

ORDINANCE NO. 152-2025(PD), *Second Reading*

By Mayor Seren

An Ordinance authorizing the Mayor to execute a Subordination Agreement with Peoples Bancorp Inc. to subordinate the City's Mortgage on the real property located at 12426-12438 Cedar Road, Permanent Parcel No. 685-26-004, and owned by Cedar-Grandview Company; and declaring the necessity that this legislation becomes immediately effective as an emergency measure.

WHEREAS, pursuant to Ordinance No. 101-2024, this Council authorized the Mayor to execute an agreement with Cedar-Grandview Company for a commercial development loan in the sum of Three Hundred Forty Thousand Dollars (\$340,000.00), to be secured by a mortgage on real property located at 12426-12438 Cedar Road, Permanent Parcel No. 685-26-004 (the "Property"); and

WHEREAS, the loan from the City was provided to Cedar-Grandview Company to fund the improvement of the Property for the new tenancy of Grocery Outlet, for the purpose of creating jobs within the City and providing additional food opportunities for the residents of the City; and

WHEREAS, subsequent to the adoption of Ordinance No. 101-2024, the City made the loan to Cedar-Grandview Company and the mortgage to secure the City's loan was filed on October 10, 2024; and

WHEREAS, the loan agreement and mortgage previously approved by Ordinance No. 101-2024 recognized that the City's mortgage would be subordinate to a mortgage recorded in favor of Peoples Bancorp Inc. to secure the senior loan used to undertake the improvements to the Property; and

WHEREAS, Cedar-Grandview Company has now requested that the City further subordinate its mortgage behind an additional mortgage from Peoples Bancorp Inc. securing an additional loan of \$300,000 needed to fully complete the necessary improvements to the Property; and

WHEREAS, to facilitate the improvement of the Property, the City desires to enter into a Subrdination Agreement with Peoples Bancorp Inc. to subordinate the City's mortgage behind both of the aforementioned mortgages in favor of Peoples Bancorp Inc.; and

WHEREAS, this Council has determined that it is in the best interest of the City and its residents to authorize the Mayor to the Subordination Agreement as provided herein.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cleveland Heights, Ohio, that:

ORDINANCE NO.152-2025(PD)

SECTION 1. The Mayor is hereby authorized to execute the Subordination Agreement with Peoples Bancorp Inc. in a form substantially similar to Exhibit A, attached hereto and incorporated herein, with such revisions thereto as are not materially adverse to the City, which shall be conclusively evidenced by the execution of the same by the Mayor. The Subordination Agreement shall be approved as to form by the Director of Law prior to execution.

SECTION 2. It is found and determined that all formal actions of the Council relating to the adoption of this Resolution were taken in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements.

SECTION 3. Notice of the passage of this Ordinance shall be given by publishing the title and abstract of its contents, prepared by the Director of Law, once in one newspaper of general circulation in the City of Cleveland Heights, or by posting the full text of this Ordinance on the City's website.

SECTION 4. It is necessary that this Ordinance become immediately effective as an emergency measure necessary for the preservation of the public peace, health and safety of the inhabitants of the City of Cleveland Heights, such emergency being the need for the timely redevelopment of the Property. Wherefore, provided it receives the affirmative vote of five (5) or more of the members elected or appointed to this Council, this Ordinance shall take immediate effect and be force immediately upon its passage; otherwise, it shall take effect and be in force from and after the earliest time allowed by law.



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TONY CUDA  
President of Council



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ADDIE BALESTER  
Clerk of Council

ORDINANCE NO.152-2025(PD)

PASSED: August 18, 2025

Presented to Mayor: 08/20/2025 Effective Date: 08/29/2025

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KAHLIL SEREN  
Mayor

\*Effective date per Article IV, Section 5 of the Codified Ordinances of the City of Cleveland Heights

Exhibit A

*See attached.*