

Ordinance No. 45-2025

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

AN EMERGENCY ORDINANCE

To supplement Ordinance No. 746-2024, passed August 7, 2024, relating to the Bedrock .41 TIF District by adding three new whereas clauses and Sections 9a, 9b, 9c, 9d, 9e, and 9f; to repeal Section 9 and to amend Section 10, relating to authorizing the Director of Economic Development to enter into a tax increment financing agreement and the Director of Capital Projects to enter into one or more construction-management agreements with Cleveland LD, LLC for various public improvements; and authorizing other agreements and documents.

WHEREAS, on November 3, 2023, the City of Cleveland (the “City”) and Cleveland LD, LLC entered into a Master Development Agreement (the “Master Development Agreement”) for, among other things, the redevelopment of the Cuyahoga Riverfront area of Downtown Cleveland; and

WHEREAS, Ordinance No. 526-2023, passed June 5, 2023, authorized the Director of Capital Projects, among other things, to enter into one or more contracts with Bedrock Management Services, LLC, or its designees, to provide, or cause to provide, professional services for certain initial improvements to West 3rd Street; and

WHEREAS, Ordinance No. 1343-2023, passed November 27, 2023, authorized the Director of Capital Projects, among other things, to construct roadway and bridge improvements that are identified in the Master Development Agreement, or alternatively, to enter into one or more contracts combining professional design services and construction service by one or more design-build contracts, including but not limited to one or more construction management contracts through a competitive process; and

WHEREAS, as contemplated in the Master Development Agreement, this Council passed Ordinance No. 38-2024 on March 25, 2024 (the “Shore-to-Core-to-Shore TIF District Legislation”), creating the Shore-to-Core-to-Shore TIF District, as defined therein, to provide funding of infrastructure improvements that directly benefit such district, and establishing the Shore-to-Core-to-Shore Municipal Public Improvement Tax Increment Equivalent Fund (the “Shore-to-Core-to-Shore TIF Fund”); and

WHEREAS, under Section 5709.51 of the Revised Code and Ordinance No. 1299-2023, passed November 27, 2023 (the “TIF Extension Ordinance”), the City extended

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the exemption from taxation of improvements and the making of service payments in lieu of taxes established pursuant to Ordinance No. 2247-02, passed on December 16, 2002; Ordinance No. 1219-11, passed on October 10, 2011, as amended by Ordinance No. 1550-13, passed on November 25, 2013; Ordinance No. 306-14, passed on October 6, 2014; Ordinance No. 1780-05, passed on January 9, 2006, as amended by Ordinance No. 766-11, passed on June 6, 2011 and as further amended by Ordinance No. 123-13, passed on March 18, 2013; and Ordinance No. 2006-06, passed on June 11, 2007 (each a “Extended TIF Ordinance” and collectively, the “Extended TIF Ordinances”) for an additional thirty years from the end of the applicable exemption period for each parcel as determined by the Extended TIF Ordinances (the “Extension Period”); and

WHEREAS, Ordinance No. 746-2024, passed August 7, 2024, among other items, authorized the Director of Economic Development to enter into the TIF Agreement to include, among other items, the payment or reimbursement to Cleveland LD, LLC, or one or more of its affiliates or designees (the “Developer”) for certain costs of (a) the Project from amounts deposited into the Bedrock 41 TIF Fund and (b) public infrastructure improvements eligible under the Shore-to-Core-to-Shore TIF District Legislation from District Service Payments, as those terms are defined in such ordinance; and

WHEREAS, in order to induce and enable the Developer to engage in the redevelopment of the Cuyahoga Riverfront area of Downtown Cleveland, including, without limitation, certain public infrastructure (the “Project”), the City has determined that it is necessary and in the best interest of the City to include in the TIF Agreement, as defined in Ordinance No. 746-2024, a pledge in the TIF Agreement of a portion of the service payments in lieu of taxes authorized and required pursuant to the Extended TIF Ordinances during the Extension Period (the “Extension Period Service Payments”) to the Developer to pay or reimburse costs of public infrastructure improvements eligible under the Extended TIF Ordinances (as supplemented by the TIF Extension Ordinance); and

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WHEREAS, the City desires to enter into one or more construction-management contracts with the Developer through a direct award for public improvements consistent with the Master Development Plan, adopted by the City Planning Commission; and

WHEREAS, the unique design, time, budgetary, or other material elements of these improvements can benefit from the special care, coordination, and expeditiousness possible by combining construction management services, professional design services and construction services in one or more construction-management contracts with the Developer; 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 Ordinance No. 746-2024, passed August 7, 2024, is supplemented by adding the following three whereas clauses after the existing fourteenth whereas clause, to read as follows:

WHEREAS, under Section 5709.51 of the Revised Code and Ordinance No. 1299-2023, passed November 27, 2023 (the “TIF Extension Ordinance”), the City extended the exemption from taxation of improvements and the making of service payments in lieu of taxes established pursuant to Ordinance No. 2247-02, passed on December 16, 2002; Ordinance No. 1219-11, passed on October 10, 2011, as amended by Ordinance No. 1550-13, passed on November 25, 2013; Ordinance No 306-14, passed on October 6, 2014; Ordinance No. 1780-05, passed on January 9, 2006, as amended by Ordinance No. 766-11, passed on June 6, 2011 and as further amended by Ordinance No. 123-13, passed on March 18, 2013; and Ordinance No. 2006-06, passed on June 11, 2007 (each a “Extended TIF Ordinance” and collectively, the “Extended TIF Ordinances”) for an additional thirty years from the end of the applicable exemption period for each parcel as determined by the Extended TIF Ordinances (the “Extension Period”); and

WHEREAS, in order to induce and enable the Developer to engage in the redevelopment of the Cuyahoga Riverfront area of Downtown Cleveland, including, without limitation, certain public infrastructure, (the “Project”), the City has determined that it is necessary and in the best interest of the City to include in the TIF Agreement, as defined in Ordinance No. 746-2024, a pledge in the TIF Agreement of a portion of the service payments in lieu of taxes and related property tax rollback payments authorized and required pursuant to the Extended TIF Ordinances during the Extension Period (the “Extension Period Service Payments”) to the Developer to pay or reimburse costs of public infrastructure improvements eligible under the Extended TIF Ordinances (as supplemented by the TIF Extension Ordinance); and

WHEREAS, the City desires to enter into one or more construction-management contracts with the Developer through a direct award for public improvements consistent with the Master Development Plan, adopted by the City

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Planning Commission, including but not limited to, the following: (a) making public streets and roadway improvements in public rights-of-way including, but not limited to, streetscape, sidewalks, multi-modal facilities, transit amenities, road reconfiguration and related utilities and grading for the following: Prospect Avenue between Superior Avenue and Ontario Street, W. Huron Road between Superior Avenue and Ontario Street, W. 6th Street between Prospect Avenue and Huron Road, W. 3rd Street between Prospect Avenue and Huron Road, W. 2nd Street between Prospect Avenue and Huron Road, W. 3rd Street between Eagle/Stones Levee and the West Third Street Lift Bridge, Canal Road between Old River Road and Eagle Avenue, Eagle Avenue between Ontario Street and W. 3rd Street, and Central Avenue between W. 3rd Street and the CSX easement; (b) designing and constructing a new public roadway between Old River Road and Eagle Avenue; (c) relocating a sewer pump station owned by the Northeast Ohio Regional Sewer District into public right-of-way, provided that consent is received from the Northeast Ohio Regional Sewer District; and (d) designing and constructing a kayak launch located on city-owned property (collectively the “CMC Improvements”); and

Section 2. That Section 9 of Ordinance No. 746-2024, passed August 7, 2024, is repealed.

Section 3. That Ordinance No. 746-2024, passed August 7, 2024, is supplemented by adding new Sections 9a, 9b, 9c, 9d, 9e, and 9f to read as follows:

Section 9a. The Director of Economic Development is authorized to enter into the TIF Agreement, which TIF Agreement shall provide for, among other things, the payment of or reimbursement to the Developer for the certain costs of (a) the Project from amounts deposited into the Bedrock 41 TIF Fund and (b) public infrastructure improvements eligible under both the Shore-to-Core-to-Shore TIF District Legislation from District Service Payments and the Extended TIF Ordinances from the Extension Period Service Payments.

The amount of the District Service Payments (and related Property Tax Rollback Payments) pledged to reimburse the Developer under the TIF Agreement shall not exceed 40% of the total District Service Payments received by the City.

Prior to January 1, 2056, the amount of the Extension Period Service Payments pledged to reimburse the Developer under the TIF Agreement shall not exceed 40% of the total Extension Period Service Payments received by the City. If necessary to fulfil the City’s obligations under the TIF Agreement, then starting on January 1, 2056, the amount of the Extension Period Service Payments pledged to reimburse the Developer under the TIF Agreement shall not exceed 100% of the total Extension Period Service Payments received by the City.

The TIF Agreement authorized by this ordinance shall be prepared by the Director of Law and approved and certified by the Director of Finance.

Section 9b. That notwithstanding any provision of the Codified Ordinance of Cleveland, Ohio, to the contrary and under Section 167 of the Charter of the City of Cleveland, this Council determines to make the CMC Improvements, including any necessary design and the procurement, construction and management thereof, for the Director of Capital Projects, under one or more construction-management contracts with the Developer having the best proposal, taking into consideration the engineering and design, the proposed design and construction costs, the construction costs, the construction method, the schedule, the total life-cycle costs, the qualifications of the proposed design

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professional(s), construction firm(s) and the construction management firm, and the other objectives of the CMC Improvements.

The contract or contracts shall be prepared by the Director of Law, approved by the Director of Capital Projects, and certified by the Director of Finance.

Section 9c. That, when appropriate, the Director of Capital Projects is authorized to enter into one or more contracts with the railroads, the Greater Cleveland Regional Transit Authority, the Northeast Ohio Regional Sewer District and other entities to obtain services or to acquire property rights such as easements and licenses, necessary for the CMC Improvements.

Section 9d. That the Director of Capital Projects is authorized to apply and pay for permits, licenses, or other authorizations required by any regulatory agency or public authority to permit performance of work for the CMC Improvements under any contracts authorized by Section 9b above.

Section 9e. That the Director of Capital Projects is authorized to enter into any other agreements necessary to implement the CMC Improvements.

Section 9f. That the total costs of Sections 9b through 9e shall be paid from District Service Payments, Property Tax Rollback Payments and Extension Period Service Payments and shall not exceed the amounts pledged under the TIF Agreement.

Section 4. That Section 10 of Ordinance No. 746-2024, passed August 7, 2024,

is amended to read as follows:

Section 10. Any obligations of the City pursuant to the TIF Agreement (the “City Obligations”) constitute a special obligation of the City and are payable solely from Service Payments, District Service Payments, Extension Period Service Payments or Property Tax Rollback Payments received by the City and no other funds are pledged for the payment of the City Obligations. Neither the Developer nor any other beneficiary of the City Obligations have a right to have taxes levied for the payment of the City Obligations.

Section 5. That existing Section 10 of Ordinance No. 746-2024, passed August 7, 2024, is repealed.

Section 6. 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/SM:nl

1-6-2025

FOR: Director DeRosa and Director McNair

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

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READ FIRST TIME on JANUARY 6, 2025

**and referred to DIRECTORS of Capital Projects, Economic Development,
City Planning Commission, Finance, Law;
COMMITTEES on Municipal Services and Properties,
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

Recorded Vol. **112** Page _____

Published in the City Record _____

REPORT after second Reading

PASSAGE RECOMMENDED BY
COMMITTEE ON
**MUNICIPAL SERVICES
AND PROPERTIES**

FILED WITH COMMITTEE

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

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

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