

Ordinance No. 1142-2022

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

AN EMERGENCY ORDINANCE

To terminate any Tax Increment Financing Agreement entered into under Ordinance No. 867-2000, passed June 19, 2000, on Superior Avenue between East 17th Street and East 30th Street with various property owners as they relate to certain parcels only; to amend Sections 1 and 2 of Ordinance No. 556-2021, passed August 18, 2021, relating to a Tax Increment Financing Agreement with CC Superior Holding LLC, or designee, for property located between Payne and Superior Avenue and East 21st Street and East 22nd Street to reflect the consolidation of certain parcels; and to supplement Ordinance No. 556-2021, by adding new Section 1a.

WHEREAS, under Ordinance No. 867-2000, passed June 19, 2000, this Council authorized the Director of Economic Development to enter into Tax Increment Financing Agreements (“TIFs”) with various property owners for improvements on Superior Avenue between East 17th and East 30th Streets; and

WHEREAS, under Ordinance No. 556-2021, passed August 18, 2021, this Council authorized the Director of Economic Development to enter into a TIF with CC Superior Holding LLC, and/or its designee, to fund eligible projects costs or project debt for the development of property for the Cross Country Mortgage Services Project located between Payne and Superior Avenue and East 21st and East 22nd Streets; and

WHEREAS, since the passage of those two ordinances, several affected parcels have been consolidated and the City desires to reflect the consolidation of the parcels into one ordinance and two TIF agreements; 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 Economic Development is authorized to terminate any Tax Increment Financing Agreement entered into under Ordinance No. 867-2000, passed June 19, 2000, on Superior Avenue between East 17th Street and East 30th Street with various property owners as they relate to the following permanent parcel numbers: 102-25-001, 102-25-002, 102-25-003, 102-25-004, 102-25-016, 102-25-019, 102-25-022, 102-25-024, 102-25-025, 102-25-026, 102-25-027, 102-25-028, 102-25-029, 102-25-031, and 102-25-046.

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Section 2. That Section 1 of Ordinance No. 556-2021, passed August 18, 2021, is amended to read as follows:

Section 1. That the improvements to be constructed, on Parcel A, by CC Superior Holding LLC, and/or its designee, (“Developer”), are declared to be a public purpose for purposes of Section 5709.41 of the Revised Code (the “Improvements”). The Real Property is more fully described as follows:

Parcel No. 1 (PPN 102-25-001):

SITUATED in the City of Cleveland, County of Cuyahoga and State of Ohio: And known as being Sublot No.136 in O.H. Payne's Allotment of part of Original 10 Acre Lots Nos. 106, 107 and 108 as shown by the recorded plat in Volume 14 of Maps, Page 8 of Cuyahoga County Records, and being 50 feet front on the Southerly side of Superior Avenue, N.E., and extending back 175.37 feet deep on the Easterly line and 175.50 feet deep on the Westerly line, which is also the Easterly line of East 21st Street (formally North Perry St.) and being 43.40 feet wide in the rear along the Northerly line of Hazard Ct. N.E. Together with that portion of Hazard Court, N.E., adjacent thereto as vacated by City of Cleveland Ordinance No. 1337-96, be the same, more or less, but subject to all legal highways.

Parcel Number: 102-25-001

Property Address: 2104 Superior Avenue, Cleveland, OH 44114

Parcel No. 2 (PPN 102-25-002):

SITUATED in the City of Cleveland, County of Cuyahoga and State of Ohio: And known as being Sublot Nos. 137 and 138 in O.H. Payne's Allotment of part of Original 10 Acre Lots Nos. 106, 107 and 108 as shown by the recorded plat in Volume 14 of Maps, Page 8 of Cuyahoga County Records, and together forming a parcel of land having a frontage of 100 feet on the Southerly side of Superior Avenue, N.E. and extending back of equal width 175 feet to an alley. Together with that portion of Hazard Court, N.E., adjacent thereto as vacated by City of Cleveland Ordinance No. 1337-96, be the same, more or less, but subject to all legal highways.

Parcel Number: 102-25-002

Property Address: 2110 Superior Avenue, Cleveland, OH 44114

Parcel No. 3 (PPN 102-25-003):

SITUATED in the City of Cleveland, County of Cuyahoga and State of Ohio, and described as follows: Being Sublots Numbered 139 and 140 in O.H. Payne's Allotment of part of Original 10 Acre Lots 106, 107 and 108 as shown by the recorded plat in Volume 14 of Maps, Page 8 of Cuyahoga County Records.

Parcel Number: 102-25-003

Property Address: 2130 Superior Ave., Cleveland, OH 44114

Parcel No. 4 (PPN 102-25-004):

SITUATED in the City of Cleveland, County of Cuyahoga and State of Ohio, and described as follows: Sublot Numbers 141 and 142 in O.H. Payne's Allotment of part of Original 10 Acre Lots 106, 107 and 108 as shown by the recorded plat in Volume 14 of Maps, Page 8 of Cuyahoga County Records, and together forming a parcel of land, 92.25 feet front on the Southerly side of Superior Street (now known as Superior Avenue N.E.), 175.5 feet deep on the Easterly line along the Westerly side of Hazard Street (now known as East 22nd Street), 175.37 feet deep on the Westerly line and 98.85 feet in the rear, as appears by said plat, be the same more or less, but subject to all legal highways.

Parcel Number: 102-25-004

Property Address: 2140-60 Superior Ave., Cleveland, OH 44114

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Parcel No. 5 (PPN 102-25-016, PPN 102-25-017, PPN 102-25-018, PPN 102-25-032, and PPN 102-25-043):

SITUATED in the City of Cleveland, County of Cuyahoga and State of Ohio: And known as Block "A" in the Consolidation and Lot Split for The Chilcote Company as shown by the recorded plat in Volume 306, Page 9 of Cuyahoga County Records.

Parcel Number: 102-25-016

Property Address: 2163 Payne Ave., Cleveland, OH 44114

Parcel No. 6 (PPN 102-25-025):

SITUATED in the City of Cleveland, County of Cuyahoga and State of Ohio, and described as follows: And known as being Sublot No. 143 in O.H. Payne's Allotment of part of Original 10 Acre Lots 106, 107 and 108 as shown by the recorded plat in Volume 14 of Maps, Page 8 of Cuyahoga County Records, and being 46 feet front on the Southwesterly side of East 22nd Street (formally Hazard Street), 150.11 feet deep on the Northwesterly line, 150 feet deep on the Southeasterly line and 51.65 feet in the rear, which is also the Northeasterly line of a 16 foot alley, now known as Hazard Court N.E.

Parcel Number: 102-25-025

Property Address: Cleveland, OH 44114

Parcel No. 7 (PPN 102-25-026):

SITUATED in the City of Cleveland, County of Cuyahoga and State of Ohio: And known as being Sublot No. 144 in O.H. Payne's Allotment of part of Original 10 Acre Lots 106, 107 and 108 as shown by the recorded plat in Volume 14 of Maps, Page 8 of Cuyahoga County Records and being 40 feet front on the Westerly side of East 22nd Street and extending back of equal width 150 feet to the Easterly line of Hazard Court N.E.

Parcel Number: 102-25-026

Property Address: Cleveland, OH 44114

Parcel No. 8 (PPN 102-25-027):

SITUATED in the City of Cleveland, County of Cuyahoga and State of Ohio: And known as being Sublot Nos. 145 and 146 in O.H. Payne's Allotment of part of Original 10 Acre Lots 106, 107 and 108 as shown by the recorded plat in Volume 14 of Maps, Page 8 of Cuyahoga County Records and together forming a parcel of land having a frontage of 80 feet on the Southwesterly side of East 22nd Street (formally Hazard Street), and extending back of equal width 150 feet to the Northeasterly line of Hazard Court N.E.

Parcel Number: 102-25-027

Property Address: E. 22nd Street, Cleveland, OH 44114

Parcel No. 9 (PPN 102-25-028):

SITUATED in the City of Cleveland, County of Cuyahoga and State of Ohio: And known as being Sublot No. 147 in O.H. Payne's Allotment of part of Original 10 Acre Lots 106, 107 and 108 as shown by the recorded plat in Volume 14 of Maps, Page 8 of Cuyahoga County Records and being 40 feet front on the Westerly side of East 22nd Street and extending back of equal width 150 feet.

Parcel Number: 102-25-028

Property Address: E. 22nd Street, Cleveland, OH 44114

Parcel No. 10 (PPN 102-25-029, PPN 102-25-030):

SITUATED in the City of Cleveland, County of Cuyahoga and State of Ohio: And known as being Sublot Nos. 148 and 149 in O.H. Payne's Allotment of part of Original 10 Acre Lots 106, 107 and 108 as shown by the recorded plat in Volume 14 of Maps, Page 8 of Cuyahoga County Records.

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~~Parcel Number: 102-25-029 & 030~~

~~Property Address: E. 22nd Street, Cleveland, OH 44114~~

~~Parcel No. 11 (PPN 102-25-031):~~

~~SITUATED in the City of Cleveland, County of Cuyahoga and State of Ohio: And known as being Block "B" in the Consolidation and Lot Split for the Chilcote Company fka The Chilcote Realty Company, as shown by the recorded plat in Volume 306 of Maps, Page 9 of Cuyahoga County Records, as appears by said plat, be the same more or less, but subject to all legal highways.~~

~~Parcel Number: 102-25-031~~

~~Property Address: E. 22nd Street, Cleveland, OH 44114~~

Consolidated Parcel "A" (PPN 102-25-047)

Situated in the City of Cleveland, County of Cuyahoga and State of Ohio, and known as being a part of Sublot No 166 and all of Sublot Nos. 139 through 165, and also part of Hazard Court N.E., width varies, vacated per Ordinance No. 137-96 of the Cuyahoga County Records, as shown in O.H. Payne's Allotment of part of Original Ten Acre Lots Nos. 106, 107, and 108, recorded in Plat Volume 14 Page 8 of the Cuyahoga County Map Records, being more fully bounded and described as follows;

Beginning at a drill hole found in a stone in a monument box at the intersection of the centerline of Superior Avenue, 132 feet wide, and the easterly right of way extended of East 21st Street, 66 feet wide, thence South 30°28'17" East, a distance of 260.21 feet to a mag nail set at a point on the easterly right of way line of said East 21st Street, said point also being the Principal Place of Beginning for the parcel herein described;

Course No.1 Thence North 59°29'40" East along a new division line though said vacated Hazard Court N.E., a distance of 142.83 feet to a mag nail set at an angle point thereon;

Course No.2 Thence North 28°19'44" West partially along the easterly line of PN 102-25-046 and also along the easterly line of PN 102-25-002 now or formerly owned by CC Superior Holding LLC, as recorded in AFN 201812280677 of the Cuyahoga County records, a distance of 188.61 feet to a mag nail set on the southerly right of way line of said Superior Avenue;

Course No.3 Thence North 61°40'16" East along the southerly right of way line of said Superior Avenue, a distance of 192.22 feet to a point on the westerly right of way line of East 22nd Street, 60 feet wide, said point being referenced by a building corner located North 0.45 feet and West 0.14 feet thereof;

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Course No.4 Thence South 30°29'21"East along the westerly right of way line of said East 22nd Street, a distance of 710.99 feet to a mag nail set on the northerly right of way line of Payne Avenue, 80 feet wide;

Course No.5 Thence South 68°52'03"West along the northerly right of way line of said Payne Avenue, a distance of 346.79 feet to a mag nail set on the easterly right of way line of said East 21st Street;

Course No.6 Thence North 30°28'17" West along the easterly right of way line of said East 21st Street, a distance of 473.34 feet to the Principal Place of Beginning, said parcel containing 207,761 square feet or 4.7695 acres of land according to a survey by Langan Engineering and Environmental Services dated September of 2016 and being the same more or less and being subject to all legal highways and easements. The basis of bearings of this survey is based on the Ohio State Plane Coordinate System, North Zone, NAD 83 (2011) derived from GPS observations and bearings are to denote angles only.

Section 3. That existing Section 1 of Ordinance No. 556-2021, passed August 18, 2021, is repealed.

Section 4. That Ordinance No. 556-2021, passed August 18, 2021, is supplemented by adding new Section 1a to read as follows:

Section 1a. That the Improvement to be constructed, on Parcel B, by RJL 2104-2110 SA LLC, as designee of CC Superior Holding LLC, are declared to be a public purpose for purposes of Section 5709.41 of the Ohio Revised Code ("Improvement") The real property is more fully described as follows:

Consolidated Parcel "B" (PPN 102-25-048)

Situated in the City of Cleveland, County of Cuyahoga and State of Ohio, and known as being a part of Sublot No 166 and all of Sublot Nos. 136 through 138, and also part of Hazard Court N.E., width varies, vacated per Ordinance No. 137-96 of the Cuyahoga County Records, as shown in O.H. Payne's Allotment of part of Original Ten Acre Lots Nos. 106, 107, and 108, recorded in Plat Volume 14 Page 8 of the Cuyahoga County Map Records, being more fully bounded and described as follows;

Beginning at a drill hole found in a stone in a monument box at the intersection of the centerline of Superior Avenue, 132 feet wide, and the easterly right of way extended of East 21st Street, 66 feet wide, thence South 30°28'17" East, a distance of 66.05 feet to a mag nail set at a point at the intersection of the easterly right of way line of said East 21st Street and the northerly right of way line of said Superior Avenue, said point also being the Principal Place of Beginning for the parcel herein described;

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Course No.1 Thence North 61°40'16" East along said northerly right of way line of Superior Avenue, a distance of 149.99 feet to a mag nail set at the northeasterly corner of PN 102-25-002 now or formerly owned by CC Superior Holding LLC, as recorded in AFN 201812280677 of the Cuyahoga County records;

Course No.2 Thence South 28°19'44" East partially along said easterly line of PN 102-25-002 and also partially along PN 102-25-046 now or formerly owned by CC Superior Holding LLC, as recorded in AFN 201812280677 of the Cuyahoga County records, a distance of 188.61 feet to a set mag nail;

Course No.3 Thence South 59°29'40" West along a new division line, a distance of 142.83 feet to a set mag nail at the easterly right of way line of said East 21st Street;

Course No.4 Thence North 30°28'17" West along said East 21st Street, a distance of 194.17 feet to the Principal Place of Beginning, said parcel containing 28,011 square feet or 0.6430 acres of land according to a survey by Langan Engineering and Environmental Services dated September of 2016 and being the same more or less and being subject to all legal highways and easements. The basis of bearings of this survey is based on the Ohio State Plane Coordinate System, North Zone, NAD 83 (2011) derived from GPS observations and bearings are to denote angles only.

Section 5. That Section 2 of Ordinance No. 556-2021, passed August 18, 2021, is amended to read as follows:

Section 2. That one hundred percent (100%) of the Improvements are declared exempt from real property taxation for a period of thirty years, effective and commencing the first year the value of the Improvements are reflected on the tax duplicate; and that in no event shall the exemption period extend beyond ~~2052~~ 2054. The terms of the agreement, which shall not be materially changed without further legislative action by Council, will be as follows:

Project Name: Cross Country Mortgage Services
Project Address: Superior Avenue and East 22nd Street
Developer: CC Superior Holding LLC, or its designee,
RJL 2104-2110 SA LLC
Project Manager: Robin Brown
Ward/Councilperson: 7- ~~Basheer Jones~~ Stephanie Howse
City Assistance: 30 year Non-school TIF

Project Summary

Cross Country Mortgage (CCM) was founded sixteen years ago by Ron Leonhardt and has quickly grown to be one of the nation's largest home mortgage lenders. They have been located in the Cleveland suburbs, but have spent the last few years looking for a larger facility to handle their rapidly growing business.

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The CCM team identified property on Superior Avenue and East 22nd Street (“Project Site”) in Cleveland and has spent the last several years negotiating and acquiring different pieces of property to consolidate the property. With the property acquired, they plan to create a multi-phased, mixed-use campus that will feature the company’s new headquarters as well as a housing development. The project will involve the historic rehabilitation of multiple buildings as well as new construction.

CCM proposes to invest approximately \$37,500,000 in the development of its headquarters and an additional \$18,000,000 in a multi-family development around the project site.

Proposed City Assistance

- This ordinance will authorize the Director of Economic Development to enter into a two 30-year non-school Tax Increment Finance (TIF) agreement with CC Superior Holding LLC and/or its designee. The City will have declared certain improvements with respect to the project to be a public purpose and exempt 100% of the improvements from real property taxes.
- The Developer agrees to make certain improvements to the parcel and make payments in lieu of taxes (PILOTs) equal to the taxes that would have been paid for the parcel but for the TIF. A portion of the PILOTs will be paid to the Cleveland Metropolitan School District in the amount the District would have otherwise received but for the TIF by the County (“District Payments”). The balance of the PILOTs will be utilized to fund eligible project costs and project debt. The developer will be responsible for any shortfall of PILOT payments for project costs.
- The ~~41 TIF TIFs~~ will cover PPNs ~~102-25-001, 102-25-002, 102-25-003, 102-25-004, 102-25-016, 102-25-017, 102-25-018, 102-25-032, 102-25-043, 102-25-025, 102-25-026, 102-25-027, 102-25-028, 102-25-029, 102-25-030, 102-25-031.~~ Parcel A (PPN 102-25-047) and Parcel B (PPN 102-25-048)

Economic Impact

- Attraction of a growing company with over 400 jobs today
- Over \$50,000,000 in construction, with associated construction jobs.
- Development & elimination of several long-term vacant buildings
- Mixed-use housing and commercial development
- The project is expected to generate \$508,529 in annual property taxes for the School District upon expiration of the residential tax abatement

City Requirements

- Subject to Chapter 187: MBE/FBE/CSB requirements
- Subject to Chapter 188: Fannie Lewis Cleveland Residential Employment Law
- Subject to a Workforce Development Agreement for all new jobs
- Subject to a Community Benefits Agreement

Section 6. That existing Section 2 of Ordinance No. 556-2021, passed August 18, 2021, is repealed.

Section 7. 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.

SMA:nl

11-7-2022

FOR: Director Jackson

