Port Control to enter into an Amended Lease Agreement with I-X Center Corporation, or wholly-owned subsidiary, to extend the term of the lease for forty-nine years, to change the leased premises, and other changes to the original lease.

WHEREAS, under Ordinance No. 68-94, passed January 18, 1994, this Council authorized the purchase of property known as the I-X Center from the I-X Center Corporation; and

WHEREAS, under Ordinance No. 77-99, passed January 14, 1999, this Council amended Ordinance No. 68-94 to authorize the Director of Port Control to enter a Lease Agreement with the I-X Center Corporation for the lease of the I-X Center for a period of fifteen years (the "Original Lease"); and

WHEREAS, under Ordinance No. 1327-08, passed November 10, 2008, this Council authorized an amendment to the Original Lease to change the areas comprising the leased premises, to extend the term for an additional five years with four options to renew for additional periods of five years each, and to change other terms of the Original Lease; and

WHEREAS, under Ordinance No. 168-17, passed March 6, 2017, this Council authorized an amendment to the Original Lease, as amended, to extend the term for an additional seven months until August 31, 2019; and

WHEREAS, this Council wishes to enter into an amendment to the Original Lease, as amended, to change the leased premises, to extend the term for an additional forty-nine (49) years from the date of execution of the amended lease, and to change other terms of the Original Lease, as amended ("Amended Lease Agreement"); 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 Director of Port Control is authorized to enter into an Amended Lease Agreement with I-X Center Corporation, or wholly-owned subsidiary ("I-X Center Corporation"), to amend the following terms:

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- to extend the term of the Original Lease, as amended, for an additional forty-nine (49) years;
- to reduce the leasehold area by deleting Permanent Parcel No. 029-50-005 in its entirety and deleting up to 49 acres from Permanent Parcel No. 029-50-001 from the Original Lease, as amended,
- to incorporate the I-X Center Corporation’s current signage leasehold, authorized by Ordinance No. 70-04, by adding 3,539 square feet along RT 327 237 to the Amended Lease Agreement;
- to adjust the annual rent based on the fair market appraisal for the current leasehold minus the value of the portions of the premises to be returned to the City, plus the increased signage leasehold along RT 327 237, subject to annual consumer price index adjustments; and
- Additional consideration whereby Lessee shall pay the City an amount equal to a percentage of the Employment Wages allocated to and collected by the City of Cleveland from the Premises up to an annual cap of \$23,000,000 in Employment Wages allocated to the City of Cleveland as follows: (1) Lease Years 1-16: 1% of Employment Wages; and (2) Lease Years 17-49: 1.5% of Employment Wages. This obligation is expressly conditioned upon the terms of the Settlement Agreement between the cities of Brook Park and Cleveland, dated September 6, 2001 regarding the I-X Tax Payments, as defined in the Settlement Agreement. If the terms of the I-X Tax Payments are modified in any way, Lessee’s obligations hereunder shall be reduced by any such reduction of the City’s obligation to make any such I-X Tax Payments to Brook Park; and
- to change other terms that the Director Law deems necessary to protect and benefit the public interest.

All other terms and conditions contained in the original authorizing legislation, as amended by the ordinances referenced in this legislation, shall remain the same.

Section 2. That the Amended Lease Agreement with I-X Center Corporation shall be prepared by the Director of Law.

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.

JSM:nl
11-18-2024
FOR: Director Francis

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REPORT
after second Reading

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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

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