

Ordinance No. 322-2019

Council Members: Brancatelli and Kelley (by departmental request)

An emergency ordinance authorizing the Director of Economic Development to enter into an Enterprise Zone Agreement with Bear Diversified Properties, LLC, or its designee, to provide for tax abatement for certain real property improvements to assist with the renovations located at the facility located at 5900-6000 Harvard Avenue as part of the Northern Stamping expansion project in the Cleveland Area Enterprise Zone.

WHEREAS, by letter dated March 6, 2019, the City provided the Cleveland Metropolitan School District (“CMSD”) with a notice of proposed tax exemptions required by the Revised Code; and

WHEREAS, under Ordinance No. 948-95, passed June 19, 1995, this Council designated an area, which is in the City of Cleveland and described in File No. 948-95-A, as the Cleveland Area Enterprise Zone (the “Zone”) under Chapter 5709 of the Revised Code; and

WHEREAS, under Ordinance No. 1568-14, passed December 8, 2014, this Council changed the maximum term of tax abatements from ten to fifteen years, as now allowed under Ohio law; and

WHEREAS, in August 1995, the Director of Development of the State of Ohio determined that the Zone contains the characteristics described in division (A) of Section 5709.61 of the Revised Code and certified the area as an “Urban Jobs and Enterprise Zone” under Chapter 5709 of the Revised Code; and

WHEREAS, Bear Diversified Properties, LLC, or its designee (the “Enterprise”) has proposed to construct certain real property improvements to assist with the renovations located at the facility located at 5900-6000 Harvard Avenue as part of the Northern Stamping expansion project in the Cleveland Area Enterprise Zone; and

WHEREAS, the Enterprise has certified to the City that it would be at a competitive disadvantage operating at this location if taxes on certain real property improvements were not abated; and

WHEREAS, this ordinance constitutes an emergency measure providing for the immediate preservation of the public peace, safety, property, and welfare and that its enactment is a necessary prerequisite to providing immediate assistance to create and preserve job opportunities and advance and promote commercial and economic development in the City of Cleveland, and the assistance is immediately necessary or jobs will be lost; now, therefore,

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

Section 1. That this Council approves the application of the Enterprise for enterprise zone incentives on the basis that the Enterprise is qualified by financial responsibility and business experience to create and preserve employment opportunities in the Cleveland Area Enterprise Zone and to improve the economic climate of the City of Cleveland.

Section 2. That the Director of Economic Development is authorized to enter into an Enterprise Zone Agreement with the Enterprise to provide for a ten-year, sixty percent (60%) tax abatement for certain real property improvements commencing the first year for which the real property improvements would first be taxable were that property not exempted from taxation; the abatement shall be subject to annual review of the Tax Incentive Review Council.

Section 3. That the terms of the tax abatement shall be in accordance with the terms in the Summary contained in File No. 322-2019-A. These terms shall not be amended, nor shall the tax abatement be assignable or transferable to any entity, without the prior legislative authorization by Cleveland City Council.

Section 4. That the Director of Economic Development is authorized to charge and accept fees in an amount not to exceed the maximum allowable under Chapter 5709 of the Revised Code and the funds are appropriated for the purposes listed in Chapter 5709 of the Revised Code. The fees shall be deposited to and expended from Fund No. 17 SF 305.

Section 5. That the contract and other appropriate documents needed to complete the transaction authorized by this legislation shall be prepared by the Director of Law.

Section 6. That any contract authorized by this legislation must require the recipient of financial assistance to work with, and/or cause their Tenants to work with, The Workforce Investment Board for Workforce Area No. 3 to identify and solicit qualified candidates for job opportunities related to the City's contracts. The identification process shall place special emphasis on the hard to employ, including people who are disabled and people who have been convicted of or who have pled guilty to a criminal offense which is unrelated to the duties of the job opportunity.

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.

Passed April 8, 2019.

Effective April 9, 2019.