



Ordinance No. 664-2026
Legislative Summary

Description:

Under the authority of Ordinance No. 624-01, passed July 18, 2001, the Mayor and Directors of Law and Port Authority 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").

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").

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 (Cleveland to receive all revenue from both);
- (2) payment of attorney and legal fees and costs (\$2,000,000) and dismissal of the pending litigation; and
- (3) ownership of the real property formerly part of Zones 1 through 4 of the RAP (Cleveland to convey to Brook Park) and the future of the RAP (City has no further obligation to make acquisition offers for or acquire residential property under RAP).

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.

Legislative Authority:

This legislation authorizes the Mayor and Directors of Law and Port Control to enter into a first amendment to the Settlement Agreement substantially in the form in the ordinance's file, establishes a Special Revenue Fund for annual payments to Brook Park, and authorizes the execution of deed(s) and other documents to effectuate the terms of the first amendment.

The first amendment will not become effective until the FAA approves, or affirmatively declines to exercise jurisdiction of, the first amendment and/or the transfer of the real property.

Benefits of the First Amendment:

- City receives all revenue from the I-X Center and the Emerald Park properties; and
- Ends about nine (9) years of litigation.

Payment to Brook Park under the First Amendment:

- \$2,000,000 payment to Brook Park for attorney and legal fees and costs.
- \$ 650,000 annual Payment in Lieu of Taxes to Brook Park for 33 years.

Additional Consideration to Brook Park under the First Amendment: Conveyance of approximately 34 acres.