

ORDINANCE NO. 259-2025(PD), *Second Reading*

By Mayor Cuda

An Ordinance amending Ordinance 12-2020, passed on February 18, 2020, to extend the term of that certain Tax Increment Financing exemption under Ordinance 12-2020 for an additional thirty years, pursuant to Ohio Revised Code Section 5709.51; and authorizing additional instruments, agreements, certificates, and other documents deemed necessary in connection therewith; and declaring the necessity that this legislation become immediately effective as an emergency measure.

WHEREAS, Ordinance 12-2020, passed by this Council on February 18, 2020, pursuant to Ohio Revised Code ("ORC") Section 5709.41 (the "Top of the Hill TIF Ordinance"), declared Improvements (as defined in the Top of the Hill TIF Ordinance) to certain parcels of real property that are part of the Top of the Hill development, as identified and described in Exhibit A to the Top of the Hill TIF Ordinance and subsequently consolidated into Cuyahoga County Fiscal Office Parcel Number 685-18-042 (as such real property exists from time to time, the "TIF Development Parcels") to be a public purpose, required payment of service payments in lieu of real property taxes (as further described and defined therein, the "Service Payments") and minimum service payment obligations imposed from time to time pursuant to the Top of the Hill TIF Ordinance, the Development Agreement (as defined in the Top of the Hill TIF Ordinance) and agreements pertaining to the payment of costs of constructing and financing the Development (as defined in the Top of the Hill TIF Ordinance), all to be paid by the owners from time to time of the TIF Development Parcels (collectively, exclusive of the City, the "Owners") as a covenant running with and constituting a lien on the land pursuant to ORC Section 5709.91; and

WHEREAS, pursuant to ORC Section 5709.51 this Council may amend the Top of the Hill TIF Ordinance to extend, for up to 30 additional years, the period of exemption from taxation of the Improvements to the TIF Development Parcels granted pursuant to the Top of the Hill TIF Ordinance (the "TIF Exemption") if certain conditions are met; and

WHEREAS, the City desires to extend the period of exemption from taxation of the Improvements to the TIF Development Parcels granted pursuant to the Top of the Hill TIF Ordinance pursuant to ORC Section 5709.51 for the purposes set forth in the Top of the Hill TIF Ordinance and in Section 3, below, for the welfare and benefit of the citizens of the City; and

WHEREAS, notice has been provided to the Board of Education of the Cleveland Heights-University Heights City School District (the "School District") of the City's intent to pass this Ordinance and extend the TIF Exemption for an additional 30 years, provided, however, that ORC Section 5709.51 provides that during such additional 30 years, the City shall pay to the School District, from the Service Payments, an amount equal in value to the amount of taxes that would be payable to the School District if the Improvements had not been exempted from taxation for the additional 30 years.

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

SECTION 1. As required by ORC Section 5709.51, this Council finds and determines that Service Payments made by Owners of the TIF Development Parcels pursuant to the Top of the Hill TIF Ordinance exceeded one million five hundred thousand dollars (\$1,500,000) in calendar year 2024.

SECTION 2. The Top of the Hill TIF Ordinance is hereby amended to extend the exemption from taxation of Improvements to the TIF Development Parcels for a period of thirty (30) years from the end of the TIF Exemption as determined pursuant to the Top of the Hill TIF Ordinance (the "Extension Period").

SECTION 3. The Top of the Hill TIF Ordinance is hereby further amended to provide that, during the Extension Period, the net Service Payments, after the compensation to the School District provided for in Section 4, below, shall be used exclusively for:

- (i) Payment or reimbursement of all costs associated with the construction of the Development, including costs incurred by the City or other governmental entity, and including debt service and related costs or obligations or loans issued by the City, the State of Ohio or other governmental entity;
- (ii) Construction, operation and maintenance of public improvements and publicly-owned facilities directly benefiting and/or on the Parcels, including, but not limited to, streets, storm and sanitary sewers, water treatment facilities and water transmission lines, sidewalks, curbs, street trees and furniture, transitway improvements, off-street parking facilities, street lighting and signalization, pedestrian walkways, and public parks and plazas, whether owned by the City or other governmental entity by agreement with the City, and associated land acquisition and demolition, planning and engineering costs;
- (iii) Land and building acquisition, demolition, site preparation, and relocation expenses related to the Development;
- (iv) Any other expenditures made with respect to the Parcels in accordance with the Development Agreement or other agreements entered into in connection with development of the Parcels provided such expenditures are otherwise permitted by law; and
- (v) Any other expenditures made for any lawful economic development purpose, including but not limited to, public infrastructure improvements, site preparation, development of economic and development opportunities, and other costs that promote job creation, private investment, and community redevelopment within the City.

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SECTION 4. Pursuant to ORC 5709.51(A)(3), during the Extension Period, the School District shall receive compensation, but only from Service Payments, if any, received by the City, equal in value to the amount of taxes that would be payable to the School District if the Improvements to the TIF Development Parcels had not been exempted from taxation for the Extension Period.

SECTION 5. This Council hereby authorizes the execution and delivery by the Mayor, on behalf of City, of such agreements and other documents as may be necessary and appropriate to provide for the purposes of this Ordinance. This Council further authorizes the execution and delivery by the Mayor, on behalf of the City, of the necessary DTE24 form to the Cuyahoga County Fiscal Officer.

SECTION 6. Pursuant to ORC Section 5709.51, the Clerk of Council is hereby directed to deliver a copy of this Ordinance to the Director of the Ohio Department of Development within fifteen days after its passage.

SECTION 7. Notice of 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 to the City of Cleveland Heights website.

SECTION 8. 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 9. 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 adoption of this Ordinance within the timeframe established by ORC Section 5709.51. 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 in force immediately upon its passage; otherwise, it shall take effect and be in force from and after the earliest time allowed by law.



GAIL L. LARSON
President of Council



ADDIE BALESTER
Clerk of Council

PASSED: December 15, 2025

Presented to Mayor: 12/17/2025 Approved: 12/17/2025



TONY CUDDA
Mayor