

Ordinance No. 42-2025

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

AN EMERGENCY ORDINANCE

Authorizing the Director of Public Health to transfer property located at 4242 Lorain Avenue to the control, possession, and use of the Department of Community Development or Economic Development; authorizing the sale or lease of the property to Pennrose Holdings, or its designee, for future redevelopment; and authorizing the Directors of Public Health, Community Development, and Economic Development and Pennrose Holdings to enter into a development agreement relating to this ordinance.

WHEREAS, the Department of Public Health desire to transfer the property located at 4242 Lorain Avenue under their control, which was is the location of the McCafferty Health Center (the “McCafferty Property”), to the Department of Community Development or Economic Development; and

WHEREAS, once transferred to either the Department of Community Development or Economic Development, the Mayor and the Commissioner of Purchases and Supplies shall either sell the McCafferty Property to Pennrose Holdings LLC, or its designee (“Pennrose”), for the purpose of future redevelopment, or provide for the ground lease of the McCafferty Property to Pennrose for the purpose of future redevelopment; and

WHEREAS, the McCafferty Property is no longer needed for the City’s use; 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 Public Health is authorized to transfer Permanent Parcel No. 003-34-034, known as the McCafferty Property, to the control, possession, and use of the Department of Community Development or Economic Development for future redevelopment.

Section 2. That on consummation of the transfer referenced above, the directors participating in the transaction shall initial and date a copy of this ordinance and deliver the copy to the custody of the Division of Property Management of the Department of Public Works.

Section 3. That notwithstanding and as an exception to the provisions of Chapter 181 and 183 of the Codified Ordinances of Cleveland, Ohio, 1976, it is found and

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determined that Permanent Parcel No. 003-34-034, known as the McCafferty Property, located at 3131 Lorain Avenue, Cleveland, Ohio, 44113, is no longer needed for the City's public use.

Section 4. 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 Pennrose at a price not less than fair market value as determined by the Board of Control.

Section 5. That the conveyance shall be made by official 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 6. That the Director of Community Development or Economic Development is authorized to execute any documents as may be necessary to effectuate the sale of this ordinance.

Section 7. That as an alternative to the sale of the McCafferty Property authorized above, and notwithstanding and as an exception to the provisions of Chapters 181 and 183 of the Codified Ordinances of Cleveland, Ohio, 1976, and at the direction of the Board of Control, the Director of Community Development or Economic Development is authorized to enter into a ground lease with Pennrose (the "Ground Lease"), for the McCafferty Property to redevelop the property into affordable housing. The term of the Ground Lease shall be for a period of 80 years, with one option to renew, exercisable by the Director of Community Development or Economic Development.

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Section 8. The Ground Lease shall be prepared by the Director of Law and shall contain such other terms and conditions as are required to protect the interests of the City for the Ground Lease and its termination.

Section 9. That as an alternative to the sale of the McCafferty Property authorized above, for the use of the McCafferty Property in the Ground Lease, Pennrose shall pay the City an annual rental rate based on an independent third-party, fair market value appraisal, as determined by Board of Control.

Section 10. That as an alternative to the sale of the McCafferty Property authorized above, the Ground Lease may authorize Pennrose to make improvements to the McCafferty Property subject to the approval of appropriate City agencies and officials.

Section 11. That as an alternative to the sale of the McCafferty Property authorized above, the Directors of Public Works, Economic Development, Law, and other appropriate City officials are authorized to execute any other documents and certificates, and take any other actions which may be necessary or appropriate to effect the Ground Lease authorized by this ordinance.

Section 12. That the Directors of Public Health, Community Development, and Economic Development and Pennrose are authorized to enter into an development agreement relating to this ordinance.

Section 13. 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.

RB:nl
1-6-2025
FOR: Directors Margolius, Hernandez and McNair

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READ FIRST TIME on JANUARY 6, 2025

and referred to DIRECTORS of Public Health, Community Development, Economic Development, City Planning Commission, Finance, Law; COMMITTEES on Health Human Services and the Arts, Development Planning and Sustainability, Finance Diversity Equity and Inclusion

REPORTS

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME

PRESIDENT

CITY CLERK

APPROVED

MAYOR

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REPORT after second Reading

PASSAGE RECOMMENDED BY
COMMITTEE ON
**HEALTH, HUMAN SERVICES
and the ARTS**

FILED WITH COMMITTEE _____

PASSAGE RECOMMENDED BY
COMMITTEE ON
**DEVELOPMENT, PLANNING AND
SUSTAINABILITY**

FILED WITH COMMITTEE _____

PASSAGE RECOMMENDED BY
COMMITTEE ON
**FINANCE, DIVERSITY, EQUITY
and INCLUSION**

FILED WITH COMMITTEE _____
