

Ordinance No. 38-2024

By Council Members Hairston and Griffin (by departmental request)

AN EMERGENCY ORDINANCE

Establishing the Shore-to-Core-to-Shore TIF District, declaring improvements to certain parcels of real property within that district to be a public purpose and exempt from taxation, describing the public infrastructure improvements to be made to directly benefit the district, requiring the owners of the improvements on such parcels to make service payments in lieu of taxes, providing for the distribution of those service payments to the Cleveland Municipal School District and to one or more funds established by the City to hold those service payments, determining that satisfactory provision has been made for the public improvement needs of the District and specifying other public improvements that are in support of urban redevelopment within the City.

WHEREAS, Ohio Revised Code Section (“ORC”) 5709.40, 5709.42 and 5709.43 (collectively, the “TIF Act”) authorize this Council to declare the improvement to parcels of real property located within the City to be a public purpose and exempt from taxation, require the owner of each parcel to make service payments in lieu of taxes, establish a municipal public improvement tax increment equivalent fund for the deposit of those service payments, and specify the purposes for which money in that fund will be expended; and

WHEREAS, the City desires to implement a tax increment financing program under the TIF Act to create the “Shore-to-Core-to-Shore TIF District” to create, capture, and leverage growth in Cleveland’s Downtown and the near west side to benefit all Clevelanders, support robust public infrastructure investments to strengthen waterfronts and Downtown, and fund investments in parks and recreation throughout Cleveland’s neighborhoods; and

WHEREAS, no proceeds of the Shore-to-Core-to-Shore TIF District will be used to pay the costs of improvements at professional sports stadiums; and

WHEREAS, notice of this proposed ordinance has been delivered to the Board of Education of the Cleveland Municipal School District in accordance with and within the time periods prescribed in ORC 5709.40 and 5709.83; and

WHEREAS, this ordinance constitutes an emergency ordinance providing for the immediate preservation of the public peace, property, health or safety for the reasons stated in the recitals and the further reasons that the Shore-to-Core-to-Shore TIF District and the public improvements to be made therein will support urban

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redevelopment within the City and approval as an emergency will allow for the collection of service payments to fund public infrastructure investments on the earliest possible date; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That the real property subject to this Ordinance is identified and depicted on Exhibit A, and constitutes the “Shore-to-Core-to-Shore TIF District” (the “District”). Notwithstanding the foregoing, this Ordinance does not apply to any parcel within the District currently exempted from taxation under ORC 5709.40 or ORC 5709.41, it being the intent of this Council that this Ordinance does not create concurrent exemptions for purposes of ORC 5709.916 that would terminate the prior exemption of improvements.

Section 2. That this Council hereby designates the public infrastructure improvements described in Exhibit B (the “Public Infrastructure Improvements”) and any other public infrastructure improvements hereafter designated by ordinance as public infrastructure improvements made, to be made or in the process of being made by the City that directly benefit, or that once made will directly benefit, the District.

Section 3. That this Council hereby finds and determines that 100% of the increase in assessed value of each parcel within the District, (as described on Exhibit A) subsequent to December 31, 2023, the effective date of this Ordinance, (which increase in assessed value is hereinafter referred to as the “Improvement” as defined in ORC 5709.40(A)) is hereby declared to be a public purpose under ORC 5709.40(B) and, except as provided below, will be exempt from taxation for a period commencing on the effective date of this Ordinance and ending on the earlier of (a) 30 years after such commencement or (b) the date on which the City can no longer require service payments in lieu of taxes, all in accordance with the requirements of the TIF Act. The exemption provided by this Ordinance is subordinate to any exemption for a Parcel granted pursuant to ORC 3735.65 et. seq. or ORC 5709.61 et. seq. The exemption also

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does not apply to any parcel within the District currently exempted from taxation under ORC 5709.40 or ORC 5709.41.

Section 4. That as provided in ORC 5709.42, the owner of each parcel within the District subject to an exemption granted pursuant to this Ordinance is hereby required to make service payments in lieu of taxes with respect to the Improvement to that owner's parcel to the County Fiscal Officer on or before the final dates for payment of real property taxes. The service payments in lieu of taxes will be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and collected against that Improvement if it were not exempt from taxation pursuant to Section 3, including any penalties and interest (collectively, the "Service Payments"). The Service Payments, and any other payments with respect to each Improvement that are received in connection with the reduction required by ORC 319.302, 321.24, 323.152 and 323.156, as the same may be amended from time to time, or any successor provisions thereto as the same may be amended from time to time (the "Property Tax Rollback Payments"), will be deposited and distributed in accordance with Section 6.

Section 5. That this Council establishes, pursuant to and in accordance with the provisions of ORC 5709.43, the Shore-to-Core-to-Shore Municipal Public Improvement Tax Increment Equivalent Fund (the "TIF Fund"), into which the Service Payments and Property Tax Rollback Payments distributed by the County to the City with respect to the parcels within the District will be deposited. The TIF Fund will be maintained in the custody of the City. The City may use amounts deposited into the TIF Fund only for the purposes authorized in the TIF Act and this Ordinance (as it may be amended). The TIF Fund will remain in existence so long as the Service Payments and Property Tax Rollback Payments are collected and used for the aforesaid purposes, after which time the TIF Fund will be dissolved and any surplus funds remaining therein transferred to the City's General Fund, all in accordance with ORC 5709.43.

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Section 6. That pursuant to the TIF Act, the County Fiscal Officer is requested to distribute the Service Payments and Property Tax Rollback Payments as follows:

a. To the Cleveland Municipal School District, an amount equal to the amount the school district would otherwise receive as real property tax payments (including the applicable portion of any Property Tax Rollback Payments) derived from the Improvement to each parcel within the District if the Improvement had not been exempt from taxation pursuant to this Ordinance.

b. To the City, all remaining amounts for further deposit into the TIF Fund as required by ORC 5709.43 for payment of costs permitted under this Ordinance (as may be amended) and authorized by separate City Council legislation, including, without limitation, debt charges on any notes or bonds issued to pay or reimburse those costs.

All distributions required under this Section are requested to be made at the same time and in the same manner as real property tax distributions. The City shall make any distributions to the extent not made by the County Fiscal Officer.

Section 7. That City officials are further authorized to provide such information and to execute, certify or furnish such other documents, and to do all of the things as are necessary for and incidental to carrying out the provisions of this Ordinance.

Section 8. That the City is an “impacted city” under ORC 1728.01 and that, pursuant to the authority granted by Section 757.70 of Am. Sub. H.B. No. 33 of the 135th General Assembly, satisfactory provision has been made for the public improvement needs of the parcels within the District and that the public improvements made, to be made, or in the process of being made within the City as described on Exhibit B to this Ordinance that do not directly benefit the District are in support of urban redevelopment within the meaning of ORC 5709.41.

Section 9. That the Clerk of Council is hereby directed to deliver a copy of this Ordinance to the Director of the Department of Development of the State of Ohio within fifteen days after its passage.

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Section 10. That this Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Council or any of its committees, and that all deliberations of this City Council and of any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law, including ORC 121.22.

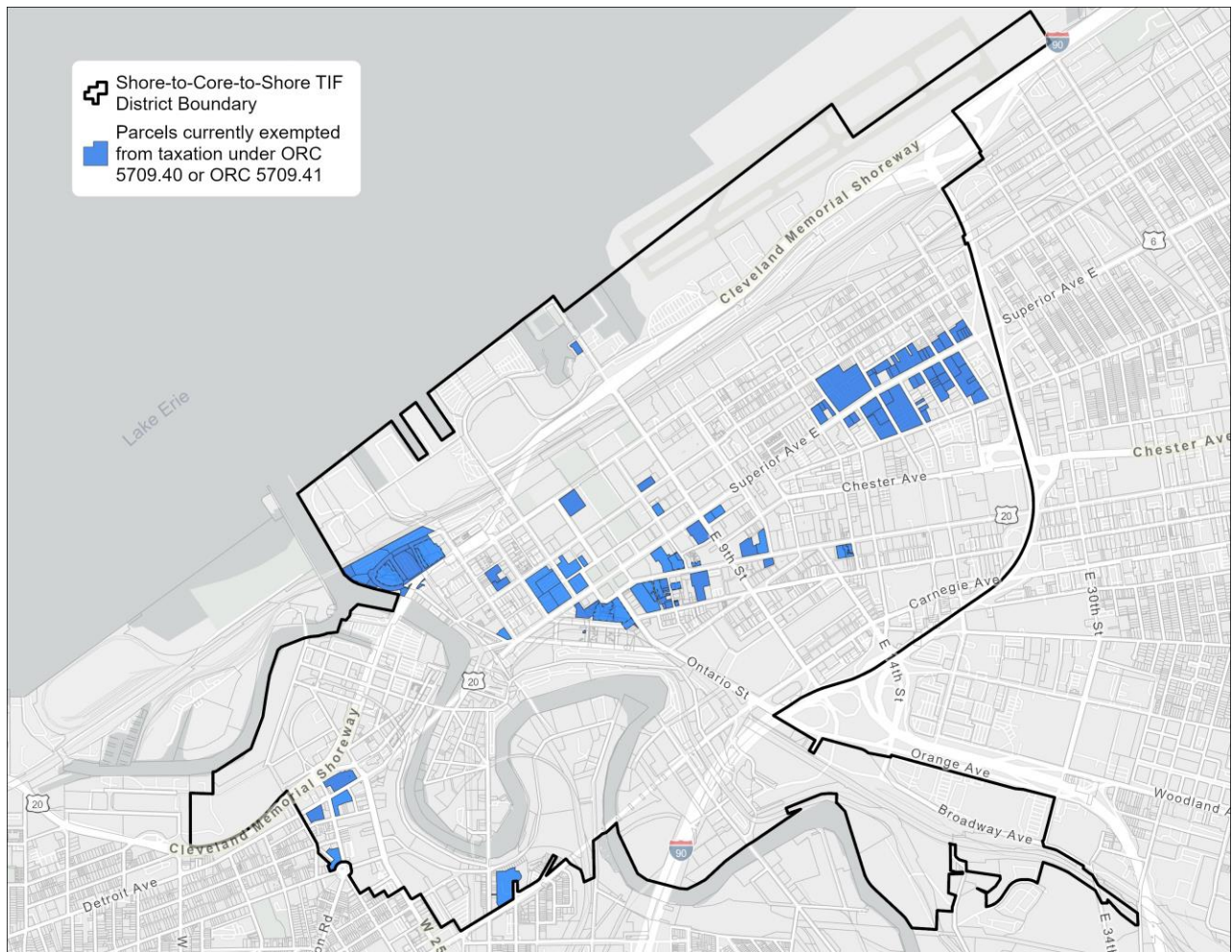
Section 11. That this ordinance is hereby declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all members elected to Council, it shall take effect as of December 31, 2023, or the earliest date thereafter permitted by law.

SMa:nl
1-8-2024
FOR: Director McNair

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EXHIBIT A

MAP OF PARCELS WITHIN THE DISTRICT¹



¹ In addition to parcels within the District currently exempted from taxation under ORC 5709.40 or ORC 5709.41, the following parcels are also not included in the Shore-to-Core-to-Shore TIF District:

101-30-001	101-24-003B	101-24-002C	101-24-001B	101-24-007
101-24-008	101-24-006	101-23-050J	101-23-072C	101-23-052M
101-23-072M	101-30-002	101-30-003	122-18-010	122-18-011
101-21-002	101-23-050A	101-23-072A	101-23-072B	101-23-072F
101-23-072G	101-23-072H	101-23-072I	101-23-072J	101-23-085A
101-23-085B	101-23-085C	101-23-085D	101-23-085E	101-23-085H
101-23-085I	101-23-100A	101-23-100B	101-23-100C	101-23-100H
101-23-100I	101-23-100J	101-23-100K	101-23-100L	101-23-100M
101-23-100N	101-23-100P	101-23-100Q	101-23-100R	101-23-100S
101-23-101F	101-23-103F	101-23-108F		

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EXHIBIT B PUBLIC INFRASTRUCTURE IMPROVEMENTS

The public improvements designated by this Ordinance as a public purpose consist of any “public infrastructure improvement” defined under ORC 5709.40(A)(8) and specifically include, but are not limited to, any of the following improvements and all related costs of those permanent improvements (including, but not limited to, those costs listed in ORC 133.15(B)), together with such improvements hereafter approved by City Council ordinance:

- **Roadways.** Construction, reconstruction, maintenance, extension, opening, improving, widening, grading, draining, curbing or changing of the lines and traffic patterns of roads, highways, streets, intersections, bridges (both roadway and pedestrian), sidewalks, bikeways, medians and viaducts accessible to and serving the public, and providing signage (including traffic signage and informational/promotional signage), lighting systems, signalization, and traffic controls, and all other appurtenances thereto.
- **Parking Facilities.** The construction or reconstruction of off-street parking facilities.
- **Water/Sewer.** Construction, reconstruction or installation of public utility improvements (including any underground municipally owned utilities), storm and sanitary sewers (including necessary site grading therefore), water and fire protection systems, and all appurtenances thereto.
- **Environmental/Health.** Implementation of environmental remediation measures necessary to enable the construction of private improvements and the construction of public health facilities.
- **Utilities.** Construction, reconstruction, burial or installation of gas, electric and communication service facilities and all appurtenances thereto, including, but not limited to those associated with improvements described in “Roadways” above.
- **Stormwater.** Construction, reconstruction, relocation, modification and installation of stormwater and flood remediation projects and facilities, both for storm water quantity and quality, including the payment and reimbursement for such projects and facilities on private property when determined to be necessary for public health, safety and welfare, including, without limitation, reconstruction of bulkheads and other improvements along the Cuyahoga River.
- **Demolition.** Demolition, including demolition on private property when determined to be necessary for public health, safety, welfare and economic development.
- **Parks.** Construction or reconstruction of one or more public parks and park or recreational facilities, including grading, trees and other park plantings, park accessories and related improvements, multi-use trails and bridges, together with all appurtenances thereto.

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- **Streetscape/Landscape.** Construction or installation of streetscape and landscape improvements including trees, tree grates, signage, curbs, sidewalks, scenic fencing, street and sidewalk lighting, trash receptacles, benches, newspaper racks, burial of overhead utility lines and related improvements, together with all appurtenances thereto, including, but not limited to streetscape improvements in conjunction with and along the roadway improvements described in “Roadways” above.
- **Real Estate.** Acquisition of real estate or interests in real estate (including easements) (a) necessary to accomplish any of the foregoing improvements or (b) in aid of industry, commerce, distribution or research.
- **Professional Services.** Engineering, consulting, legal, administrative, and other professional services associated with the planning, design, acquisition, construction and installation of the foregoing improvements and real estate.

