

Ordinance No. 738-2025

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

FOR PASSAGE
JUNE 2, 2025

AN EMERGENCY ORDINANCE

Authorizing the Mayor and the Commissioner of Purchases and Supplies to sell certain City-owned property no longer needed for the City’s public use located at 5701 Carnegie Avenue, Cleveland, Ohio 44103 and known as the Warner and Swasey building to Pennrose Holdings, LLC, or its designee, for purposes of affordable housing and commercial development; authorizing the Director of Economic Development to enter into a forgivable or non-forgivable loan agreement with Pennrose Holdings, LLC, or its designee, to provide assistance to partially finance the redevelopment of the Warner and Swasey and other associated costs necessary to redevelop the property.

WHEREAS, the Director of Economic Development has requested the sale of certain City-owned property known as the Warner and Swasey building currently held by the Department of Economic Development to Pennrose Holdings, LLC, or its designee (the “Redeveloper”), no longer needed for the City’s public use and located at 5701 Carnegie Avenue, Cleveland, Ohio 44103 for purposes of developing affordable housing (the “Project”) and the loan of the sale proceeds to the Redeveloper for the Project; 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 notwithstanding and as an exception to the provisions of Chapters 181 and 183 of the Codified Ordinances of Cleveland, Ohio, 1976, it is found and determined that the following described property is no longer needed for the City’s public use:

PPN 118-11-020

Situated in the City of Cleveland, County of Cuyahoga and State of Ohio and known as being all of Sublot Nos. 5 through 10 and part of Sublot No. 4 in the George Westlake and George N. Chase's Subdivision as shown by the plat recorded in Volume 5, Page 49 of Cuyahoga County Records and part of the Original One Hundred Acre Lot No. 337 and further bounded and described as follows:

Beginning at the intersection of the centerlines of Carnegie Avenue (formerly East Prospect) (80 feet wide) and East 55th Street (formerly Wilson Avenue) (100 feet wide);

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Thence South 89°44'15" East along the centerline of Carnegie Avenue, 50.00 feet to a 1" iron pin in a monument box found;

Thence North 00°00'00" East, 40.00 feet to a 5/8" iron pin set on the northerly right of way of Carnegie Avenue and the easterly right of way of East 55th Street;

Thence South 89°44'15" East along the northerly right of way of Carnegie Avenue, 277.87 feet to a drill hole set and being the Principal Place of Beginning of "Parcel D" herein described;

Thence North 00°15'45" East, 431.95 feet to a 5/8" iron pin set at a point of curvature;

Thence along a curve deflecting to the left, an arc of 47.51 feet with a delta of 52°20'54", said curve having a radius of 52.00 feet and a chord that bears North 25°54'42" West, 45.87 feet to a 5/8" iron pin set;

Thence North 00°15'45" East, 37.66 feet to a p.k. nail set;

Thence North 51°32'32" East, 56.00 feet to a drill hole set on retaining wall on the westerly line of land described to Pennsylvania Lines LLC (formerly Cleveland Pittsburgh Railroad (P.P.N. 118-11-002)) by the deed dated August 20, 2002 and recorded in AFN 200208200162 of Cuyahoga County Deed Records;

Thence South 38°27'28" East along the westerly line of land so described to Pennsylvania Lines LLC, 100.75 feet to a drill hole set on retaining wall at a point of curvature;

Thence continuing along the westerly line of land so described to Pennsylvania Lines LLC along a curve deflecting to the right, an arc of 9.96 feet with a delta of 02°14'17", said curve having a radius of 255.00 feet, and a chord that bears South 65°44'50" East, 9.96 feet to a drill hole set on retaining wall;

Thence South 38°44'13" East continuing along the westerly line of land so described to Pennsylvania Lines LLC, 479.42 feet to a drill hole set on retaining wall;

Thence South 47°49'37" East continuing along the westerly line of land so described to Pennsylvania Lines LLC, 69.63 feet to a drill hole set on retaining wall;

Thence South 34°44'13" East continuing along the westerly line of land so described to Pennsylvania Lines LLC, 49.28 feet to a drill hole set on retaining wall on the northerly right of way of said Carnegie Avenue;

Thence South 89°16'30" West along the northerly right of way of Carnegie Avenue, 214.40 feet to a drill hole set at an angle point; and

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Thence North 89°44'15" West continuing along the northerly right of way of Carnegie Avenue, 263.00 feet to the Principal Place of Beginning, containing 3.1500 acres (137,214 square feet) of land as surveyed and described by Edward B. Dudley, P.S. No. 6747 of The Riverstone Company in February of 2021 and subject to all legal highways, restrictions, reservations and easements of record.

Note: All 5/8"x30" iron pins set and capped "Riverstone Company PS6747-PS8646".

Basis of Bearings: The centerline of East 55th Street as North 00°00'00" East as recorded in land described to City of Cleveland by deed dated July 11, 1991 and recorded in Volume 91-4240, Page 59 of Cuyahoga County Deed Records.

Deed of Reference: Land described to City of Cleveland by deed dated July 11, 1991 and recorded in Volume 91-4240, Page 59 of Cuyahoga County Deed Records.

Section 2. That by and at the direction of the Board of Control, the Mayor and the Commissioner of Purchases and Supplies are authorized to sell the above-described property to the Redeveloper at a price not less than \$2,000,000.00, and other valuable consideration, taking into account all restrictions, reversionary interests, and similar encumbrances as may be placed by the City of Cleveland in the deeds of conveyance, which is determined to be fair market value. The proceeds of the sale shall be deposited into Fund No. 17 SF 965.

Section 3. That the conveyance shall be made by official quitclaim deed prepared by the Director of Law and executed by the Mayor and the Commissioner of Purchases and Supplies on behalf of the City of Cleveland. The deed shall contain necessary provisions, including restrictive reversionary interests as may be specified by the Board of Control or Director of Law, which shall protect the City's interests and shall specifically contain a provision against the erection of any advertising signs or billboards except permitted identification signs.

Section 4. That the Director of Economic Development is authorized to enter into a forgivable or non-forgivable loan agreement with Redeveloper to provide

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assistance from the sales proceeds to partially finance the Project and other associated costs necessary to redevelop the property.

Section 5. That the cost of the loan shall not exceed the amount of the purchase price and shall be paid from Fund No. 17 SF 965 upon the sale of the property and which funds are appropriated for this purpose. (RQS 9501, RL 2025-40)

Section 6. That the Director of Economic Development is authorized to accept collateral in order to secure repayment of the loan. Any loan agreement, security instrument, or other documents shall be prepared and approved by the Director of Law.

Section 7. That the Director of Economic Development is authorized to accept monies in repayment of the loan and to deposit the monies into Fund No. 17 SF 965.

Section 8. That the Director of Economic Development is authorized to charge and accept fees appropriated to cover costs incurred in the preparation of the loan application, closing and servicing of the loan, and deposit the monies into Fund 17-305.

Section 9. That the contract and other appropriate documents needed to complete the transaction authorized by this legislation shall be prepared by the Director of Law.

Section 10. That the Directors of Economic Development, Finance, and Office of Equal Opportunity are authorized to enter into a Community Benefits Agreement as a condition to receive funds under this ordinance.

Section 11. 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.

GP:uo
6-2-2025
FOR: Director Hernandez

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

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READ FIRST, SECOND AND THIRD TIME

and referred to

REPORTS

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME on JUNE 2, 2025

PRESIDENT

CITY CLERK

APPROVED

MAYOR