Ordinance No. 1230-2026

By Council Members Conwell, Santana and Bishop
(by departmental request)

AN EMERGENCY ORDINANCE

To supplement the Codified Ordinances of Cleveland, Ohio, 1976, by enacting new Section 141.40, relating to a Good Food Retailer Certification Program; and authorize a Job Retention Income Tax Credit Incentive Program for the Good Food Retailers subject to separate Council legislation authorizing each individual tax credit, to provide economic development incentives for the purposes of fostering job retention and improving the economic welfare of the people of the City as authorized in Art. VIII, Section 13 of the Ohio Constitution.

WHEREAS, food is a basic human right, and food access is a key social determinant of health and an indicator of economic mobility; and

WHEREAS, access to affordable, nutritious food is fundamental to preventing diet-related chronic conditions; and

WHEREAS, a thriving local food system includes food retailers that provide fresh, nutritious food to residents; and

WHEREAS, low-income residents and communities of color face disproportionate barriers to securing fresh, affordable food due to historic disinvestment in food retail infrastructure; and

WHEREAS, Clevelanders have endured several grocery store closures, resulting in the loss of jobs and creating areas with limited access to nutritious food; and

WHEREAS, the Department of Public Health's Food Systems Strategies Program supports food retailers, including grocery stores and grocery cooperatives, in providing fresh, nutritious foods to residents; and

WHEREAS, the Department of Development supports the establishment, retention, and growth of businesses to support and strengthen the local economy; and

WHEREAS, the Department of Public Health and Department of Development have collaborated on a strategy to support the retention of qualifying good food retailers through a proposed Good Food Retailer Certification Program and an income tax credit incentive program for those certified under such program; and

WHEREAS, authority for Section 2 of this ordinance is based upon Section 718.151 of the Revised Code ("RC 718.151") and Section 192.17 of the Codified Ordinances of Cleveland, Ohio, 1976 ("Section 192.17"); and

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WHEREAS, the Director of Development proposes to establish a new Job Retention Income Tax Credit Incentive Program that will provide annual incentive tax credits, measured as a percentage of income tax revenue as specified in individual economic development agreements between the City and applicants certified as a good food retailer under Section 141.40 of the codified ordinances ("Good Food Retailer"); and

WHEREAS, pursuant to RC 718.151 and Section 192.17, the City of Cleveland, by ordinance, may grant a refundable or nonrefundable credit against its tax on income to a taxpayer to foster job retention in the municipal corporation. If a credit is authorized by Council, it must be measured as a percentage of the income tax revenue the municipal corporation derives from the retained employees of the taxpayer and shall be for a term not exceeding fifteen (15) years. Before the municipal corporation passes an ordinance granting a credit, the municipal corporation and the taxpayer must enter into an agreement specifying all the conditions of the credit; and

WHEREAS, this ordinance constitutes an emergency measure providing for the immediate preservation of the public peace, safety, property, and welfare in that its enactment is necessary to support the retention of qualifying Good Food Retailers, preserve access to fresh, nutritious, and affordable food, retain job opportunities, and advance and promote economic development in the City of Cleveland, and such assistance is immediately necessary; now, therefore,

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

Section 1. That the Codified Ordinances of Cleveland, Ohio, 1976, are supplemented by enacting new Section 141.40 to read as follows:

Section 141.40 Good Food Retailer Certification Program

(a) *Establishment.* The Director of Public Health is authorized to establish a program for the certification of qualifying grocery stores and grocery cooperatives as Good Food Retailers.

(b) *Eligibility Requirements.* To be eligible for certification as a Good Food Retailer, an applicant shall:

(1) Be a grocery store or grocery cooperative located in the City of Cleveland;

(2) Demonstrate, in a form and manner determined by the Director, a financial need for assistance to support the continued operation of the applicant's business in the City; and

(3) Have no active Notices of Violation issued by the City relating to building, housing, or public health at the property for which certification is sought.

An applicant that does not satisfy each of the requirements above is not eligible for certification as a Good Food Retailer.

(c) *Certification Criteria.* Each applicant shall be evaluated based on the extent to which the applicant:

(1) Offers a reasonable minimum percentage of fresh and frozen produce, meats or other protein sources, dairy products or substitutes, and other nutritious foods;

(2) Accepts benefits under the Supplemental Nutrition Assistance Program and Special Supplemental Nutrition Program for Women, Infants, and Children;

(3) Employs City of Cleveland residents;

(4) Provides wages above the applicable minimum wage;

(5) Employs employees covered by a collective bargaining agreement;

(6) Implements environmentally sustainable practices, including, but not limited to, water conservation and energy efficiency measures;

(7) Donates excess edible food to local food pantries, meal programs, or mutual aid organizations or other organizations that distribute food to persons in need;

(8) Obtains food or other products from growers or producers in the State of Ohio; and

(9) Satisfies any other criteria or factors that the Director determines are reasonably related to improving access to fresh, nutritious, and affordable food, or otherwise furthering the purposes of this program.

(d) *Evaluation.* Applications for certification shall be reviewed by the Director or by one or more persons or a reviewing body designated by the Director.

(e) *Benefits of Certification.* A Good Food Retailer certified under this section may be eligible for benefits, assistance, incentives, services, or programs offered or

administered by the City, including, but not limited to, the Job Retention Income Tax Credit Incentive Program for Good Food Retailers and benefits, assistance, incentives, services, or programs offered or administered by any City department, division, office, or agency.

Certification as a Good Food Retailer does not create an entitlement to any benefit, assistance, incentive, service, or program. Eligibility for and the availability and amount of any such benefit shall be subject to applicable law, the requirements of the applicable program, available funding, and any required approvals.

(f) *Term and Recertification.* A Good Food Retailer Certification shall be valid for two (2) years from the date of issuance. A Good Food Retailer seeking continued certification may apply for recertification every two (2) years and shall be reevaluated under the certification criteria in effect at the time of the recertification. The Director may establish the form, documentation requirements, procedures, and deadlines for recertification.

(g) *Revocation of Certification and Appeals.* The Director may revoke a Good Food Retailer Certification if the Director determines that the Good Food Retailer no longer satisfies the eligibility and certification criteria under this section, obtained certification through a material misrepresentation or omission, or fails to comply with the requirements of the Good Food Retailer Certification Program.

Before revoking a certification, the Director shall provide written notice of the proposed revocation and the reasons therefor and provide the Good Food Retailer a reasonable opportunity to respond. The Director shall provide written notice of any final decision to revoke a certification.

If the Director revokes a Good Food Retailer Certification, the holder of the certification may appeal the Director's action to the Board of Zoning Appeals within thirty (30) days after the Director's written decision. The Board shall affirm, modify, or reverse the finding from which the appeal is taken. The Board's decision shall be final. The filing of an appeal shall not stay the Director's decision while the appeal is pending.

Upon revocation, the Good Food Retailer shall cease to be eligible for any benefit, assistance, incentive, service, or program for which a valid Good Food Retailer Certification is a condition of eligibility, subject to the terms and requirements of the applicable program.

(h) *Rules and Regulations.* The Director may establish rules and regulations for the administration of the Good Food Retailer Certification Program.

Section 2. That, under the authority of RC 718.151 and Section 192.17, this ordinance authorizes the creation of a new Job Retention Income Tax Credit Incentive Program for Good Food Retailers certified under Section 141.40 of the codified ordinances ("JRI Tax Credit Program for Good Food Retailers").

Section 3. That the Director of Development is authorized to create and administer the JRI Tax Credit Program for Good Food Retailers to provide financial

assistance to eligible applicants that are certified as Good Food Retailers under Section 141.40 of the codified ordinances. The JRI Tax Credit Program from Good Food Retailers shall be limited to tax credits granted for the purpose of fostering job retention in the City. No tax credit shall be available solely by virtue of a Good Food Retailer Certification.

The Directors of Finance and Development are authorized to enter into separate JRI Tax Credit Program for Good Food Retailers economic development agreements with eligible applicants, that include the number and identification of retained employees or applicable employment baseline, the percentage and calculation of the credit, the term of the credit, reporting requirements, conditions for continuation, termination and recapture provisions, and such other conditions, subject to RC 718.151 and Section 192.17; provided, however, that each agreement and the tax credit provided thereunder shall be contingent upon the passage of legislation by Council authorizing the tax credit.

In compliance with RC 718.151 and Section 192.17, each ordinance authorizing a tax credit under the JRI Tax Credit Program for Good Food Retailers shall incorporate a file setting forth and specifying all the conditions of the tax credit being granted. Subject to the terms of the applicable economic development agreement and the ordinance authorizing the tax credit, an eligible applicant may receive an annual refundable tax credit of up to one hundred percent (100%) of the applicant's withholding income tax attributable to the retained employees in the City and payable to the Central Collection Agency. The term of the tax credit shall not exceed fifteen years as permitted under RC 718.151.

An applicant shall be eligible to receive the tax credit for any year only if the applicant maintains a valid Good Food Retailer Certification under Section 141.40 of the codified ordinances for that year and satisfies the annual reporting requirements established by the Director of Development. Each applicant shall annually submit such

reports, certifications, records, and other documentation as the Director determines necessary to verify the applicant's continued eligibility for the tax credit and compliance with the applicable economic development agreement. Expiration, revocation, or other loss of Good Food Retailer Certification, or failure to satisfy the applicable annual reporting requirements, shall render the applicant ineligible to receive the tax credit for any period during which the applicant is not certified or otherwise in compliance.

The applicant shall not be delinquent in any of its tax filing or payment obligations, including, but not limited to, real estate taxes, municipal income taxes, and employee withholding tax obligations. Each applicant must notify the City Council member in whose ward the affected business is located.

No tax credit under the JRI Tax Credit Program for Good Food Retailers shall become effective unless first authorized by an ordinance of Council.

Section 4. That the Director of Development is authorized to charge a fee for each JRI Tax Credit Program for Good Food Retailers application in an amount not to exceed $250.00, based on the applicant's demonstrated financial need. The fees shall be deposited into Fund No. 17 SF 305.

Section 5. That the Mayor, the Director of Finance, the Director of Development, the Director of Public Health, the Director of Law, and/or any City officials, as appropriate, are each authorized to prepare and sign any other documents, instruments, amendments, or certificates and to take such actions as are necessary or appropriate to implement the JRI Tax Credit Program for Good Food Retailers contemplated by this ordinance, provided, however, that no such official shall amend, increase, decrease, extend, assign, transfer, or otherwise modify the amount, percentage, term, eligibility requirements, or other material conditions of a tax credit authorized by Council except pursuant to further legislation of Council and as permitted by applicable law.

Section 6. That this Council finds and determines that all formal actions of this Council concerning and relating to the passage of this ordinance were taken in an open meeting of this Council and that all deliberations of this Council that resulted in those formal actions were in meetings open to the public in compliance with the law.

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.

SM:AP:nl
10-5-26

FOR: Directors Margolius and Bourdeau Small

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READ FIRST TIME on OCTOBER 5, 2026 **REPORTS**
and referred to DIRECTORS of Public Health, Development, Finance and Law; COMMITTEES on Health, Human Services and the Arts; Development, Planning and Sustainability; Finance, Diversity, Equity and Inclusion

_____
CITY CLERK

READ SECOND TIME

_____
CITY CLERK

READ THIRD TIME

_____
PRESIDENT

_____
CITY CLERK

APPROVED

_____
MAYOR

Recorded Vol. **113** Page_____
Published in the City Record _____

REPORT
after second Reading

PASSAGE RECOMMENDED BY COMMITTEE ON
HEALTH, HUMAN SERVICES and the ARTS
FILED WITH COMMITTEE _____

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DEVELOPMENT, PLANNING AND SUSTAINABILITY
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