



CLEVELAND HEIGHTS

COUNCIL UPDATE

October 1, 2021

MEETINGS & REMINDERS

Monday, October 4	6:30 p.m.	Council Committee of the Whole City Hall – Council Chambers
	7:30 p.m.	City Council Meeting City Hall – Council Chambers
Tuesday, October 5	7:00 p.m.	Architectural Board of Review City Hall – Council Chambers
Thursday, October 7	6:00 – 8:00 p.m.	Meet Your Police Police Academy, Noble Road

LEGISLATION (for discussion)

- **Appropriations.** An ordinance to amend certain subparagraphs of Ordinance No. 127-2020 (F) and subsequent amending ordinances, relating to appropriations and other expenditures of the City of Cleveland Heights, Ohio for the fiscal year ending December 31, 2021
- **Chagrin Valley Dispatch Income Tax.** A Resolution authorizing the City Manager to take all actions necessary to allocate to the Chagrin Valley Dispatch Council one hundred percent of the municipal income tax paid to the City by employees of CVD;
- **Start Right CDC Development Agreement.** A Resolution authorizing the City Manager to enter into a Development Agreement with Start Right Community Development Corporation, for the redevelopment of certain vacant residential lots owned or controlled by the City with new single-family homes;

LEGISLATION (consent agenda)

- **Breast Cancer Awareness.** A Resolution joining communities throughout the nation in proclaiming October 2021 National Breast Cancer Awareness Month; October 13, 2021, Metastatic Breast Cancer Awareness Day; and October 22, 2021, National Mammography Day
- **Domestic Violence Awareness.** A Resolution proclaiming October 2021 as Domestic Violence Awareness Month

American Rescue Plan Act (ARPA) Qualified Census Tracts

Cleveland

East
Cleveland

South
Euclid

Qualified Census Tracts

1403.01 - 71 Vacant Parcels

1407.01 - 66 Vacant Parcels

1407.02 - 14 Vacant Parcels

1410.00 - 19 Vacant Parcels

Vacant Parcels

Layer21

Cleveland Heights Boundary

Community Boundaries

Major Roads

Minor Roads

Cleveland

University
Heights

Shaker Heights

1410

1412

1411

1407.01

1407.02

1409

1414

1415

1416.02

1416.01

1417

1413

FAIRMOUNT BLVD
N PARK BLVD

LARCHMERE BLVD

SHAKER BLVD

BUCKEYE RD

S PARK BLVD
SHAKER BLVD

WARRENSVILLE CENTER RD

BUCKEYE RD

COTT AVE
EUCLID AVE

FOREST HILLS BLVD

MAYFIELD RD
EUCLID HEIGHTS BLVD

COVENTRY RD
CEDAR RD

WASHINGTON BLVD

COVENTRY RD

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CLEVELAND HEIGHTS

ECONOMIC DEVELOPMENT REPORT – September 28, 2021:

CEDAR-LEE-MEADOWBROOK:

- Staff continues to be in negotiations with the Development Agreement with our Development Partner Flaherty & Collins at this time;
- Traffic & Parking: WSP and Desman consulting have been contracted with to analyze the traffic and parking analysis associated with this project – this analysis is underway;
- Public engagement process is underway – open house meetings were held on August 5, August 11, and September 1.

NEIGHBORHOOD REDEVELOPMENT PROGRAM (NRP) INFILL HOUSING CONSTRUCTION:

- The Development Agreement with Start Right CDC for the construction of infill single family owner-occupied housing in the Caledonia Neighborhood is scheduled to be considered by City Council at the October 4, 2021;
- Given Council's approval of the MOU Agreement for the Desota Avenue infill housing project, the staff is now engaged in negotiating the Development Agreement with Amato Homes – the Development Agreement will then go to Council for consideration;

TAYLOR TUDOR PLAZA:

- The RFQ/RFP for the rehabilitation/redevelopment of Buildings #1, #2, & #3 was issued on 8/27/2021. The deadline for interested qualified Developers to submit proposals to the City is currently October 29, 2021.

TOP OF THE HILL:

- Construction on the project continues, with the completion date anticipated to be July of 2022 with a ribbon cutting soon thereafter;

Memo

To: Susanna Niermann-O'Neil, City Manager

From: Amy Himmeltein, Finance Director

Date: September 29, 2021

Re: July 2021 Financial Statements

Attached are the July 2021 Unencumbered Balances Statement for All Funds and the Review of General Fund Statement. The review below encompasses activity from January through July 2021.

Review of General Fund

Revenue

- Property taxes increased 14% because the tax advance received in 2021 was larger than the taxes advanced in July 2020.
- Municipal Income Tax increased 31.2%. July 2021 revenue is from June 2021 collections by RITA. The increase is mainly in the collections of individual income tax.
- State Levied/Shared Taxes increased 23% because more has been received in local government funds from the County and the State.
- Intergovernmental Grants & Contracts decreased 61.2% from 2020 due to a worker's comp refund of approximately \$750,000 being received in April 2020.
- Charges for Services decreased 22.9% due to a large decrease in landfill/refuse fees collection. These collections have decreased 19.8% from the same time in 2020.
- Fees, Licenses, Permits decreased 20% because the City had received the building permit for Top of the Hill by this time last year.
- Interest Earnings decreased 88.4% from this time in 2020 due to the decline in interest rates from the pandemic.
- Fines and Forfeitures increased 21.9% due to the Court collecting 35.8% more in fines and court costs than this time in 2020.
- All Other Revenue increased 426% due to the timing of recording administrative fees owed from foreclosure bonds. The revenue recorded in January was for 2021 administrative fees. The additional revenue recorded in February was the proportional amount charged for bonds received during 2020. Going forward the Building department will charge the admin fee at the beginning of the year and whenever a bond is received. The City also received the retainage refund from RITA for 2020 in the amount of \$421,000.

Expenditures

- Public Health Administration Other decreased 95.3% due to the timing of the payment to the Board of Health.
- Overall, Parks and Recreation has increased because programming for the summer has increased. This includes the swimming pool which was closed in 2020.

- Finance Department Other decreased 42.9% as a result of not needing an Interim Finance Director in 2021.
- Income Tax expenditures increased 10.4%. These expenditures are a percentage of collections from RITA. Since income tax revenue has increased so has the fees charged by RITA.
- Police Administration Other increased 38.8% due to an encumbrance to pay for a full year's lease of the body cameras plus payments for crossing guards.
- Fire Administration Other increased 42.8% due to encumbering uniforms for fire personnel and future gasoline purchases.
- Joint Dispatch increased 34.4% due to encumbering the full year's anticipated payments to HHCC.
- Building Department Other decreased 43% as a result of less being owed to SafeBuilt. The City pays a percentage of building permit revenue to SafeBuilt and as noted above the City has received less in building permit revenue in 2021 compared to 2020.
- Refuse Collection Other increased 47.6% due to new costs associated with recycling and landfill.
- Vehicle Maintenance Other increased 13.9% due to encumbering expected gasoline purchases.
- Street Maintenance Other decreased 23.9% due to less salt purchases in 2021 compared to 2020.
- General Operations Other increased 32.7% due to the payment for liability insurance which Council approved at the end of December 2020.
- Law Department Other increased 56.3% due to higher than average use of legal counsel.
- Special Improvement Districts increased 72.01% due to paying the SID's their 2nd portion in July instead of in August as was done in 2020.
- Transfers and Advances increased due to the advance to the Financed Capital Projects fund to pre-fund refuse capital purchases.

Review of All Funds

Overall, the negative unencumbered fund balances mean the City has not received enough revenue to cover the expenditures plus encumbrances currently incurred. These negative balances will be corrected by year end, unless they are related to grants or another revenue source that has yet to be received.

- Street Construction fund balance decreased because an encumbrance was created for the 2021 Street and ADA Curb Ramp Program.
- CDBG Resource fund balance decreased because an encumbrance was created for the 2021 Street and ADA Curb Ramp Program.
- Federal Miscellaneous Grants fund balance increased because Cain Park received a Shuttered Venue Operations Grant.
- Sewer fund balance decreased due to increased expenditures and encumbrances with consultants for the consent decree.
- Parking fund balance decreased due to the payment of the second half of the year's property taxes.

UNENCUMBERED BALANCES FOR ALL FUNDS
AS OF JULY 31, 2021

FUND NUMBER	FUND NAME	UNENCUMBERED BALANCE AS OF 1/1/21	YTD REVENUE	YTD EXPENDITURES + ENCUMBRANCES	12/31/2020 ENCUMBRANCES	UNENCUMBERED BALANCE AS OF 7/31/2021
101	GENERAL	\$18,147,004	\$30,971,971.18	\$31,442,004	\$660,671	\$18,337,643
102	BUDGET STABILIZATION ACCOUNT	\$100,000	\$0	\$0	\$0	\$100,000
201	STREET CONSTRUCTION	\$1,301,343	\$1,219,609	\$1,350,611	\$366,338	\$1,536,679
202	FOUNDATION GRANTS	(\$50,138)	\$0	\$215,036	\$0	(\$265,175)
203	FIRST SUBURBS CONSORTIUM	\$2,501	\$0	\$0	\$0	\$2,501
204	COMMUNICATION SYSTEMS OPERATION	(\$73,642)	\$0	\$0	\$0	(\$73,642)
205	PUBLIC WORKS FACILITY IMPROVEMENT	\$423	\$0	\$0	\$0	\$423
206	LAW ENFORCEMENT TRUST	\$161,775	\$23,611	\$51,144	\$11,858	\$146,100
207	DRUG LAW ENFORCEMENT TRUST	\$107,575	\$147,109	\$82,638	\$463	\$172,508
208	CDBG RESOURCE	(\$671,920)	\$1,506,155	\$1,426,870	\$111,901	(\$480,734)
210	EPA BROWNFIELD GRANT	\$0	\$0	\$0	\$0	\$0
211	HOME PROGRAM	\$246,352	\$89,809	\$133,455	\$350	\$203,056
212	FEMA	\$159,866	\$24,678	\$44,372	\$19,375	\$159,547
213	POLICE FACILITY IMPROVEMENT	\$3,533	\$140	\$13,837	\$10,303	\$139
214	LOCAL TV PROGRAMMING	\$953,085	\$214,377	\$499,048	\$2,856	\$671,271
215	CAIN PARK	\$5,080	\$111,951	\$263,888	\$0	(\$146,856)
216	RECREATION FACILITY IMPROVEMENT	\$494,921	\$459,389	\$572,622	\$33,371	\$415,060
217	PUBLIC RIGHT OF WAY	\$164,932	\$0	\$0	\$0	\$164,932
221	INDIGENT DUI TREATMENT	\$271,196	\$12,548	\$0	\$0	\$283,745
222	MUNICIPAL COURT COMPUTERIZATION	\$56,017	\$35,025	\$12,326	\$0	\$78,716
223	DUI - ENFORCEMENT/EDUCATION	\$121,432	\$3,027	\$0	\$0	\$124,459
225	MUNI COURT - SPECIAL PROJECTS	\$2,130,836	\$58,543	\$12,102	\$1,241	\$2,178,518
226	LEAD SAFE PROGRAM - CUYAHOGA CNTY	(\$111,820)	\$183,677	\$66,795	\$0	\$5,062
227	NEIGHBORHOOD STABILIZATION PRGM	\$123,584	\$0	\$0	\$0	\$123,584
228	CDBG-COVID	(\$165,286)	\$106,829	\$363,894	\$15,000	(\$407,351)
230	STREET LIGHTING	\$1,301,403	\$524,824	\$502,569	\$0	\$1,323,657
231	TREE FUND	\$529,493	\$640,032	\$644,430	\$73,622	\$598,717
232	POLICE PENSION	\$143,750	\$155,697	\$680,092	\$0	(\$380,645)
233	FIRE PENSION	\$43,893	\$155,697	\$973,123	\$0	(\$773,533)
234	EARNED BENEFITS	\$476,987	\$2,163	\$359,739	\$0	\$119,411
237	FIRST SUBURBS DEVELOPMENT COUNCIL	\$57,754	\$0	\$0	\$0	\$57,754
238	CORONAVIRUS RELIEF FUND	\$26,659	\$40,286	\$457,820	\$458,264	\$67,390
239	REFUSE GRANT FUND	\$0	\$100,000	\$0	\$0	\$100,000
240	FEDERAL MISCELLANEOUS GRANTS	\$0	\$342,028	\$27,261	\$0	\$314,767
241	LOCAL FISCAL RECOVERY	\$0	\$19,408,531	\$177,538	\$0	\$19,230,994
301	G.O. BOND RETIREMENT	\$558,728	\$3,385,573	\$3,229,110	\$0	\$715,191
402	FINANCED CAPITAL PROJECTS	\$914,836	\$4,400,000	\$3,675,894	\$0	\$1,638,942
411	ECONOMIC DEVELOPMENT	\$1,095,857	\$57,037	\$152,752	\$125,725	\$1,125,867
412	CITY HALL MAINTENANCE AND REPAIR	\$100,949	\$14,893	\$14,922	\$0	\$100,919
415	SEVERANCE RING ROAD RECONSTRUCTION	\$35,045	\$0	\$0	\$0	\$35,045
416	REFUSE CAPITAL FUND	\$0	\$191	\$0	\$0	\$191
601	WATER	\$705,213	\$972,138	\$1,270,467	\$76,506	\$483,390
602	SEWER	\$4,669,776	\$1,978,108	\$4,086,780	\$664,055	\$3,225,159
603	PARKING	\$218,194	\$217,518	\$697,118	\$11,521	(\$249,885)
606	AMBULANCE SERVICES	\$1,321,006	\$518,747	\$555,423	\$21,710	\$1,306,040
701	HOSPITALIZATION	\$1,568,362	\$4,097,606	\$4,097,606	\$0	\$1,568,362
703	WORKERS COMPENSATION	\$204,767	\$0	\$0	\$0	\$204,767
804	OFFICE ON AGING	\$14,311	\$7,177	\$1,788	\$0	\$19,700
808	YOUTH RECREATION SCHOLARSHIP	\$59,826	\$100	\$0	\$0	\$59,926
809	POLICE MEMORIAL TRUST FUND	\$11,808	\$0	\$0	\$0	\$11,808
810	YOUTH ADVISORY COMMISSION	\$71	\$0	\$0	\$0	\$71
811	JUVENILE DIVERSION PROGRAM	\$6,903	\$3,858	\$0	\$0	\$10,760
857	SALES TAX	\$535	\$192	\$346	\$0	\$381
858	MISCELLANEOUS AGENCY	\$2,020,412	\$182,738	\$440,972	\$0	\$1,762,178
864	NEORSD	\$214	\$0	(\$63)	\$0	\$278
TOTALS		\$39,565,401	\$72,373,581	\$58,596,327	\$2,665,132	\$56,007,787

**CITY OF CLEVELAND HEIGHTS
REVIEW OF GENERAL FUND
AS OF JULY 31, 2021**

REVENUES:	7/31/2020 Actual	2021 Budget	7/31/2021 Actual	Percentage 2021 Budget	Difference 2021 vs 2020
Property Taxes	\$4,186,005	\$7,175,859	\$4,773,671	67%	\$587,666
Municipal Income Tax	\$15,000,789	\$28,000,000	\$19,687,339	70%	\$4,686,550
Other Local Taxes	\$12,169	\$50,000	\$0	0%	(\$12,169)
State Levied/Shared Taxes	\$928,136	\$1,554,900	\$1,140,167	73%	\$212,031
Intergovernmental Grants & Contracts	\$1,407,150	\$910,000	\$546,669	60%	(\$860,481)
Charges For Services	\$1,732,039	\$3,100,000	\$1,335,157	43%	(\$396,882)
Fees, Licenses, Permits	\$2,225,879	\$2,295,000	\$1,776,045	77%	(\$449,834)
Interest Earnings	\$202,582	\$200,000	\$23,456	12%	(\$179,126)
Fines and Forfeitures	\$723,695	\$1,720,000	\$882,248	51%	\$158,553
All Other Revenue	\$151,398	\$786,500	\$796,322	101%	\$644,924
Sale of Assets	\$1,975	\$0	\$10,900	0%	\$8,925
Total Revenues	\$26,571,816	\$45,792,259	\$30,971,971	68%	\$4,400,156

EXPENDITURES:	7/31/2020	7/31/2021			
	Expenditures + Community Services	2021 Expenditures + Encumbrances	Expenditures + Budget Amended	Percentage 2021 Budget	Difference 2021 vs 2020
Commission on Aging	\$0	\$0	\$0	0%	\$0
Community Relations Personal Services	\$20,405	\$14,237	\$0	0%	(\$20,405)
Community Relations Other	\$3,048	\$12,550	\$699	6%	(\$2,349)
Public Relations Personal Services	\$135,198	\$177,912	\$102,164	57%	(\$33,034)
Public Relations Other	\$29,861	\$117,000	\$49,135	42%	\$19,275
Community Services Admin Personal Services	\$129,409	\$0	\$0	0%	(\$129,409)
Community Services Administration Other	\$330	\$6,600	\$0	0%	(\$330)
Public Health Administration	\$127,465	\$245,950	\$5,950	2%	(\$121,515)
Total Community Services	\$445,715	\$574,249	\$157,948	28%	(\$287,767)

Parks and Recreation

Public Properties & Park Maint Personal Services	\$644,561	\$1,169,812	\$688,565	59%	\$44,004
Public Properties & Park Maintenance Other	\$775,717	\$1,091,432	\$805,218	74%	\$29,501
Parks & Recreation Admin Personal Services	\$146,111	\$322,485	\$184,874	57%	\$38,763
Parks & Recreation Administration Other	\$5,796	\$37,388	\$7,812	21%	\$2,016
Swimming Pools Personal Services	\$12,832	\$276,421	\$157,522	57%	\$144,690
Swimming Pools Other	\$2,136	\$131,450	\$73,577	56%	\$71,441
Cain Park (Transfer)	\$0	\$0	\$0	0%	\$0
Ice Programs Personal Services	\$104,741	\$251,788	\$45,244	18%	(\$59,498)
Ice Programs Other	\$7,924	\$19,928	\$4,178	21%	(\$3,746)
General Recreation Programs Personal Services	\$39,254	\$145,037	\$33,490	23%	(\$5,764)
General Recreation Programs Other	\$12,063	\$34,300	\$13,541	39%	\$1,478
Sports Programs Personal Services	\$30,540	\$126,995	\$48,076	38%	\$17,536
Sports Programs Other	\$23,925	\$105,100	\$24,217	23%	\$292
Community Center Personal Services	\$297,404	\$660,419	\$233,962	35%	(\$63,442)
Community Center Other	\$234,810	\$496,258	\$171,704	35%	(\$63,107)
Office on Aging Personal Services	\$78,244	\$171,423	\$62,084	36%	(\$16,160)
Office on Aging Other	\$30,625	\$34,300	\$9,217	27%	(\$21,407)
Total Parks and Recreation	\$2,446,682	\$5,074,536	\$2,563,280	51%	\$116,597

Finance Department

Finance Department Personal Services	\$224,186	\$460,878	\$234,917	51%	\$10,730
Finance Department Other	\$154,089	\$194,300	\$87,950	45%	(\$66,139)
Income Tax	\$588,277	\$1,015,000	\$649,146	64%	\$60,870
Total Finance Department	\$966,552	\$1,670,178	\$972,013	58%	\$5,461

Planning & Development

Landmark Commission	\$31	\$16,100	\$0	0%	(\$31)
Planning Department Personal Services	\$150,549	\$473,012	\$212,809	45%	\$62,259
Planning Department Other	\$5,270	\$33,000	\$16,952	51%	\$11,682
Planning Commission Personal Services	\$1,260	\$8,138	\$2,713	33%	\$1,453
Planning Commission Other	\$2,449	\$3,900	\$1,194	31%	(\$1,255)
Architectural Board of Review Personal Services	\$3,488	\$11,492	\$3,488	30%	\$0
Architectural Board of Review Other	\$145	\$500	\$0	0%	(\$145)
Board of Zoning Appeals Personal Services	\$2,035	\$5,813	\$2,616	45%	\$581
Board of Zoning Appeals Other	\$1,284	\$2,975	\$1,135	38%	(\$150)
Total Planning & Development	\$166,511	\$554,931	\$240,905	43%	\$74,395

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CITY OF CLEVELAND HEIGHTS
REVIEW OF GENERAL FUND
AS OF JULY 31, 2021

Public Safety	7/31/2020 Expenditures + Encumbrances	2021 Budget Amended	7/31/2021 Expenditures + Encumbrances	Percentage 2021 Budget	Difference 2021 vs 2020
Traffic Signs & Signals Personal Services	\$35,395	\$61,039	\$34,808	57%	(\$587)
Traffic Signs & Signals Other	\$113,243	\$146,450	\$112,075	77%	(\$1,168)
Police Administration Personal Services	\$5,057,376	\$9,310,675	\$4,592,963	49%	(\$464,413)
Police Administration Other	\$346,303	\$1,131,929	\$480,746	42%	\$134,442
Police Academy Personal Services	\$1,937	\$0	\$0	0%	(\$1,937)
Police Academy Other	\$60,501	\$41,736	\$35,493	85%	(\$25,008)
Police Vehicle Maintenance Personal Services	\$0	\$0	\$0	0%	\$0
Police Vehicle Maintenance Other	\$0	\$0	\$0	0%	\$0
Fire Administration Personal Services	\$4,064,239	\$6,800,509	\$3,935,494	58%	(\$128,745)
Fire Administration Other	\$158,037	\$289,820	\$225,731	78%	\$67,694
Joint Dispatch (Transfer)	\$0	\$0	\$0	0%	\$0
Joint Dispatch	\$1,116,323	\$1,500,000	\$1,500,000	100%	\$383,677
Fire Prevention Personal Services	\$60,906	\$107,908	\$62,407	58%	\$1,501
Fire Prevention Other	\$225	\$6,200	\$359	6%	\$134
Building Department Personal Services	\$0	\$0	\$0	0%	\$0
Building Department Other	\$1,136,683	\$845,700	\$648,003	77%	(\$488,680)
Housing Inspections Personal Services	\$250,925	\$553,126	\$218,501	40%	(\$32,424)
Housing Inspections Other	\$48,691	\$130,800	\$78,951	60%	\$30,260
Street Lighting (Transfer)	\$0	\$0	\$0	0%	\$0
Animal Control Personal Services	\$44,615	\$75,783	\$44,094	58%	(\$521)
Animal Control Other	\$25,000	\$33,934	\$26,934	79%	\$1,934
Total Public Safety	\$12,520,400	\$21,035,609	\$11,996,560	57%	(\$523,840)

Public Works

Service Administration Personal Services	\$98,893	\$231,671	\$130,211	56%	\$31,318
Service Administration Other	\$2,067	\$8,992	\$2,514	28%	\$446
Capital Projects Administration Personal Services	\$0	\$0	\$0	0%	\$0
Capital Projects Administration Other	\$21,000	\$23,000	\$23,000	100%	\$2,000
Refuse Collection Personal Services	\$955,787	\$1,768,619	\$898,985	51%	(\$56,803)
Refuse Collection Other	\$452,790	\$1,006,847	\$668,276	66%	\$215,486
Vehicle Maintenance Personal Services	\$513,232	\$874,971	\$440,514	50%	(\$72,718)
Vehicle Maintenance Other	\$904,428	\$1,524,809	\$1,028,144	67%	\$123,716
Street Maintenance Personal Services	\$698,453	\$1,319,987	\$580,753	44%	(\$117,700)
Street Maintenance Other	\$311,943	\$345,818	\$237,378	69%	(\$74,565)
Forestry (Transfer)	\$0	\$0	\$0	0%	\$0
Total Public Works	\$3,958,593	\$7,104,714	\$4,009,774	56%	\$51,181

General Government

City Council Personal Services	\$42,804	\$77,884	\$42,051	54%	(\$753)
City Council Other	\$4,856	\$8,063	\$6,363	79%	\$1,507
City Manager Personal Services	\$271,456	\$578,945	\$244,432	42%	(\$27,024)
City Manager Other	\$12,732	\$19,612	\$15,177	77%	\$2,446
Civil Service Commission Personal Services	\$194	\$2,381	\$1,744	73%	\$1,550
Civil Service Commission Other	\$805	\$46,300	\$25,552	55%	\$24,747
General Operations Personal Services	\$268,114	\$412,202	\$311,326	76%	\$43,212
General Operations Other	\$895,394	\$1,661,451	\$1,188,306	72%	\$292,912
Management Information Systems Personal Services	\$163,913	\$348,943	\$172,314	49%	\$8,401
Management Information Systems Other	\$74,777	\$248,261	\$90,417	36%	\$15,640
County Fiscal Officer Deductions	\$103,314	\$215,000	\$88,827	41%	(\$14,488)
Law Department Personal Services	\$323,801	\$616,034	\$328,272	53%	\$4,470
Law Department Other	\$290,694	\$525,518	\$454,611	87%	\$163,916
Special Improvement Districts	\$217,881	\$396,591	\$374,776	94%	\$156,895
Municipal Court Personal Services	\$590,839	\$1,022,471	\$543,604	53%	(\$47,236)
Municipal Court Other	\$71,181	\$192,043	\$116,539	61%	\$45,359
Total General Government	\$3,332,755	\$6,371,699	\$4,004,311	63%	\$671,555

PAGE 3
 CITY OF CLEVELAND HEIGHTS
 REVIEW OF GENERAL FUND
 AS OF JULY 31, 2021

Other	7/31/2020		7/31/2021		Percentage 2021 Budget	Difference 2021 vs 2020
	Expenditures + Encumbrances	2021 Budget Amended	Expenditures + Encumbrances	2021 Budget		
Transfers & Advances	\$0	\$9,450,000	\$4,400,000	47%	\$4,400,000	
Hospitalization	\$2,945,896	\$6,838,953	\$3,097,213	45%	\$151,317	
Total Other	\$2,945,896	\$16,288,953	\$7,497,213	46%	\$4,551,317	
TOTAL GENERAL FUND EXPENDITURES	\$26,783,105	\$58,674,869	\$31,442,004	54%	\$4,658,900	
Excess Revenue Over/(Under) Expenses	<u>(\$211,289)</u>		<u>(\$470,033)</u>			
Unencumbered Balance Beginning of Year	\$10,436,981		\$18,147,004			
Add: Prior Year Encumbrances	<u>\$1,266</u>		<u>\$660,671</u>			
Estimated Unencumbered Balance	<u>\$10,226,958</u>		<u>\$18,337,642</u>			



CLEVELAND HEIGHTS

To: Susanna Niermann O'Neil, City Manager
From: Joseph P. McRae, Parks and Recreation Director
Subject: Parks and Recreation Department Reopening Plan Update
Date: September 30, 2021

Please find a brief summary of Parks and Recreation activities attached for your reference.

General Updates

- **Picnic Shelter** rentals will close for the season this Sunday. Residents will be able to start reserving shelters for 2022 in January.
- **Fall Recreation Programs** will be limited indoors due to the recent surge in Covid-19 infections and recent advisory from the County Board of Health. Fitness center hours will continue to be modified as well. The Fitness Center remains closed on Sundays.
- **Indoor Open Gym** will likely resume in November. In light of the surging pandemic, it will be limited to residents only with attendance limitations aimed at resident safety. More details to come.
- **Indoor Pickleball** will resume in mid-October. There will be potential attendance limitations to ensure public safety especially for seniors.
- **Indoor rentals at the community center** will be limited during this surging pandemic in order to preserve public health and safety. The City is not accepting birthday party, baby shower or repast rentals at this time.
- **South Rink** will remain closed this season due to limited resources caused by the pandemic. All ice related activities will take place on the North Rink.

Upcoming election related events at the Community Center:

- **General Election** – Tuesday, November 2
- Due to the pandemic, all League of Women Voters Candidates Forums will take place virtually to ensure public health and safety.



CLEVELAND HEIGHTS

To: Susanna Niermann-O'Neil, City Manager

From: Annette M. Mecklenburg, Chief of Police

Date: September 30, 2021

Subject: Police Department Update

Crime Update - On September 28, 2021 around 4:38 hours officers responded to a call of gunshots in the area of Randolph and Lecona. Upon arrival officers located four shell casings on Randolph. Preliminary investigation indicates that a dark colored sedan was observed in the area driving with no lights when the shots were fired. No one was injured in the incident. Detectives are investigating.

Community Events – The Police Department has tentatively scheduled Coffee with a Cop for Wednesday, September 6th from 10:00 am – Noon at the Police Academy, 2595 Noble Road. The first day in October is National Coffee with a Cop Day each year.

The Police Department in conjunction with the Fire Department and Bryan's Marathon are planning on hosting a safety night during the month of October. During this event residents can stop by with their vehicles for a safety inspection and they will also receive safety tips for their residences. This event is still in the planning stages and more information will be released soon.

Civil Service Exam – The Police Department has been hard at work recruiting for our upcoming Civil Service test for the position of Classified Police Officer. Officers will be visiting area police academies to encourage potential candidates to apply for the test. We will also be accepting lateral transfers as a way of hiring police officers who have already successfully completed the academy and have gained some experience in law enforcement. The application period will be open all next week for candidates to apply and information can be found on the City's website and on our social media pages.

We have hired one additional person from our prior Civil Service list. Her name is Reyna Ekechukwu and she will begin with the Department on Monday, October 3, 2021. We are very excited to have her join our Department and are confident she will be a great addition.



Date: September 29, 2021

To: Susanna Niermann-O'Neil, City Manager

From: Collette Clinkscale, Director of Public Works

Subject: Public Works Update

Sanitary Sewer Evaluation Survey

The City has submitted the Phase 2 SSES Report as required by the deadline of 9/30/2021 under the Consent Decree. Wade Trim has completed the second round of responses to the USEPA regarding the Capacity Assessment Report. They are in the process of preparing this submission.

All other Consent Decree requirements to this point are up to date. A detail will be submitted during the next bi-weekly reporting.

Refuse and Recycling Automation Update

My office is coordinating with the Recycling Partnership to have a baseline recycling rate established. This audit is required under the terms of the \$200k grant received from them. There is a baseline audit performed and then an audit is performed after the automated program has been fully implemented. The purpose of the audit is to determine if there has been an increase in the recycling rate in our community. MSW has been retained by the Recycling Partnership to perform the baseline audit. The company will be performing the baseline audit from October 11th through October 16th. MSW will randomly select 125 homes (which equates to 5 residences from each route, each day) to see how they recycle. The company will have identification and a letter showing authorization in the event any resident is wondering who is picking up their trash. We will also have a notice in the e-newsletter alerting our residents to this program.

Other

Public Works will be opening bids for the Superior Road (between Washington and South Taylor) waterline project on Friday, October 1, 2021. This project is being made possible via a \$302,140 grant from the Cleveland Water Department's Suburban Water Main Renewal (SWMR) Program. The City is supplementing this project with other funding and having the road rehabilitated and the signal upgraded at the intersection of Superior and South Taylor. There is only 1,040 lineal feet within the limits of this project, therefore, we hope to have the majority of this project completed this year.



CLEVELAND HEIGHTS

Committee of the Whole

October 4, 2021

6:30 p.m.

Agenda

1. Legislation overview
2. Executive Session
 - a. *To consider the terms of sale or lease of City-owned real property*
 - b. *To consider the investigation of complaints against a public official*



CLEVELAND HEIGHTS

AGENDA (tentative) - CLEVELAND HEIGHTS CITY COUNCIL MEETING

Monday, October 4, 2021
Regular Meeting
7:30 p.m.

Cleveland Heights City Hall
Council Chambers
40 Severance Circle
Cleveland Heights, Ohio

- 1) Meeting called to order by Council President**
- 2) Roll Call of Council Members**
- 3) Excuse absent members**
- 4) Approval of the minutes of the Council meetings held on August 25 and August 30, 2021**
- 5) Personal communications from citizens**
- 6) Report of the City Manager**
- 7) Report of the Clerk of Council**
- 8) Committee Reports**
 - a.) FINANCE COMMITTEE**

ORDINANCE NO. 129-2021 (F), *First Reading*. An Ordinance to amend certain subparagraphs of Ordinance No. 127-2020 (F) and subsequent amending ordinances, relating to appropriations and other expenditures of the City of Cleveland Heights, Ohio for the fiscal year ending December 31, 2021 and declaring an emergency.

Introduced by Council Member _____

Vote _____
For _____ Against _____ No. Reading _____

RESOLUTION NO. 130-2021 (F), *First Reading*. A Resolution authorizing the City Manager to take all actions necessary to allocate to the Chagrin Valley

Dispatch Council one hundred percent of the municipal income tax paid to the City by employees of CVD; and declaring an emergency.

Introduced by Council Member _____

Vote _____
For _____ Against _____ No. Reading _____

b.) MUNICIPAL SERVICES COMMITTEE

c.) PLANNING AND DEVELOPMENT COMMITTEE

RESOLUTION NO. 131-2021 (PD), *First Reading*. A Resolution authorizing the City Manager to enter into a Development Agreement with Start Right Community Development Corporation, for the redevelopment of certain vacant residential lots owned or controlled by the City with new single-family homes; and declaring an emergency.

Introduced by Council Member _____

Vote _____
For _____ Against _____ No. Reading _____

d.) PUBLIC SAFETY AND HEALTH COMMITTEE

e.) ADMINISTRATIVE SERVICES COMMITTEE

f.) COMMUNITY RELATIONS AND RECREATION COMMITTEE

9) Consent Agenda

Note: Individual Consent Agenda items are not discussed separately during the Council meeting, unless removed from the Consent Agenda on the request of a member of Council. Once an item is removed from the Consent Agenda it will be placed on the Regular Agenda.

RESOLUTION NO. 132-2021 (CCR), *First Reading*. A Resolution joining communities throughout the nation in proclaiming October 2021 National Breast Cancer Awareness Month; October 13, 2021, Metastatic Breast Cancer

Awareness Day; and October 22, 2021, National Mammography Day; and declaring an emergency.

RESOLUTION NO. 133-2021 (CRR), *First Reading*. A Resolution proclaiming October 2021 as Domestic Violence Awareness Month; and declaring an emergency.

Motion to suspend rules by Council Member _____

Vote _____
For _____ Against _____ No. Reading _____

Motion to adopt by Council Member _____

Vote _____
For _____ Against _____ No. Reading _____

10) Council President's Report

11) Adjournment

NEXT MEETING OF COUNCIL: MONDAY, OCTOBER 18, 2021

Proposed: 10/04/2021

ORDINANCE NO. 129-2021 (F), *First Reading*

By Council Member

An Ordinance to amend certain subparagraphs of Ordinance No. 127-2020 (F) and subsequent amending ordinances, relating to appropriations and other expenditures of the City of Cleveland Heights, Ohio for the fiscal year ending December 31, 2021 and declaring an emergency.

BE IT ORDAINED by the Council of the City of Cleveland Heights that:

SECTION 1. Certain subparagraphs of Ordinance No. 127-2020 (F) and subsequent amending ordinances all relating to appropriations for the current expenses and other expenditures of the City of Cleveland Heights, Ohio for the fiscal year ending December 31, 2021 be, and the same hereby are increased, decreased and/or transferred in the amounts set forth in Exhibit 1.

SECTION 2. All expenditures of the City of Cleveland Heights within the fiscal year ending December 31, 2021, shall be made within the appropriations herein provided. "Appropriation" as used herein means the total amount appropriated for the individual fund. Notwithstanding the financial detail herein presented within an individual fund, the City Manager is authorized to transfer budgeted amounts within each fund, so long as the total amount appropriated for each individual fund is not exceeded.

SECTION 3. Notice of the passage of this ordinance shall be given by publishing the title and abstract of contents, prepared by the Director of Law, once in one paper of general circulation in the city of Cleveland Heights.

SECTION 4. This Ordinance is hereby declared to be an emergency measure immediately necessary for the preservation of public peace, health, and safety of the inhabitants of the City of Cleveland Heights, such emergency being the ongoing and continuous need to preserve the faith and credit of the City. 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 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.

JASON STEIN
President of the Council

AMY HIMMELEIN
Clerk of Council

PASSED:

ORDINANCE 129-2021, *First Reading*

Exhibit 1

Fund	Department	Object	Reason	Approved Budget	Requested Change	Revised Budget
101 - General	6203 - Refuse Coll/Transfer Sta	Personal Services	Decrease budget to move expense from General Fund, 101, to new Refuse Fund, 605.	1,768,618.79	(1,768,618.79)	0.00
		O.T.P.S.	Decrease budget to move expense from General Fund, 101, to new Refuse Fund, 605.	996,088.90	(996,088.90)	0.00
		Capital	Decrease budget to move expense from General Fund, 101, to new Refuse Fund, 605.	8,030.00	(8,030.00)	0.00
	6207 - Vehicle Maintenance	Personal Services	Transfer for cable bill.	874,970.68	(300.00)	874,670.68
		O.T.P.S.	Transfer for cable bill.	1,437,721.00	300.00	1,438,021.00
	6208 - Street Maintenance	Personal Services	Transfer for trucking leaves, yard waste and miscellaneous items.	1,319,986.95	(15,000.00)	1,304,986.95
		O.T.P.S.	Transfer for trucking leaves, yard waste and miscellaneous items.	336,702.00	15,000.00	351,702.00
	7402 - Housing Inspections	O.T.P.S.	Transfer for laptop and docking station.	106,800.00	(1,000.00)	105,800.00
		Capital	Transfer for laptop and docking station.	24,000.00	1,000.00	25,000.00
	8201 - Public Prop/Park Maint	Personal Services	Transfer for overtime costs.	1,171,812.39	10,000.00	1,181,812.39
		O.T.P.S.	Transfer for overtime costs.	1,066,420.00	(10,000.00)	1,056,420.00
	8403 - Swimming Pools	Personal Services	Transfer for water bill at Cumberland pool.	276,420.65	(10,045.71)	266,374.94
		O.T.P.S.	Transfer for water bill at Cumberland pool.	131,450.00	22,045.71	153,495.71
	8409 - Sports Programs	O.T.P.S.	Transfer for water bill at Cumberland pool.	105,100.00	(12,000.00)	93,100.00
		O.T.P.S.	Transfer for academic achievement and firearm bonus.	75,782.66	2,072.00	77,854.66
		O.T.P.S.	Transfer for academic achievement and firearm bonus.	25,000.00	(2,072.00)	22,928.00
402 - Financed Capital Projects	6203 - Refuse Coll/Transfer Sta	O.T.P.S.	Increase for credit card fees for purchases of extra refuse carts.	0.00	160.81	160.81

ORDINANCE 129-2021, *First Reading*

Exhibit 1

Fund	Department	Object	Reason	Approved Budget	Requested Change	Revised Budget
602 - Sewerage Disposal	6205 - Sewer Maintenance	O.T.P.S.	Transfer for Horseshoe Lake study and CWD meter reads.	791,800.00	35,000.00	826,800.00
			Transfer for installation of piping at service garage and removal of a damaged pipe near a residence.	791,800.00	28,750.00	820,550.00
		Capital	Transfer for Horseshoe Lake study and CWD meter reads.	4,679,563.00	(35,000.00)	4,644,563.00
			Transfer for installation of piping at service garage and removal of a damaged pipe near a residence.	4,679,563.00	(28,750.00)	4,650,813.00
605 - Refuse Fund	6203 - Refuse Coll/Transfer Sta	Personal Services	Increase budget to move expense from General Fund, 101, to new Refuse Fund, 605.	0.00	1,768,618.79	1,768,618.79
		O.T.P.S.	Increase budget to move expense from General Fund, 101, to new Refuse Fund, 605.	0.00	996,088.90	996,088.90
		Capital	Increase budget to move expense from General Fund, 101, to new Refuse Fund, 605.	0.00	8,030.00	8,030.00
Total				15,196,267.02	160.81	15,196,427.83

Proposed: 10/04/2021

RESOLUTION NO. 130-2021 (F), *First Reading*

By Council Member

A Resolution authorizing the City Manager to take all actions necessary to allocate to the Chagrin Valley Dispatch Council one hundred percent of the municipal income tax paid to the City by employees of CVD; and declaring an emergency.

WHEREAS, on May 15, 2017, by way of Resolution No. 53-2107, this Council approved the sharing of the income tax generated by employees of the HHCC working in Cleveland Heights by the deposit of such income tax into the general fund account of the HHCC, which was applied to the HHCC budget to support general operations of the HHCC; and

WHEREAS, on August 2, 2021, by way of Resolution No. 104-2021, this Council authorized the City to vote as a member of the Heights Hillcrest Communications Center (HHCC) to dissolve the HHCC and to enter into an agreement to join the Chagrin Valley Dispatch Council (CVD) to permit the continued operations of the Cleveland Heights Dispatch Center within CVD without interruption; and

WHEREAS, this Council has determined that it is in the best interest of the City and its residents to continue to share the income tax generated by employees of CVD working in Cleveland Heights beginning January 1, 2022.

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

SECTION 1. The City Manager shall be, and is hereby, authorized to take all actions necessary to allocate to CVD one hundred percent (100%) of the municipal income tax paid to the City by employees of CVD, for deposit into the CVD general fund so that the CVD may use such funds to support general operations of the CVD.

SECTION 2. Notice of the passage of this Resolution 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.

SECTION 3. This Resolution is hereby declared to be an emergency measure immediately necessary for the preservation of public peace, health and safety of the inhabitants of the City of Cleveland Heights, such emergency being the need to timely allocate said income tax for the mutual benefit of all parties involved and to continue public-safety operations uninterrupted. Wherefore, provided it receives the affirmative vote of five (5) or more of the members elected or appointed to this Council, this Resolution shall take 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.

RESOLUTION NO. 130-2021 (F), *First Reading*

JASON S. STEIN
President of the Council

AMY HIMMELEIN
Clerk of Council

PASSED:



CLEVELAND HEIGHTS

ECONOMIC DEVELOPMENT - Council Memo:

Development Agreement with Start Right CDC for the Construction of Infill Housing in the Caledonia Neighborhood – October 4, 2021 Meeting:

The Administration has successfully concluded negotiations of a Development Agreement with Start Right Community Development Corporation (CDC) to construct new infill housing in the Caledonia Neighborhood.

The Agreement establishes two potential phases of construction, with up to 10 lots to be built on in Phase I, and upon completion of this phase, up to 13 additional lots for infill housing construction in Phase II, for a total of 23 new homes in Caledonia. The building sites are currently City-owned vacant lots. The resulting new houses are to be single family-owner occupied dwellings.

The construction of new homes on lots that have been vacant for a significant period of time is anticipated to have a positive impact on neighborhood stabilization and vibrancy. At this time, project will not include any City funding available for construction financing;

City staff is currently developing the structure of an Appraisal Gap Based Down Payment Assistance program designed to assist homebuyers. This program is anticipated to be funded through ARPA and would be available to facilitate the purchase of newly-constructed infill housing built on vacant City-owned lots in Qualified Census Tracts (QCTs) in the City (please refer to the attached map). The U.S. Department of Housing & Urban Development recognizes QCTs as any census tract where at least 50% of the households have an income less than 60% of the Area Median Gross Income. The Caledonia Neighborhood is located within such a QCT (being Census Tract 1403.01), and the City has three other QCTs: 1410, 1407.01 & 1407.02.

A minimum of three (3) houses are required to be completed by 12/31/2022, and a total of six (6) houses completed by 6/30/2024. Both parties have the right to terminate the agreement if these milestones are not met. The Development Agreement shall terminate upon completion of Phase I & Phase II or on 12/31/2026 whichever occurs sooner, unless extended by mutual agreement of both parties.

The Administration recommends approval of the proposed legislation authorizing the City Manager to enter into a Development Agreement with Start Right Community Development Corporation (CDC) to construct new infill housing in the Caledonia Neighborhood.

Proposed: 10/04/2021

RESOLUTION NO. 131-2021 (PD), *First Reading*

By Council Member

A Resolution authorizing the City Manager to enter into a Development Agreement with Start Right Community Development Corporation, for the redevelopment of certain vacant residential lots owned or controlled by the City with new single-family homes; and declaring an emergency.

WHEREAS, the City issued an RFQ/RFP in October, 2020 for proposals for the collaborative development of new single-family, owner-occupied infill housing on lots that are currently vacant and owned or controlled by the City, known as the Phase I Neighborhood Redevelopment Program; and

WHEREAS, on March 15, 2021, this Council authorized the City Manager to negotiate with Start Right on the terms of a non-binding Memorandum of Understanding pursuant to the RFQ/RFP and Start Right's December 2020 submission in response; and

WHEREAS, pursuant to Resolution No. 98-2021, this Council authorized the City Manager to enter into a Memorandum of Understanding with Start Right Community Development Corporation, for the redevelopment of vacant residential lots owned or controlled by the City with new single-family homes; and

WHEREAS, pursuant to Resolution No. 119-2021, this Council authorized the City Manager to enter into an amendment to the Memorandum of Understanding, providing for additional time for the parties to enter into a Development Agreement; and

WHEREAS, after extensive negotiations, the parties have reached a tentative agreement on the specific terms and conditions of a Development Agreement; and

WHEREAS, this Council has determined that it is in the best interest of the City and its residents to move forward with the Development Agreement.

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

SECTION 1. This Council hereby authorizes the City Manager to enter into a Development Agreement with Start Right Community Development Corporation, and sign any other related documents, for the redevelopment of vacant residential lots owned or controlled by the City through the transfer of such lots to Start Right and the construction and sale of new single-family homes on such lots. The Development Agreement shall be substantially in accordance with the Development Agreement attached hereto as Exhibit A. The Development Agreement and any

RESOLUTION NO. 131-2021 (PD), *First Reading*

related documents shall be approved as to form by, and subject to the final approval of, the Director of Law.

SECTION 2. Notice of the passage of this Resolution 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.

SECTION 3. This Resolution is hereby declared to be an emergency measure immediately 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 to enter into the above-referenced Development Agreement and facilitate the construction of new, single-family infill housing within the City at the earliest time possible. Wherefore, provided it receives the affirmative vote of five (5) or more of the members elected or appointed to this Council, this Resolution shall take 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.

JASON S. STEIN
President of the Council

AMY HIMMELEIN
Clerk of Council

PASSED:

DEVELOPMENT AGREEMENT

by and between

CITY OF CLEVELAND HEIGHTS, OHIO

and

START RIGHT COMMUNITY DEVELOPMENT CORPORATION (CDC)

**Project Name: Infill Housing Construction in the Caledonia Neighborhood
in Cleveland Heights, Ohio**

Date: _____, 2021

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DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into on the Effective Date (as defined on the signature page hereof) by and between the **CITY OF CLEVELAND HEIGHTS, OHIO**, an Ohio municipal corporation, having an address of 40 Severance Circle, Cleveland Heights, Ohio 44118 (the “City”), and **START RIGHT COMMUNITY DEVELOPMENT CORPORATION (START RIGHT CDC)**, an Ohio non-profit Community Development Corporation, having an address of 977 Caledonia Road, Cleveland Heights, Ohio 44112 (the “Developer”).

RECITALS:

- A.** The City owns or controls twenty-three (23) residential lots (“Lots”) that are currently vacant located along Nelaview Road, Greyton Road, Dresden Road, and Hanover Drive in an area known as the Caledonia Neighborhood in the City, the legal descriptions for which Lots are attached as Exhibit A hereto (the “Project Site”).
- B.** Developer proposes to develop the Project Site generally as follows:
 - (i) The Project Site will be developed as a result of the construction of infill single-family, owner-occupied housing as part of Phase I (“Phase I”) and Phase II (“Phase II”), all as further outlined below and as depicted and described in the proposal from Start Right CDC dated December 10, 2020 in response to the RFQ/RFP (the “Proposal”), both of which are attached in Exhibit B hereto (all of the foregoing being referred to herein collectively as the “Project”), with Phase I being completed first and successfully before Phase II commences, as more fully described in Section 3A below;
 - (ii) The City will transfer ownership of the Lots in the Project Site to the Developer at a cost of \$100.00 per Lot, subject to the terms and conditions of a Reverter Clause;
- C.** Developer and the City propose to collaboratively create quality infill housing on the Lots located in the Project Site to attract new residents to and stabilize the surrounding neighborhood. The City and Developer agree that the development of the Project Site shall be completed in a manner which, at a minimum:
 - (i) Results in owner-occupied single-family detached housing with designs and types that complement and are harmonious with the other houses on these streets and the adjacent residential neighborhoods;
 - (ii) Creates positive economic and fiscal benefits for the neighborhood and the City;
 - (iii) Incorporates greenspace, and/or a strong landscaping plan into the design and construction of infill housing on each Lot;
 - (iv) Effectively incorporates community feedback into the design;
 - (v) Strongly encourages the use of commercially reasonable efforts to achieve inclusion of minority-owned and female-owned business enterprises in the

construction of the Project, as well as the use of commercially reasonable efforts to ensure that laborers and mechanics employed on the Project shall be paid at a prevailing wage rate to an extent reasonably practicable at an acceptable aggregate level to be negotiated;

- (vi) Uses commercially reasonable efforts to achieve the goal of local worker participation by having a majority of workers participating in the construction of the Project be residents of Northeast Ohio; and
- (vii) Strives to achieve LEED SILVER or similar / comparable rating system certification and, at a minimum, implements sustainability best practices.

- D.** Developer currently anticipates that the cost to construct each new house is approximately \$180,000 (subject to escalation to take into account increased materials prices which may occur). The total project cost is currently expected to be in excess of \$4,000,000 (consisting of \$1,900,000 in Phase I and \$2,100,000 in Phase II).
- E.** Phase I and Phase II of the Project are expected to be developed sequentially, with Phase II not being commenced until Phase I is completed. At this time, the anticipated sales price of each new home will likely be in a range of \$200,000 to \$235,000. Any future phase (Phase II) within the Caledonia Neighborhood will be dependent upon the completion of Phase I construction activities and successful sale of the Phase I residences.
- F.** Developer has represented to the City that it intends to use various sources of funds to finance the costs associated with the Improvements, as set forth in a detailed Plan of Finance and statement of Sources and Uses as set forth on **Exhibit C.1 & C.2**. This Plan of Finance describes private construction loan financing from the lenders identified in the Plan of Finance (or, if not identified, to be identified prior to Closing and approved by the City, such approval not to be unreasonably withheld), as well as any secondary construction loan financing made available from the Developer contribution. The actual costs incurred by Developer in designing and constructing all of the Improvements, including Developer's debt service as shown in the Plan of Finance, are referred to herein collectively as the "Improvement Costs."

G. RESERVED.

- H.** Developer presently intends to substantially complete the Project (consisting of Phase I and Phase II) within 24 months after the Closing (as defined in Section 4 hereof), including transfer of Lots to Developer in order for construction activities to commence.
- I.** The City has determined that the Project is in the vital and best interests of the City and the health, safety and welfare of its residents, and in accordance with the public purposes and provisions of applicable federal, state and local laws and requirements. The City has further determined that the Project is consistent with the City's Master Plan and Zoning Code.
- J.** The City has determined that it is in the best interest of the City to sell the Lots to Developer for \$100.00 per lot, subject to the conditions of a Reverter Clause, construction financing

and any down payment assistance provided by the City, because (i) the City will receive equivalent economic and non-economic benefits from the Project that equal or exceed the value of the Project Site and Improvements, (ii) Developer will procure one hundred percent (100%) of the Improvement Costs and all of the operational costs of the Improvements, and (iii) the Project will create jobs, stimulate economic growth in the area, attract new residents to the City, and enable the Project Site to be put to its highest and best use, for the benefit of the people of the City.

- K.** The City has determined that eliminating competitive bidding with respect to the City's sale of the Lots to Developer is in the best interest of the public because the sale of the Lots to the Developer is necessary for the Project and for the City to gain the unique benefits described in the Recitals of this Agreement.
- L.** The City has determined that selling the Lots to the Developer is justified because the Improvements will yield an estimated 10 new single-family, owner occupied houses and new residents living in the Caledonia Neighborhood of the City in Phase I, and subsequently an estimated 13 new single-family, owner occupied houses and new residents living in the Caledonia Neighborhood of the City in Phase II, all of which will add to the vibrancy and livability of said neighborhood.
- M.** The City and Developer shall enter into one or more mutually agreeable purchase agreements in substantially the form attached as **Exhibit E** hereto (the "Purchase Agreement"), under which Developer will purchase the Lots and develop single-family, owner-occupied housing on each Lot in each Phase of the Project.
- N.** Execution of this Agreement was authorized by Resolution No.131-2021, passed by City Council on _____, 2021.
- O.** The parties desire to memorialize in this Agreement their understandings as to the various responsibilities and obligations with respect to the Project and certain related matters.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows;

1. INCORPORATION OF RECITALS.

The Recital clauses set forth above are fully incorporated in this Agreement and specifically made a part hereof, as if fully restated herein, and such Recitals are deemed to be fully effective and a reflection of the agreements and understandings of the parties.

2. DESCRIPTION OF THE IMPROVEMENTS.

Subject to adjustments that may be made as part of the development and approval of the Final Planning, Zoning, and Building Plans ("Final Plans") for the new houses on each Lot (as defined in 5(B) hereof) and any adjustments to these Final Plans that are made in accordance with Section 7(A) hereof, and further subject to any prior termination of this Agreement pursuant to Section 4(C) or 9(A) below, the parties agree that the Project will include the construction of the following Improvements:

Single-Family, Owner-Occupied Houses . Phase I and Phase II of the Project shall include 10 new homes and 13 new homes, respectively, with high-quality amenity packages.

3. SALE OF LOTS IN THE PROJECT SITE.

(A) *Execution of Purchase Agreements.* The City shall sell and the Developer shall purchase the Lots, at a price of \$100.00 per lot, pursuant to the terms of the Purchase Agreement in substantially the form attached hereto as **Exhibit E**. Under the Purchase Agreement, Developer shall be solely responsible after Closing for all operating costs, insurance premiums, real estate taxes and assessments, and all other costs associated with the Lots and the Improvements. Developer agrees that it shall purchase all ten (10) Lots in Phase I pursuant to the terms of the first Purchase Agreement between the parties and, once Phase I is successfully completed, the Developer agrees that it shall purchase all thirteen (13) Lots in Phase II pursuant to the terms of the second Purchase Agreement between the parties.

(B) *Recording of the Purchase Agreements.* At the request of either party, the parties shall execute and record the Purchase Agreements in the Cuyahoga County Recorder's Office.

4. CLOSING ON SALE OF LOTS IN PROJECT SITE.

(A) *Closing; Conditions to Closing.*

(i) *Closing.* Provided the Conditions (as defined in Section 4(B) below) and in the Purchase Agreement have been satisfied, the City and Developer shall take such actions and execute such documents as are reasonably appropriate to consummate the transactions contemplated hereunder and in the Purchase Agreement, all as are sufficient to vest fee simple title to the Lots in Developer ("Closing"), subject, however, to any and all easements, covenants, restrictions and other matters of record existing on the Effective Date affecting the Lots and/or Project Site. The Closing shall occur not later than six (6) months after the Effective Date ("Closing Date"), subject to extension as described below.

(ii) If all of the Conditions have not been satisfied (or waived in writing) by the Closing Date, the Closing Date may be extended by the City for up to three (3) months at the request of Developer, as set forth in Section 4(C) below, and any such request shall not be unreasonably denied as long as Developer is working diligently to satisfy the Conditions. Subject to the provisions in the last paragraph of Section 9(A), Developer will use good faith efforts to complete its due diligence in accordance with Section such that, at the Closing, Developer will be in a position to purchase the Project Site as stated in the Purchase Agreement without any environmental, title, financing or other contingencies of any kind.

(B) *Conditions.* The Closing for the Lots in each Phase shall not occur until all of the following conditions ("Conditions") have been met:

(i) Developer shall have certified to the City that Developer has secured all funding required by Developer in order to complete the Improvements in such Phase in substantial accordance with the Budget (as defined in Section 6(C)), the Final Planning & Zoning, Architectural Board of Review (“ABR”) and Building Plan approvals and the Final Schedule (each as defined in Section 5);

(ii) Developer shall have received all governmental or other permits, licenses and approvals necessary or appropriate for the commencement of the Project, including those enumerated in Sections 4(B)(iii) and 5 of this Agreement (“Approvals”) and is prepared to commence construction within sixty (60) days of the Closing;

(iii) Developer shall have obtained approval (as contemplated under Section 5) of the Final Planning & Zoning, Architectural Board of Review (“ABR”) and Building Plans, and the Final Schedule, and Developer shall have delivered to the City a written confirmation that Developer no longer has the right to terminate this Agreement under Section 5(C) hereof;

(iv) Developer shall have entered into a construction agreement with the general contractor for the Project;

(v) Developer shall have provided evidence to the City that it has obtained the amounts and types of insurance required to be obtained by Developer as provided in Section 11;

(vi) Developer shall have delivered to the City a detailed construction Budget for the Project as provided in Section 6(C);

(vii) Developer shall have delivered to the City (a) a completion guaranty of Developer, or performance guaranty, or one or more bonds in a form reasonably satisfactory to the City, as required by Section 7(D) hereof;

(viii) Developer shall have delivered to the City (contemporaneously with the Closing) evidence that it has completed its due diligence in accordance with Section 9(A) and shall have delivered to the City a written confirmation that Developer no longer has the right to terminate this Agreement under Section 9(A);

(ix) Developer has updated its due diligence and feasibility studies, tests, reports and analyses and there have been no material changes. If Developer discovers the existence of existing environmental conditions at the Project Site that require remediation pursuant to Legal Requirements, Developer shall have the right to terminate this Agreement in accordance with Section 9 hereof.

(C) ***Failure to Meet Conditions.*** In the event the Conditions have not been met (or waived in writing) by the Closing Date, and the City has not agreed to an extension of such date in accordance with the last sentence of this Section 4(C), each party

shall have the right to terminate this Agreement by written notice to the other at any time after such date (but prior to the date on which both parties agree that all Conditions have been met), and upon such notice this Agreement shall terminate, neither party shall thereafter have any rights or obligations under this Agreement. Notwithstanding the foregoing, the City may extend the Closing Date by up to three (3) months at the request of Developer, and such request shall not be unreasonably denied as long as Developer is working diligently to satisfy the Conditions.

5. TIMELINE; PREPARATION OF PLANS AND SPECIFICATIONS.

(A) ***Timeline/Schedule.*** A Project Schedule/Timeline is attached as **Exhibit F.** Prior to execution of the Purchase Agreement, Developer shall deliver to the City a Final Project Schedule/Timeline (the “Final Schedule”), which shall be in the form of a project critical path schedule, and coordinating and integrating the anticipated construction schedules, Developer’s responsibilities, City responsibilities, governmental agency reviews, and other activities as are necessary for timely completion of the Project. The Final Schedule shall indicate proposed sequences and durations, milestone dates, and an estimated completion date. Developer agrees that the Project shall be developed substantially in accordance with the Final Schedule, subject to delays caused by Force Majeure. Notwithstanding anything to the contrary set forth in this Agreement, Developer and the City shall each have the right to terminate this Agreement by written notice to the other under the following circumstances: (i) if, on or before December 31, 2022, a minimum of three (3) single family homes have not been completed and issued certificates of occupancy; and (ii) if, on or before June 30, 2024, a minimum of six (6) single family homes have not been completed and issued certificates of occupancy. If a notice of termination is given, any single-family residence under construction shall nevertheless be completed by Developer and a certificate of occupancy obtained, and the payment and performance bond(s) for any such single-family residence under construction shall remain in full force and effect. This development agreement shall terminate upon the completion of Phases I & II or on 12/31/2026 (5 years), whichever occurs sooner, unless extended by mutual agreement by both parties.

(B) ***Preliminary and Final Plan.*** Developer shall be solely responsible for the planning, design, construction, administration, oversight and completion of the Project. At such time as Developer deems appropriate, it shall begin preparing a preliminary development plans for the Project Site. Developer shall submit such preliminary development plans to the City’s Director of Planning and Development (“PD Director”), for review and comment. Any objections by the PD Director shall be submitted in writing to Developer within fifteen (15) business days of receipt of said drawings. The presentation of the preliminary development plan to the Planning Commission, if required, the development and approval of the Final Planning & Zoning, Architectural Board of Review (“ABR”) and Building Plans, and the Final Schedule, shall all proceed in accordance with the steps outlined in the City of Cleveland Heights Zoning Code and Building Regulations. None of those approvals is guaranteed by this Agreement. Developer acknowledges that the City is a public office subject to Ohio’s public records laws.

(C) ***Right to Terminate Agreement for Failure to Approve Final Plan.***

The parties agree to work diligently and cooperatively with each other for City approval of the Final Planning & Zoning, Architectural Board of Review (“ABR”) and Building Plans, and the Final Schedule. If for any reason the parties, after exercising reasonable efforts, are unable to obtain approval of the City and other governmental authorities as needed by the Closing Date, and that date has not been extended by the City in accordance with Section 4(C), each party shall have the right to terminate this Agreement by giving written notice thereof to the other party no later than sixty (60) days thereafter (but prior to the date on which the Final Planning & Zoning, Architectural Board of Review (“ABR”) and Building Plans, and the Final Schedule are approved, whereupon neither party shall thereafter have any further rights or obligations hereunder except as described in Section 8. For purposes of this Section 5(C) and Section 4(B)(iii), the term “approval” means final legislation or administrative action without further appeal or referendum adopted in accordance with the Charter and Ordinances of the City and with standards of other applicable governmental authorities that approves all aspects of the Final Planning & Zoning, Architectural Board of Review (“ABR”) and Building Plans, and the Final Schedule.

(D) ***Preliminary Pro Forma.*** Prior to the Closing, Developer shall submit to the City a preliminary pro forma statement of revenues and expenses for the Project following construction, consisting of Developer’s good faith projection of revenues and expenses of the Project following completion, based on sound accounting principles consistently applied, and including assumptions utilized by Developer in deriving the information contained therein. The content of the pro forma statement shall be treated as confidential and will not be disclosed to third parties unless (1) the City determines in good faith that it is obligated to release the pro forma statement to one or more requesting parties pursuant to applicable law, in which event the City will provide written notice to Developer at the earliest practicable time; or (2) Developer consents in writing to its release. Developer acknowledges that the City is a public office subject to Ohio’s public records laws.

6. OBTAINING & APPROVING CONSTRUCTION BIDS.

(A) ***Final Bids.*** Developer shall not solicit bids from contractors or subcontractors that are listed on the Federal Debarred List or the State Debarred List or that are identified as being debarred on the City’s Vendor’s Performance list. The final bids for the Project, as approved by Developer, are referred to herein as the “Final Bids.”

(B) ***MBE/FBE Participation.*** Developer shall use commercially reasonable efforts to achieve MBE/FBE participation goals in connection with the Project as may be set by mutual agreement of Developer and the City.

(C) ***Budget.*** Promptly after the approval of the Final Planning & Zoning Plans, Architectural Board of Review (“ABR”) and Building Plans, and the Final Schedule contemplated under Section 5(A), Developer shall provide the City with an updated construction budget for the Project specifying all projected costs and expenses of every kind and nature to be incurred in connection with the Project, including all costs of labor,

materials, equipment and fixtures needed for completion of the Project and all other costs, fees and expenses relating to construction of the Improvements (as the same may thereafter be updated from time to time during construction, the “Budget”). The content of the Budget shall be treated as confidential and will not be disclosed to third parties unless (1) the City determines in good faith that it is obligated to release the Budget to one or more requesting parties pursuant to applicable law, in which event the City will provide written notice to Developer at the earliest practicable time; or (2) Developer consents in writing to its release. Developer acknowledges that the City is a public office subject to Ohio’s public records laws.

7. CONSTRUCTION.

(A) ***Construction.*** Once the parties have approved the Final Planning & Zoning Plans, Architectural Board of Review (“ABR”) and Building Plans, and the Final Schedule and the Closing has occurred, Developer shall proceed with construction of the Project. Developer shall thereafter complete construction of the Project in substantial accordance with the Final Planning & Zoning, ABR and Building Plans, and the Final Schedule, provided that Developer may make changes to the Final Planning & Zoning, ABR and Building Plans, and the Final Schedule in accordance with the process set forth in the City’s planning and zoning and Building ordinances. Except for assistance to be provided by the City to Developer under this Agreement, and subject to Developer’s ability to finalize agreements with its sources of funding, Developer shall be solely responsible for constructing and paying for the Project. Developer reasonably believes as of the date hereof that the sources of funding set forth on Exhibit C attached hereto will be adequate to enable Developer to complete the Project in accordance with the current scope of the Project; subject to cost increases resulting from matters approved in the Final Planning & Zoning, ABR and Building Plans, and the Final Schedule or other circumstances that may change after the date of this Agreement.

The Project shall be performed and completed by Developer, its contractors and subcontractors, or any successors thereof, in a good and workmanlike manner using new, first-class materials in accordance with all federal, state or local laws, statutes, ordinances, building codes, orders, rules and regulations applicable to the Project, whether in force on the Effective Date or enacted thereafter (the “Legal Requirements”). Responsibility for acceptable quantity and quality of work performed rests with Developer. The City makes no warranty relative thereto. Further, Developer agrees not to hold the City liable in any manner for any deficiency in the quantity or quality of work performed or to be performed. All work in any existing and future right of way shall only be done under permit from the City. Developer shall be responsible for obtaining and paying for all necessary permits and licenses and for obtaining all necessary third-party approvals for the Project, including but not limited to, driveway and other access or ingress/egress permits or easements. Developer shall be responsible for all tap-in fees, impact fees or other fees related to procuring or bringing utilities to the Project Site.

Upon the commencement of construction of the Improvements, Developer shall diligently pursue such construction to completion in accordance with the Final Schedule, subject to delays caused by Force Majeure (as defined in Section 12(A)), and shall use its

commercially reasonable efforts to avoid delays and resolve disputes. Developer shall give the City notice of the initial occurrence of each and every individual event of Force Majeure which may materially impact the construction of the Improvements within thirty (30) days after the commencement of such event.

Developer will not deviate from the Final Planning & Zoning, ABR and Building Plans, and the Final Schedule, in any material fashion without obtaining approval in accordance with the process set forth in the City of Cleveland Heights Planning and Zoning and Building ordinances.

(B) ***Construction Sequencing.*** The sequencing of construction of the Improvements shall be in accordance with the Final Planning & Zoning, ABR and Building Plans, and the Final Schedule.

(C) ***Surety Bonds.*** At Closing, Developer shall provide the City with a payment and performance bond in form and with a surety satisfactory to the City, subject to the provisions of subsection (D).

(D) ***Completion Guaranty.*** At the Closing, Developer shall have delivered to the City one or more payment and performance bonds, in a form reasonably satisfactory to the City, for the initial single-family home to be constructed and, thereafter, prior to commencement of construction on any subsequent single-family homes, a similar payment and performance bond for each such single family home.

(E) ***Applicable Laws.*** Developer shall obtain and maintain all necessary City and other governmental permits, licenses and other approvals and shall comply with all applicable federal, state and local laws, codes, ordinances and other governmental requirements relating to development of the Project. By executing this Agreement, the City makes no representations or other assurances to Developer that Developer will be able to obtain whatever variances, permits and other approvals from the City's Department of Planning and Development, the City's Department of Public Safety, the City's Architectural Board of Review or City Council that may be required in connection with the Project.

(F) ***Inspection of Work.*** During construction, the City, its employees and agents, at its own expense, shall have the right at all reasonable times, after written notice to Developer, subject to Developer's reasonable guidelines and in a manner not to unreasonably interfere with or delay construction activities (and subject to such reasonable site safety requirements Developer may impose), to enter upon the construction site to examine and inspect the progress of construction to determine whether Developer is complying with the requirements of this Agreement and for any other reasonable purpose. The foregoing shall not be deemed as limiting in any way the rights of the City's building inspectors to conduct inspections from time to time and without prior notice, in accordance with normal City inspection procedures. The City shall, at the City's option, be entitled to either (i) receive copies of any and all reports prepared during construction of the Improvements by any construction monitor or lender's representative engaged by or for the benefit of Developer's construction lender, or (ii) engage a separate construction

monitor or owner's representative at City's expense to monitor and report to the City on the progress of construction and the compliance of Developer with the terms of this Agreement.

(G) ***Mechanics Liens.*** If a mechanics' lien shall at any time be filed against the Project, Developer shall, within forty-five (45) days after notice of the filing thereof, cause the same to be discharged as a lien against the Project, by bonding or otherwise.

(H) ***Hazardous Materials.*** Developer, its officers, agents, employees, contractors, subcontractors, guests and invitees shall not bring in, on or incorporate into the real property or any of the Project, any asbestos or other hazardous or toxic substance in contravention of any federal, state, county or city health, safety, or sanitation law, ordinance, regulation or rule. If it is determined that Developer has caused or permitted hazardous materials to be brought in, on or incorporated into the Project Site or the Improvements in violation of law, Developer shall fully remediate such condition within thirty (30) calendar days following any determination by any government authority. In the event such remediation reasonably requires a longer period of time to complete, such thirty-day period shall be reasonably extended provided Developer has commenced such remediation within the initial thirty-day period and pursues such remediation with due diligence.

(I) ***LEED Compliance.*** Developer shall design and construct, at its expense, the Project to receive a minimum LEED Silver Certification for residential construction from the United States Green Building Council or a similar rating from a substantially equivalent rating system (as determined by the City) including Enterprise Green Communities, as developed by Enterprise Community Partners, Green Globes by Green Building Initiatives or the National Association of Home Builders National Model Green Home Building Guidelines. Developer shall apply for and receive the applicable certification, as available, for the Project.

8. FINANCING; FEES AND EXPENSES OF CITY.

(A) *Financing.*

The City acknowledges that Developer expects to create a multi-tiered plan of finance for the Project and that Developer shall have the right to grant a security interest, mortgage or other encumbrance (in any event, an "Encumbrance") to secure debt related thereto ("Developer Financing") in Developer's interest in the Project Site and all of Developer's right, title and interest in the Improvements and any fixtures, equipment and personal property located therein or thereon. Except as described in Section 3 of this Agreement and this Section 8, no such Encumbrance shall extend to, affect or be a lien upon the estate and interest of the City in the Project Site or any part thereof.

Developer has represented to the City that it intends to use various sources of funds to finance the costs associated with the Improvements, as set forth in a Detailed Plan of Finance and statement of Sources and Uses as set forth on **Exhibit C.** This Plan of Finance

describes private construction loan financing from conventional lenders and Developer contribution (which includes a construction loan). The actual costs incurred by Developer in designing and constructing all of the Improvements, including Developer's debt service on the various financings related to the Project, are referred to herein collectively as the "Improvement Costs."

(B) ***Fees and Expenses.***

Developer will pay all costs and expenses incurred by Developer in connection with the development of the Project (subject to its rights to contest), including, but not limited to, all costs and expenses incurred by Developer in connection with title searches and title insurance, environmental studies and reports, feasibility studies, traffic impact studies and parking studies, appraisals, surveys and plats, architectural and construction costs, financing costs, and all legal fees incurred by Developer.

9. DUE DILIGENCE; ECONOMIC FEASIBILITY; COMMUNITY ENGAGEMENT; CITY COOPERATION.

(A) ***Due Diligence.*** Developer or its designee shall have a period of time commencing on the Effective Date and continuing for 30 days (the "Inspection Period") to conduct inspections, studies and investigations of the Project. Developer and its agents, representatives and contractors has been granted full access to the land comprising the Project Site pursuant to an Access Agreement dated as of _____, 2021 (the "Access Agreement") as described in **Exhibit G**, for purposes of conducting such physical and environmental inspections, tests and surveys, including without limitation a Phase I environmental survey, soil borings, geotechnical testing, surveys and title searches (collectively, the "Inspections") of the Project Site as Developer deems necessary or appropriate, in Developer's sole discretion, to determine the feasibility, costs and physical and other impediments to development of the Project. Developer and City hereby agree the Access Agreement shall remain in full force and effect through the first to occur of the Closing or the termination of this Agreement.

Developer shall allow the City to review any and all test results and reports relating to Inspection Work performed at the Project Site. Developer shall be responsible for any damage to the Project Site caused by Developer or Developer's inspectors or contractors during such Inspections, shall repair and restore the Project Site to its condition immediately prior to said Inspections, and shall indemnify and hold the City harmless from and against any and all costs, claims and liabilities arising therefrom except arising out of pre-existing conditions.

The City shall furnish or make available to Developer upon the Effective Date, all available information with respect to the history and physical and environmental condition of the Project Site which is in the City's possession or control, including without limitation any studies or tests, surveys, plats and title reports. Additionally, the City agrees that between the Effective Date and the Closing Date it will not take any actions or steps that might have a material impact on the environmental condition, soil condition, survey status or title of the Project Site without Developer's prior consent.

Developer agrees that during the Inspection Period it will complete or cause to be completed, at its cost, such market studies and analysis (collectively, "Market Studies") as it deems necessary or appropriate to determine the economic feasibility of the Project as described in this Agreement. Developer shall allow the City to review any and all such Market Studies and analysis.

In the event that Developer is dissatisfied with the results of the Inspections for any reason whatsoever, or determines, based upon the Market Studies, that the Project, or any portion thereof, as described in this Agreement is not economically feasible for the Project Site, Developer may give written notice to the City to such effect and thereafter shall have no obligation or liability with respect to the Project. Alternatively, Developer may propose changes to the nature and scope of the proposed Project or propose an alternate method for addressing the issue discovered as a result of the Inspections. If such changes or alternate method are rejected by the City, Developer may likewise give written notice to the City and thereafter shall have no obligation or liability with respect to the Project.

(B) ***Community Engagement.*** Developer acknowledges that the City considers community engagement to be a critical component of the development process for the Project, and Developer agrees to cooperate with the City to gather input concerning the Project from residents and businesses in the Caledonia Neighborhood and the greater Cleveland Heights community.

(C) ***City Cooperation.*** The City intends to work collaboratively with Developer to refine the Project and to assist Developer as much as possible with streamlining City zoning, permitting and design review and approval processes.

The City will cooperate with Developer in connection with the vacation of existing streets, dedication of new streets, re-platting/reconfiguration of the Project Site, changes in zoning (if applicable) and execution of easement and/or easement modification agreements, or similar recorded or unrecorded instruments with respect to the Project, or that impact the Project, and which are reasonably necessary to facilitate ingress, egress, access to or relocation of utilities, and access and to other public improvements; provided that such cooperation shall not require the City to expend its own funds in connection with such vacating, dedicating, re-platting/reconfiguration, changes in zoning or execution of easement and/or easement modification agreements.

10. TAXES AND IMPOSITIONS; REAL PROPERTY TAX EXEMPTION.

(A) ***Taxes and Impositions.*** Commencing on the Closing and thereafter, Developer shall pay all real property taxes and assessments (prorated on a lien basis) with respect to the Lots it has acquired directly to the taxing authority before the same become overdue until such time as the new house is sold to the homebuyer. The City will cooperate with Developer to cause all bills and statements for taxes and assessments to be delivered directly to Developer and shall promptly deliver to Developer any such bills and statements

which the City receives. Except as otherwise provided in this Agreement or the terms of any financing described in Section 8(A) of this Agreement, Developer shall be permitted to contest any real property taxes or assessments with respect to the Project in accordance with applicable law and procedures. Developer may apply for and receive any and all other incentives available and applicable to the Project from any and all federal, state and local governmental authorities and the City will cooperate with Developer to apply for such incentives.

Developer shall direct its general contractor to make all income tax payments associated with such work during construction of the Project and to direct its subcontractors to do the same.

11. INSURANCE; INDEMNITY.

(A) ***Insurance during Construction.*** Until such time as all construction has been completed, Developer shall maintain the following insurance: (i) Commercial General Liability insurance of at least Two Million Dollars (\$2,000,000) per occurrence, combined single limit/\$2,000,000 aggregate (through a combination of primary and excess/umbrella coverage), naming the City as an additional insured and providing that the Developer's policy is primary and any City policy is secondary and non-contributing, (ii) customary builder's risk insurance in the amount of one-hundred percent (100%) of the value of the Improvements (exclusive of land and foundation), (iii) worker's compensation insurance in such amount as required by law, and (iv) all insurance as may be required by Developer's lenders. Developer shall also require any contractors and subcontractors working on the Project Site to maintain (x) Commercial General Liability insurance of at least One Million Dollars (\$1,000,000) per occurrence, combined single limit/\$1,000,000 aggregate, naming the City as additional insured and providing that the contractor's or subcontractor's policy is primary and any City policy is secondary and non-contributing, (y) worker's compensation insurance in such amount as required by law, and (z) all insurance as may be required by Developer's lenders. All insurance policies (excluding worker's compensation insurance) shall (a) be written in standard form by companies of recognized responsibility and credit reasonably acceptable to the City, that are authorized to do business in Ohio, and that have an A.M. Best rating of A VII or better, and (b) provide that they may not be canceled or modified without at least thirty (30) days prior written notice to the City. Notwithstanding the foregoing, the coverages and limits of insurance to be carried by Developer may be consistent with those required by Developer's lenders and/or as the Project may require, but subject to City approval, which approval shall not be unreasonably withheld or delayed.

(B) ***Waiver of Subrogation in Favor of City.*** Notwithstanding anything in this Agreement to the contrary, Developer hereby waives all claims and rights of recovery, and on behalf of its respective insurers, rights of subrogation, against the City, its employees, agents, contractors and subcontractors with respect to any and all damage to or loss of property that is covered or that would be covered by the insurance required under this Agreement to be maintained by Developer, even if such loss or damage arises from the negligence of the City, its employees, agents, contractors or subcontractors; it being the agreement of the parties that Developer shall at all times protect itself against

such loss or damage by maintaining adequate insurance. Developer shall cause its respective property insurance policies to include a waiver of subrogation provision consistent with the foregoing waiver.

(C) ***General Indemnity.*** Notwithstanding anything in this Agreement to the contrary, as a material inducement to the City to enter into this Agreement, and except to the extent caused by the negligence or willful misconduct of the Indemnified Parties (as defined below) or any one or combination thereof, Developer agrees to defend, indemnify and hold the City, its employees, agents, contractors and subcontractors (collectively, the "Indemnified Parties") harmless from and against any and all actions, suits, claims, losses, costs (including without limitation reasonable attorneys' fees), demands, judgments, liability and damages for personal injury or property damage (excluding diminution in value or claims of eminent domain) asserted against the Indemnified Parties as a result of or arising directly from the acts of Developer or its agents, employees, contractors, subcontractors, licensees, invitees or anyone else acting at its request in connection with the Project (collectively referred to as "Claims"). Developer shall undertake, at its sole expense and through counsel reasonably satisfactory to the City's Law Director, the defense of the City in any Claims covered by the foregoing indemnification.

(D) ***Survival of Claims.*** Developer's indemnification and defense obligations shall extend to Claims occurring after this Agreement is terminated as well as while it is in force, and shall continue until it is finally adjudicated that any and all actions against the Indemnified Parties for such matters which are indemnified hereunder are fully and finally barred by applicable Legal Requirements.

(E) ***Indemnification for Environmental Matters.*** Developer agrees to indemnify and hold the Indemnified Parties harmless from and against all Claims asserted against any Indemnified Party (COMMENT: under Ohio law, City is not capable of providing an indemnity) as a result of the existence on, or release from, the Property, of Hazardous Materials, or arising out of any claim for violation or failure to comply with Legal Requirements concerning environmental protection, as well as wetlands protection laws, applicable to the construction site or its environs in connection with the Project, but only to the extent any of the foregoing are caused by any act of omission or commission of Developer, or any party under Developer's direction, or any of their agents, employees, independent contractors, invitees, licensees, successors or assignees. Nothing in this Agreement is meant to release, extinguish or otherwise alter or interfere with any rights which the Indemnified Parties may now or hereafter have against any other Person for any environmental liabilities as a result of such Person's former, present or future ownership, occupancy or use of or interest in, any real property included in or in the vicinity of the Project Site.

(F) ***Claims.*** In case any Claim or demand is at any time made, or action or proceeding is brought against or otherwise involving an Indemnified Party in respect of which indemnity may be sought hereunder, the Indemnified Party seeking indemnity promptly shall give notice of that action or proceeding to Developer, who upon receipt of that notice shall have the obligation and the right to assume the defense of the action or proceeding; provided, that failure of the Indemnified Party to give that notice shall not

relieve Developer from any obligation under this section unless, and only to the extent, that a failure to give notice materially prejudices the defense of the action or proceeding by Developer. An Indemnified Party may employ separate counsel and participate in the defense of an indemnified Claim, but the fees and expenses of such counsel shall be paid by the Indemnified Party unless (a) the employment of such counsel has been specifically authorized by Developer in writing, (b) Developer has failed to assume the defense and to employ counsel, or (c) the named parties to any such action (including any impleaded parties) include both an Indemnified Party and Developer and such Indemnified Party has been advised by its counsel that there may one or more legal defenses available to it which are different from or additional to those available to Developer, in which case, if the Indemnified Party notifies Developer in writing that it elects to employ separate counsel at Developer's expense, Developer shall not have the right to assume the defense of such action on behalf of such Indemnified Party and Developer shall be responsible for payment of the fees and expenses of such separate counsel. An Indemnified Party seeking indemnity agrees to fully cooperate with Developer, to the extent such cooperation does not prejudice the position of such Indemnified Party, and lend Developer such assistance as Developer shall reasonably request in defense of any claim, demand, action or proceeding. Developer shall not, nor shall any Indemnified Party, be liable for any settlement made without its consent.

(G) ***Successors and Assigns.*** The indemnification set forth in this Section is intended to and shall include the indemnification of all affected officers, officials, directors, employees and agents of each Indemnified Party, respectively, and their successors and permitted assigns. That indemnification is intended to and shall be enforceable thereby to the full extent permitted by law and shall survive the termination of this Agreement.

12. DEFAULT; REMEDIES.

(A) ***Default.*** The occurrence of any of the following shall be an "event of default" under this Agreement:

(i) The dissolution of Developer or the filing of any bankruptcy or insolvency proceedings by or against it which is not dismissed or removed in 90 days, the appointment of a receiver (temporary or permanent) for Developer which is not dismissed or removed in 90 days, the attachment of, levy upon, or seizure by legal process of any property of Developer which is not dismissed or removed in 90 days; or

(ii) The failure of Developer to perform or observe any of its obligations, duties, or responsibilities under this Agreement (including without limitation the failure to timely complete the Improvements), and failure by Developer to correct such failure within thirty (30) days after receipt of written notice thereof from the City; provided, however, that if the nature of the default is such that it cannot reasonably be cured within thirty (30) days, an event of default shall not be deemed to have occurred if Developer commences to cure the default within such thirty day period and thereafter diligently completes such cure; or

(iii) The failure of the City to perform or observe any of its obligations, duties or responsibilities under this Agreement, which continues for sixty (60) days after receipt of written notice thereof from Developer; or

(iv) Any representation or warranty made by Developer herein or any statement made by Developer (as opposed to a third party) in any report, certificate, financial statement, in any agreements or other instruments furnished in connection with this Agreement or the development of the Project shall at any time prove to have been materially false or misleading in any material respect when made or given.

Notwithstanding the foregoing, if, by reason of Force Majeure, Developer is unable to perform or observe any agreement, term or condition hereof which would give rise to an Event of Default under subsection (ii) or (iii) hereof, Developer shall not be deemed in default during the continuance of such inability. However, Developer shall promptly give notice to the City of the existence of an event of Force Majeure within thirty (30) days after the commencement thereof and shall use commercially reasonable efforts to remove the effects thereof; provided that the settlement of strikes or other industrial disturbances shall be entirely within Developer's discretion. The term "Force Majeure" shall mean, without limitation, the following:

acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; droughts; floods; arrests; restraint of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; delays caused by City or any governmental authority with respect to permitting, zoning or similar issues; or any cause, circumstance or event, whether similar or dissimilar to the foregoing, not reasonably within the control of Developer; provided that inability to obtain necessary financing shall not, by itself, constitute an event of Force Majeure.

The declaration of an Event of Default under subsection (i) above, and the exercise of remedies upon any such declaration, shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding that declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

(B) **Remedies.** Upon the occurrence of an event of default by Developer under this Agreement, the City shall be entitled to (i) take such actions in the way of "self-help" as the City determines to be reasonably necessary or appropriate to cure or lessen the impact of such default, all at the expense of the defaulting party, and (ii) exercise any and all other rights and remedies under this Agreement or available at law or in equity, including without limitation pursuing an action for specific performance against the

defaulting party. Upon the occurrence of an event of default by the City under this Agreement, Developer will be entitled to enforce the obligation of the City through exercising its rights under law or in equity. Developer shall be liable for all direct costs and damages, including without limitation reasonable attorneys' fees, suffered or incurred by the City as a result of Developer's default under this Agreement or the City's termination of this Agreement. The failure of the City or Developer to insist upon the strict performance of any covenant or duty, or to pursue any remedy, under this Agreement shall not constitute a waiver of the breach of such covenant or of such remedy.

13. NOTICES.

All notices given by the parties hereunder shall be deemed given if delivered by Federal Express, UPS or other recognized overnight courier, or mailed by U.S. registered or certified mail, postage prepaid, return receipt requested, addressed to the parties at their addresses below or at such other addresses as either party may designate by notice to the other party given in the manner prescribed herein. Notices shall be deemed given on the date of receipt.

To the City:	City of Cleveland Heights 40 Severance Circle Cleveland Heights, Ohio 44118 Attention: Economic Development Director
With a copy to:	City of Cleveland Heights 40 Severance Circle Cleveland Heights, Ohio 44118 Attention: City Manager
And a copy to:	City of Cleveland Heights 40 Severance Circle Cleveland Heights, Ohio 44118 Attention: Director of Law
To Developer:	Start Right Development Corporation 3315 Mayfield Road Cleveland Heights, Ohio 44118 Attention: Reverend Jimmie Hicks Jr.
And a copy to:	Alan J. Rapoport, Esq. 1567 Compton Road Cleveland Heights, Ohio 44118

14. REPRESENTATIONS, WARRANTIES AND COVENANTS.

Developer makes the following representations, warranties and covenants to induce the City to enter into this Agreement:

(A) Developer is a non-profit community development corporation duly organized and validly existing under the laws of the State of Ohio, has properly filed all certificates and reports required to be filed by it under the laws of the State of Ohio, and is not in violation of any laws of the State of Ohio relevant to the transactions contemplated by this Agreement.

(B) Developer has full power and authority to execute and deliver this Agreement and to carry out the transactions provided for therein. This Agreement has by proper action been duly authorized, executed and delivered by Developer and all actions necessary have been taken to constitute this Agreement, when executed and delivered, a valid and binding obligation of Developer.

(C) The execution, delivery and performance by Developer of this Agreement and the consummation of the transactions contemplated hereby will not violate any applicable laws, or any writ or decree of any court or governmental instrumentality applicable to Developer, or the organizational documents of Developer, or any mortgage, indenture, contract, agreement or other undertaking to which Developer is a party or which purports to be binding upon Developer or upon any of its assets, nor is Developer in violation or default of any of the foregoing.

(D) There are no actions, suits, proceedings or governmental investigations pending, or to the knowledge of Developer, threatened against or affecting Developer, at law or in equity or before or by any governmental authority that, if determined adversely to Developer, would have a material impact on Developer's ability to perform its obligations hereunder.

(E) Developer shall use commercially reasonable efforts to take all actions as are necessary to satisfy or fulfill the Conditions listed in Section 4(B) that are to be satisfied by Developer.

(F) The statements made by Developer in the documentation provided by Developer to the City that are descriptive of the Developer or the Project have been reviewed by Developer and do not, to the knowledge of Developer, solely as of the Effective Date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make such statements, in light of the circumstances under which they were made, not misleading.

The City represents that the City has full power and authority to execute and deliver this Agreement and to carry out the transactions provided for herein. This Agreement has by proper action been duly authorized, executed and delivered by the City and all actions necessary have been taken to constitute this Agreement, when executed and delivered, a valid and binding obligation of the City. The City shall use its reasonable best efforts to take all actions as are necessary to satisfy or fulfill the conditions listed in Section 4(B) that are to be satisfied by the City.

15. REPORTING REQUIREMENTS; COMMUNICATIONS; PRESS RELEASES.

(A) ***Submission of Records and Reports; Records Retention.*** Until such time as the Improvements have been completed, Developer shall collect, maintain, and furnish to the City upon the City's request such accounting, financial, business, administrative, operational and other reports, records, statements and information as may be reasonably requested by the City pertaining to Developer, the Project, or this Agreement, including without limitation financial statements certified by an officer of Developer, construction contracts and subcontracts, all design documents and drawings, and such other reports and information as may be required for compliance with programs and projects funded by Developer's lender (including periodic reports prepared by any construction inspector reporting to such lender) (collectively, "Records and Reports"). All Records and Reports compiled by Developer and furnished to the City shall be in such reasonable form as the City may from time to time require. The content of the Records and Reports shall be treated as confidential and will not be disclosed to third parties unless (1) the City determines in good faith that it is obligated to release the Records and Reports to one or more requesting parties pursuant to applicable law, in which event the City will provide written notice to Developer at the earliest practicable time; or (2) Developer consents in writing to its release. Developer acknowledges that the City is a public office subject to Ohio's public records laws.

(B) ***City's Right to Inspect and Audit.*** From and after the Effective Date, Developer shall permit the City and its designees and auditors, at the City's cost and expense, to have reasonable access to and to inspect and audit Developer's Records and Reports. In the event any such inspection or audit discloses a material discrepancy with information previously provided by Developer to the City, Developer shall reimburse the City for its reasonable out-of-pocket costs associated with such inspection or audit.

(C) ***Communications and Coordination.*** Attached as **Exhibit H** is the plan for communication and coordination between Developer and the City during the pre-construction planning period and the construction period for the Project, and such plan is incorporated as part of this Agreement.

(D) ***Press Releases.*** Developer agrees not to issue any press releases or make other public announcements with respect to the Project without prior written approval of the City. Except as otherwise required by applicable law, City agrees not to issue any press releases with respect to the Project without prior written approval of the Developer.

(E) ***Litigation Notice.***

(i) Developer shall give the City prompt notice of any action, suit or proceeding by or against Developer at law or in equity, or before any governmental instrumentality or agency, or of any of the same which is threatened in writing, of which Developer has notice, and which, if adversely determined, would materially impair the right or ability of Developer to carry on the business

activities of Developer or the right or ability to operate the Project or would materially and adversely affect its ability to perform its obligations hereunder.

(ii) The City shall give Developer prompt notice of any action, suit or proceeding by or against the City at law or in equity, or before any governmental instrumentality or agency, or of any of the same which is threatened in writing, of which the City has notice, and which, if adversely determined, would materially impair the right or ability of the City to carry on the business activities of the City or would materially and adversely affect its ability to perform its obligations hereunder.

(F) ***Tree Planting***

The terms and conditions under which the City shall provide funding for the planting of street trees and repair of sidewalks pertaining to the associated lots in the Project are set forth in attached **Exhibit I.**

16. DISPUTE RESOLUTION.

If the parties cannot reach resolution on a matter relating to or arising out of the Agreement, the parties shall endeavor to reach resolution through good faith direct discussions between the parties' representatives, who shall possess the necessary authority to resolve such matter and who shall record the date of first discussions. If the parties' representatives are not able to resolve such matter within five (5) business days of the date of first discussion, the parties' representatives shall immediately inform senior executives of the parties in writing that resolution was not affected. Upon receipt of such notice, the senior executives of the parties shall meet within five (5) business days to endeavor to reach resolution. If the dispute remains unresolved after fifteen (15) days from the date of first discussion, the parties shall submit such matter to dispute resolution procedures provided herein.

Should the parties be unable to resolve said dispute through good faith negotiations, the dispute shall be decided by arbitration in accordance the Construction Industry Rules of the American Arbitration Association before an arbitrator with substantial experience in construction law. Any arbitration shall provide for the conduct of discovery by both parties pursuant to the Ohio Rules of Civil Procedure. Failure of either party to provide discovery in a pending arbitration shall terminate the agreement to arbitrate upon written notice of termination by the party requesting discovery to the opposing party. Such termination shall divest the arbitrator(s) of jurisdiction and neither party shall be bound by any determination of the arbitrator(s). The arbitrator(s) are not empowered to award punitive damages and each party expressly waives any right to punitive damages. The conduct of any hearing shall be in accordance with the Ohio Rules of Evidence and Civil Procedure and the arbitrator shall apply Ohio law. Nothing contained in this paragraph shall prevent either party from obtaining injunctive relief from a court of competent jurisdiction to obtain provisional relief pending a decision on the merits by the arbitrator(s). The award of the arbitrator(s) shall be final and binding upon the parties without the right of appeal to the courts. Judgment may be entered upon it in accordance with applicable law by any court having jurisdiction thereof.

17. GENERAL PROVISIONS.

(A) ***Assignment.*** Developer shall not assign its rights or interests under this Agreement without the prior written consent of the City, which shall not be unreasonably withheld, delayed and conditioned; except that Developer's assignment to an affiliate of Developer (with prior written notice to the City), and Developer's collateral assignment of its rights under this Agreement to its lenders for the Project, shall be permitted; provided however that no such assignments by Developer to an affiliate or lender shall relieve Developer of its obligations or liability to the City under this Agreement.

(B) ***Entire Agreement; Conflicting Provisions.*** This Agreement (including the exhibits hereto) and the other agreements referred to herein contain the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all prior discussions, negotiations, representations or agreements, written or oral, between them respecting the subject matter hereof. In the event that any of the provisions of this Agreement purporting to describe specific provisions of other agreements are in conflict with the specific provisions of such other agreements, the provisions of such other agreements shall control.

(C) ***Amendments and Supplements.*** Recognizing the likelihood of changing conditions (such as demand and supply factors), the need for development of the Final Planning & Zoning, ABR and Building Plans, and the Final Schedule and the need to finalize terms and conditions of financings relating to the Project, the parties agree to review and consider in good faith amendments to this Agreement as necessary or appropriate. This Agreement may be amended only by a written amendment signed by all parties. The City agrees to reasonably consider any requests for amendments to this Agreement in a manner requested by Developer's lender.

(D) ***Governing Law.*** This Agreement shall be governed by and construed in accordance with the laws of the City of Cleveland Heights and the State of Ohio, including but not limited to public records and open meetings laws. Subject to the provisions of Section 16 above, all actions regarding this Agreement shall be brought in the Cuyahoga County Court of Common Pleas, and Developer agrees that venue in such court is proper. The parties hereby waive trial by jury with respect to any and all disputes arising under this Agreement. The Developer agrees that it will comply with all applicable federal, state and local laws with regard to housing opportunities and fair employment practices and will not discriminate on the basis of the protected classes identified in Section 749.01 of the Cleveland Heights Codified Ordinances (age, race, color, religion, sex, familial status, national origin, disability, sexual orientation, or gender identity or expression) in connection with the construction or sale of housing or otherwise pursuant to or in connection with the Project or this Agreement.

(E) ***Binding Effect.*** This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by and against the parties and their respective successors and permitted assigns. Each party to this Agreement hereby represents and warrants that it is executing this Agreement with the full and proper authority and that the

parties whose names appear hereon are duly authorized and empowered to make and execute this Agreement.

(F) ***Captions.*** The captions of the various sections and paragraphs of this Agreement are not part of the context hereof and are only guides to assist in locating such sections and paragraphs and shall be ignored in construing this Agreement.

(G) ***Severability.*** If any part of this Agreement is held by a court of law to be void, illegal or unenforceable, such part shall be deemed severed from this Agreement, and the balance of this Agreement shall remain in full force and effect.

(H) ***No Recording.*** This Agreement shall not be recorded in the Cuyahoga County Recorder's office unless the parties otherwise mutually agree to do so.

(I) ***Time.*** Time is of the essence with respect to the performance by the parties of their respective obligations under this Agreement, provided that the time periods for the performance of Developer's obligations shall be extended for delays caused by Force Majeure as described in Section 12 hereof.

(J) ***No Third-Party Beneficiaries.*** The parties hereby agree that, except for such rights of Developer's lender as may be set forth in documents acknowledged by the City, no third-party beneficiary rights are intended to be created by this Agreement.

(K) ***No Brokers.*** The parties represent that they have not dealt with a real estate broker, salesperson or other person who might claim entitlement to a fee or other compensation as a result of the parties' execution of this Agreement.

(L) ***Official Capacity.*** All representations, warranties, covenants, agreements and obligations of the City under this Agreement shall be effective to the extent permitted by applicable law. None of those representations, warranties, covenants, agreements or obligations shall be deemed to be a representation, warranty, covenant, agreement or obligation of any present or future officer, agent, employee or attorney of the City in other than his or her official capacity. No official or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interest of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. No official or employee of the City shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the City or for any amount or amounts which may become due to Developer or any successor to Developer or on any obligations under the terms and conditions of this Agreement.

(M) ***Contingency for Legislative Authorization from City Council.*** Notwithstanding anything to the contrary in this Agreement, the City shall not be in breach of this Agreement if for any reason City Council does not pass any and all additional ordinances as may be necessary for the City to enter into any amendments to this Agreement.

(N) ***Waiver.*** No consent or waiver, express or implied, by either party to or of any breach of any covenant, condition, or duty of the other party shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty to be observed by the other party.

(O) ***Termination Upon Completion.*** Upon completion of construction of the Project in substantial accordance with the terms of this Agreement, this Agreement shall terminate and be void and of no further force and effect except as otherwise set forth in this Agreement including, but not limited to, the provisions of Section 11 hereof. The City shall execute any reasonable certificates requested by Developer to memorialize such termination, provided that the execution of such document or documents shall not be a condition to such termination.

(P) ***Agency.*** Notwithstanding anything herein to the contrary, Developer is not the agent of the City, and shall never be deemed to be acting in such capacity.

(Q) ***Confidentiality.*** Developer acknowledges that the City is a public office subject to Ohio's public records laws, but Developer may designate in writing certain documents or information submitted by it in relation to this Agreement as confidential. If Developer makes such designation, the documents or information shall be treated as confidential and will not be disclosed to third parties unless (1) the City determines in good faith that it is obligated to release them to one or more requesting parties pursuant to applicable law, in which event the City will attempt to notify Developer and will provide written notice to Developer at the earliest practicable time; or (2) Developer consents in writing to the release.

(R) ***Exhibits.*** The following Exhibits are attached to this Agreement and made a part hereof:

- Exhibit A - Legal Description of Lots
- Exhibit B - Project Site, RFQ/RFP, and Proposal
- Exhibit C - Plan of Finance / Sources & Uses
- Exhibit D - **RESERVED**
- Exhibit E - Purchase Agreement / Reverter Clause
- Exhibit F - Project Schedule / Timeline
- Exhibit G - Access Agreement
- Exhibit H - Plan for Communication and Coordination between Developer and City
- Exhibit I - City Street Tree and Sidewalk Repair Plan

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Executed by the parties on the dates indicated below, effective as of the latest of such dates (the “Effective Date”).

CITY OF CLEVELAND HEIGHTS, OHIO

By: _____
_____, City
Manager

Date: _____

**START RIGHT COMMUNITY DEVELOPMENT
CORPORATION (CDC)**

By: _____
Name: _____
Title: _____
Date: _____

Approved as to Form:

By: _____
City Law Director

CITY'S FISCAL OFFICER CERTIFICATE

It is hereby certified that the amount required to meet the contract, agreement, obligation, payment or expenditure for the attached agreement between Start Right Community Development Corporation (CDC) and the City of Cleveland Heights has been lawfully appropriated for such purpose and is in the Treasury or in process of collection to the credit of an appropriate fund free from any previous encumbrances.

_____, Director of Finance

Date: _____

DRAFT

EXHIBIT A

LEGAL DESCRIPTIONS FOR LOTS

CALEDONIA NEIGHBORHOOD INFILL HOUSING PHASES I & II

INFILL HOUSING CONSTRUCTION LOTS

(LOT LIST)

Phase 1 lots

Addresses & Parcel Number

945 Greyton	681-07-084
943 Greyton	681-07-083
971 Greyton	681-07-091
963 Greyton	681-07-089
1016 Greyton	681-08-106
1014 Greyton	681-08-107
931 Nelaview	681-07-117
927 Nelaview	681-07-116
965 Nelaview	681-07-127
961 Nelaview	681-07-126
Phase 2 lots	
924 Greyton	681-07-107

920 Dresden	681-04-019
940 Dresden	681-04-010
1013 Nelaview	681-08-008
1030 Nelaview	681-05-041
1063 Nelaview	681-08-023
833 Nelaview	681-06-059
859 Nelaview	681-06-065
866 Nelaview	681-06-045
869 Greyton	681-06-104
1031 Greyton	681-08-065
954 Dresden	681-04-006
2057 Hanover	681-01-007

EXHIBIT B

PROJECT SITE PLAN / RFQ/RFP / PROPOSAL

[SEE ATTACHED]

DRAFT



CLEVELAND HEIGHTS

Request for Qualifications and Preliminary Development Proposals (RFQ/RFP)

For the **City of Cleveland Heights Neighborhood Redevelopment
Program (NRP) Sites – Phase I** in Cleveland Heights, Ohio

- **Nelaview Road/Greyton Road**
- **Dresden Road / Hanover Drive**
- **DeSota Avenue**

RFQ/RFP Issued: **Thursday, October 8, 2020**

Response Deadline: **Friday, December 11, 2020, by 5:00 P.M. (EST)**

October 8, 2020

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I. INTRODUCTION

A. RFQ/RFP OVERVIEW

The City of Cleveland Heights, Ohio seeks to identify a qualified developer or development team whom the City can work collaboratively with, to redevelop and build in-fill housing on various City and/or Land Bank-owned vacant residential lots in the City.

The lots available for redevelopment are located on Nelaview Road (10 Lots), Greyton Road (9 lots), Dresden Road (3 Lots), Hanover Drive (1 Lot), and Desota Avenue (19 Lots). A listing of all 42 lots available is provided below, with zoning, lot size, and tax abatement incentive levels for each parcel noted.

Location	PPN	Zoning District	Permitted Use	Lot acres	Abatement Levels Available
<u>833 Nelaview</u>	681-06-059	SF-A	Single-Family	0.11	15 years, 100%
<u>859 Nelaview</u>	681-06-065	SF-A	Single-Family	0.11	15 years, 100%
<u>866 Nelaview</u>	681-06-045	SF-A	Single-Family	0.11	15 years, 100%
<u>927 Nelaview</u>	681-07-116	SF-A	Single-Family	0.11	15 years, 100%
<u>931 Nelaview</u>	681-07-117	SF-A	Single-Family	0.11	15 years, 100%
<u>961 Nelaview</u>	681-07-126	SF-A	Single-Family	0.11	15 years, 100%
<u>965 Nelaview</u>	681-07-127	SF-A	Single-Family	0.11	15 years, 100%
<u>1013 Nelaview</u>	681-08-008	SF-A	Single-Family	0.11	15 years, 100%
<u>1030 Nelaview</u>	681-05-041	SF-A	Single-Family	0.14	15 years, 100%
<u>1063 Nelaview</u>	681-08-023	SF-A	Single-Family	0.13	15 years, 100%
<u>869 Greyton</u>	681-06-104	SF-A	Single-Family	0.12	15 years, 100%
<u>924 Greyton</u>	681-07-107	SF-A	Single-Family	0.11	15 years, 100%
<u>943 Greyton</u>	681-07-083	SF-A	Single-Family	0.11	15 years, 100%
<u>945 Greyton</u>	681-07-084	SF-A	Single-Family	0.11	15 years, 100%
<u>963 Greyton</u>	681-07-089	SF-A	Single-Family	0.12	15 years, 100%
<u>971 Greyton</u>	681-07-091	SF-A	Single-Family	0.14	15 years, 100%
<u>1014 Greyton</u>	681-08-107	SF-A	Single-Family	0.11	15 years, 100%
<u>1016 Greyton</u>	681-08-106	SF-A	Single-Family	0.11	15 years, 100%
<u>1031 Greyton</u>	681-08-065	SF-A	Single-Family	0.43	15 years, 100%
<u>920 Dresden</u>	681-04-019	SF-A	Single-Family	0.12	15 years, 100%
<u>940 Dresden</u>	681-04-010	SF-A	Single-Family	0.16	15 years, 100%
<u>954 Dresden</u>	681-04-006	SF-A	Single-Family	0.15	15 years, 100%
<u>2057 Hanover</u>	681-01-007	SF-A	Single-Family	0.23	15 years, 100%

<u>3266 Desota</u>	684-31-039	B	Single-, Two-Family	0.12	15 years, 100%
<u>3286 Desota</u>	684-31-034	B	Single-, Two-Family	0.09	15 years, 100%
<u>3294 Desota</u>	684-31-032	B	Single-, Two-Family	0.09	15 years, 100%
<u>3308 Desota</u>	684-28-099	B	Single-, Two-Family	0.09	15 years, 100%
<u>3317 Desota</u>	684-28-094	B	Single-, Two-Family	0.11	15 years, 100%
<u>3320 Desota</u>	684-28-102	B	Single-, Two-Family	0.10	15 years, 100%
<u>3321 Desota</u>	684-28-092	B	Single-, Two-Family	0.14	15 years, 100%
<u>3324 Desota</u>	684-28-103	B	Single-, Two-Family	0.13	15 years, 100%
<u>3328 Desota*</u>	684-28-104	B	Single-, Two-Family	0.14	15 years, 100%
<u>3332 Desota</u>	684-28-105	B	Single-, Two-Family	0.13	15 years, 100%
<u>3354 Desota</u>	684-28-109	B	Single-, Two-Family	0.16	15 years, 100%
<u>3369 Desota</u>	684-28-082	B	Single-, Two-Family	0.17	15 years, 100%
<u>3380 Desota**</u>	684-29-048	B	Single-, Two-Family	0.17	15 years, 100%
<u>3396 Desota</u>	684-29-051	B	Single-, Two-Family	0.16	15 years, 100%
<u>3413 Desota</u>	684-29-069	B	Single-, Two-Family	0.14	15 years, 100%
<u>3417 Desota</u>	684-29-068	B	Single-, Two-Family	0.14	15 years, 100%
<u>3420 Desota</u>	684-29-056	B	Single-, Two-Family	0.13	15 years, 100%
<u>3421 Desota</u>	684-29-067	B	Single-, Two-Family	0.14	15 years, 100%
<u>3427 Desota</u>	684-29-066	B	Single-, Two-Family	0.10	15 years, 100%

*The City expects the house currently on this property to be vacant and demolished by the end of the year.

**May be retained for “green space” as part of the Compton Road Greenway Study.

This Request for Qualifications and Preliminary Development Proposals (“RFQ/RFP”) provides details about these lots and the surrounding neighborhoods, establishes the redevelopment goals of the City, and outlines the information required from interested development partners, as well as the process by which a development partner will be selected. **Qualifications and supporting materials must be received no later than Friday, December 11, 2020, by 4:00 pm EST.**

In the interest of efficiency, rather than undertaking separate Request for Qualifications (“RFQ”) and Request for Proposals (“RFP”) processes, the City wishes to use this single process, which is a hybrid between a true RFQ and an RFP, to understand each developer’s or team’s qualifications as well as their proposed vision(s) for in-fill housing and redevelopment potential in the neighborhoods noted above. Through this process, the City seeks to identify and select a developer with whom to work collaboratively with to select housing types and designs, and establish development standards / guidelines, for each street and implement the final redevelopment concept. As input from the City and the public is

crucial to, and expected to shape, the final development plan, the City does not require that conceptual drawings or renderings be submitted at this time. However, such drawings and/or renderings of proposed housing types and designs will be accepted and considered as part of this RFQ/RFP process.

At the conclusion of the evaluation process, the City anticipates entering into a Memorandum of Understanding (MOU) followed by a Development Agreement with the selected development partner that will outline the roles and responsibilities of each party and establish timelines for completing the development of infill housing. Upon commencement of this redevelopment, the City envisions consideration of several site control options such as selling the lots to be redeveloped to the selected developer, entering into a long-term ground lease, or other arrangements to be negotiated with the developer.

B. DEVELOPMENT GOALS

The City seeks to develop the Site in a way which, at a minimum:

1. Results in housing designs and types that complement and are harmonious with the other houses on these streets and the adjacent residential neighborhoods;
2. Creates positive economic and fiscal benefits for the neighborhood and the City;
3. Incorporates greenspace, and/or a strong landscaping plan into the design and construction of the development;
4. Effectively incorporates community feedback into the design;
5. Strongly encourages the use of commercially reasonable efforts to achieve inclusion of minority-owned and female-owned business enterprises in the construction of the development, as well as the use of commercially reasonable efforts to ensure that laborers and mechanics employed on the project shall be paid at a prevailing wage rate to an extent reasonably practicable at an acceptable aggregate level to be negotiated;
6. Developer shall use commercially reasonable efforts to achieve the goal of local worker participation by having a majority of workers participating in the construction of this project being residents of Northeast Ohio;
7. Strives to achieve LEED or similar / comparable rating system certification and, at a minimum, implements sustainability best practices; and
8. The City strongly desires to pursue, and will likely require, the redevelopment of these neighborhoods with new owner-occupied single-family detached dwelling unit infill housing development, subject to the conditions negotiated in a final project development agreement.

C. USES

The City welcomes and encourages highly creative ideas and approaches from the development team regarding the redevelopment of these streets and neighborhoods. The City believes this is an excellent opportunity to create an amenity-filled redevelopment area that will add to the unique character of these neighborhoods and the City.

D. SURROUNDING AREA

Cleveland Heights is a diverse, progressive, inner-ring suburb of Cleveland, Ohio, with approximately 46,000 residents. The City's homes have architectural styles ranging from Craftsman bungalows and front porch Colonial Revival homes to historic mansions, new townhouses and condominiums. The City has a thriving arts community that includes galleries, theatre and dance companies, and Cain Park, a municipally owned arts and entertainment complex. The City is home to eleven (11) commercial districts and over 500 small businesses.

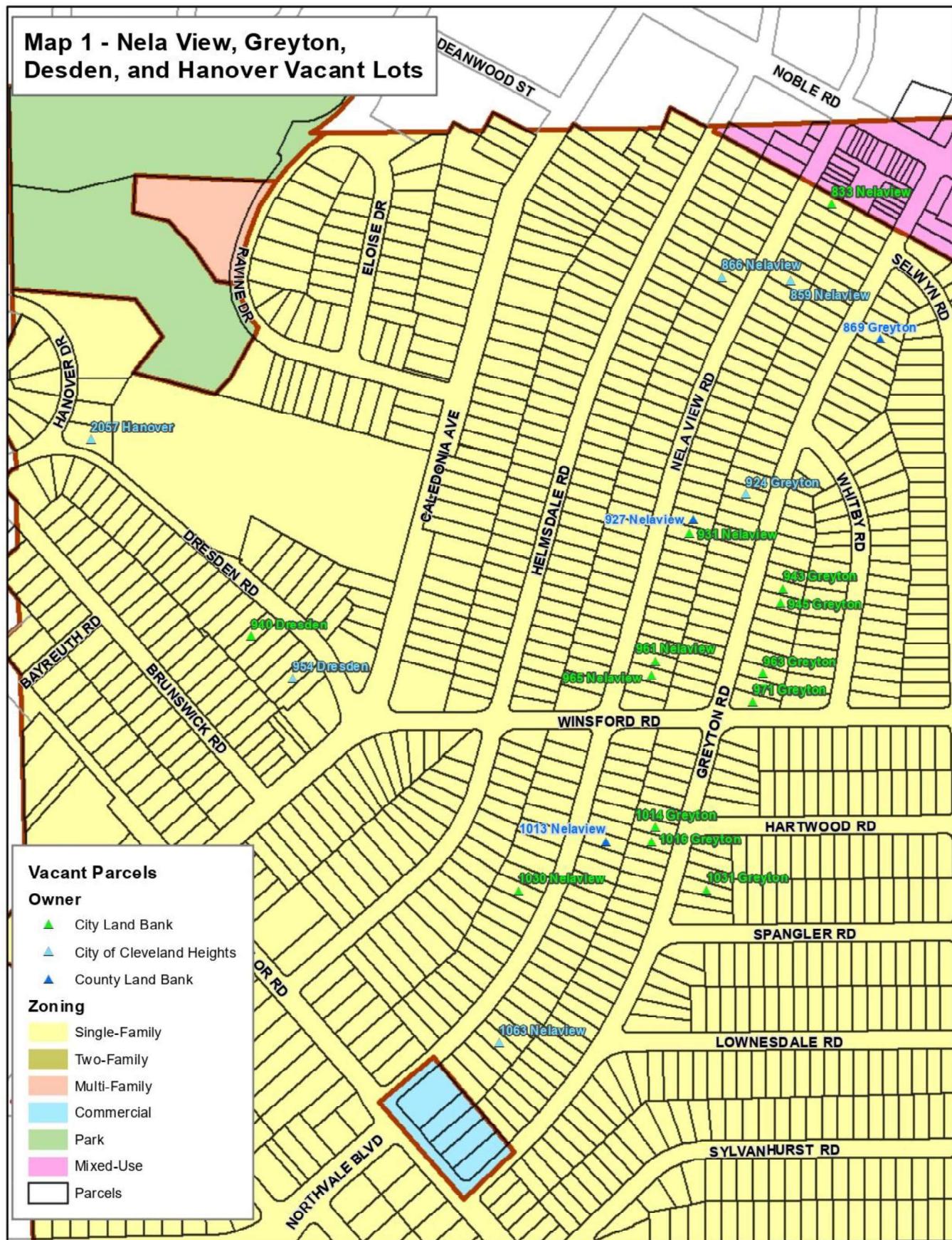
The streets and neighborhoods within this project are located less than three miles from University Circle, a world class center of education, medical, arts and cultural institutions including the Cleveland Clinic, Case Western Reserve University, University Hospitals Case Medical Center, the world-renowned Cleveland Orchestra, the Cleveland Museum of Art, and many more institutions and employers.

II. SITE INFORMATION

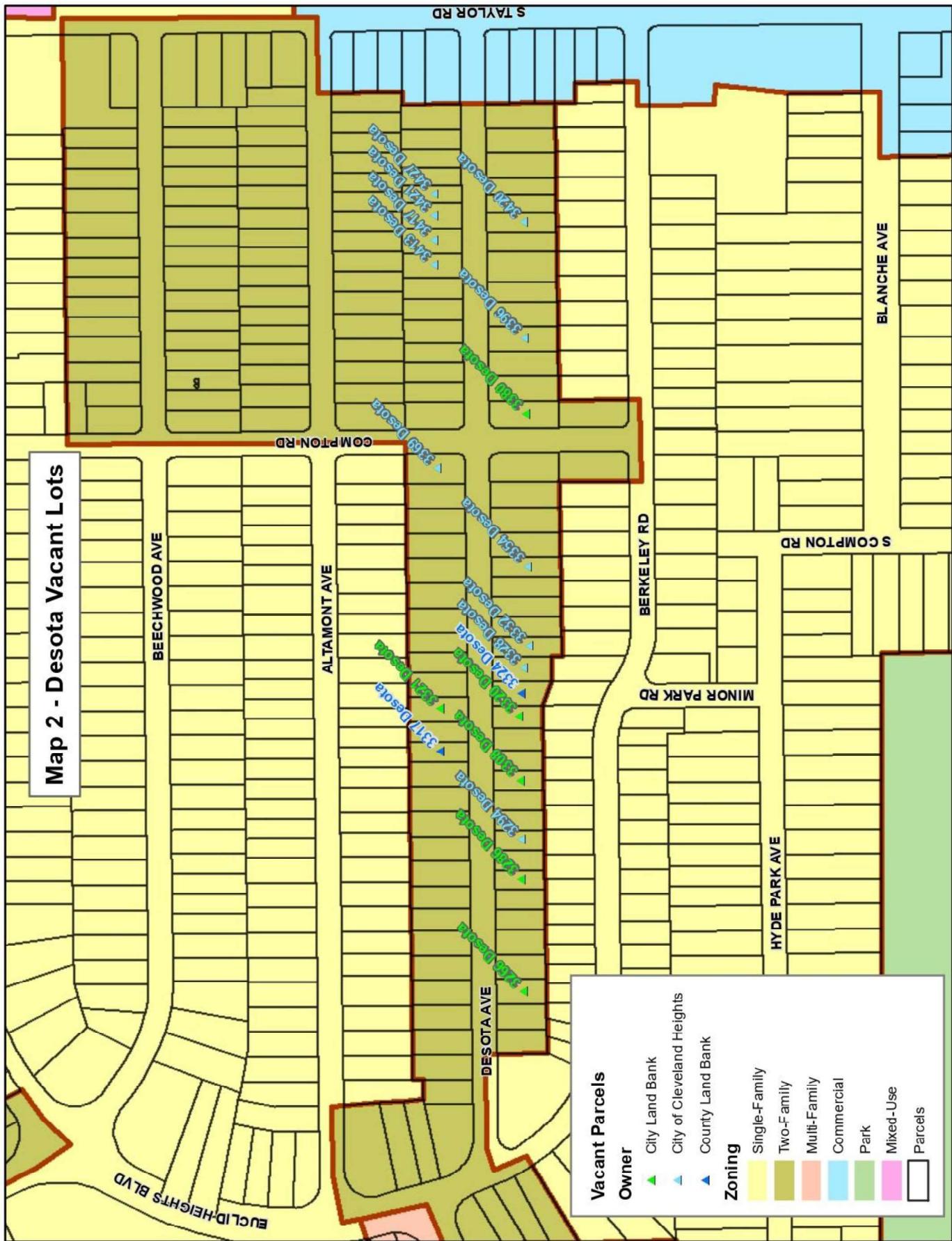
A. SITE DESCRIPTION

The following maps identify the locations of the available lots in these neighborhoods, zoning of the streets and neighborhoods within this project, and the applicable zoning in the immediate vicinity. In addition, recent photographs of the lots on the streets where infill development is to occur and the surrounding areas are also provided below. A link is also provided to a Google Maps image of each property.

Map 1 - Nela View, Greyton, Dresden, and Hanover Vacant Lots



Map 2 - Desota Vacant Lots



Current Photos of the Nelaview, Greyton, Hanover & Dresden Redevelopment Area:



833 Nelaview



859 Nelaview



866 Nelaview



927 & 931 Nelaview



961 & 965 Nelaview



1013 Nelaview



1030 Nelaview



1063 Nelaview

Current Photos of the Nelaview, Greyton, Hanover & Dresden Redevelopment Area:



869 Greyton Road



924 Greyton



943 & 945 Greyton



963 Greyton



971 Greyton



1014 & 1016 Greyton



1031 Greyton



920 Dresden

Current Photos of the Nelaview, Greyton, Hanover & Dresden Redevelopment Area:



940 Dresden



954 Dresden



2057 Hanover

Current Photos of the Desota Redevelopment Area:



3266 Desota



3286 Desota



3294 Desota



3308 Desota



3317 Desota



3320, 3324, 3328, 3332 Desota



3321 Desota



3354 Desota

Current Photos of the Desota Redevelopment Area:



3369 Desota



3380 Desota



3396 Desota



3413, 3417, 3421, 3427 Desota



3420 Desota

B. ADDITIONAL INFORMATION

Links to additional information about this project can be found in the **Additional Resources** section at the end of this document. A summary of the additional information that is available follows.

City of Cleveland Heights Master Plan – Land Use Plan:

The Future Land Use Plan illustrated in the City's Master Plan, calls for the **Nelaview, Greyton, Dresden and Hanover neighborhoods** to be developed with detached single-family land uses (separated single-family residential uses). The Future Land Use Plan illustrated in the City's Master Plan, calls for the **Desota neighborhood** to be developed with detached, attached, or two-family development; single-family residential uses, two-family homes or townhouses would be appropriate redevelopment in this neighborhood.

Zoning:

The **Nelaview, Greyton, Dresden and Hanover neighborhoods** are currently zoned "A – Single Family District", as outlined in Chapter 1121 of the City of Cleveland Heights zoning code. The "A" District has been established to provide for single-family residential uses on smaller lots having a minimum of 7,500 square feet. The **Desota neighborhood** is currently zoned "B – Two Family District", as outlined in Chapter 1121 of the City of Cleveland Heights zoning code. The "B" District has been established to provide for single-family residential uses on lots having a minimum of 7,500 square feet, and two-family residential uses with a minimum lot size of 10,000 square feet.

The City strongly desires to pursue, and will likely require, the redevelopment of these neighborhoods with new owner-occupied single-family detached dwelling unit infill housing development, subject to the conditions negotiated in a final project development agreement.

Incentives:

The **Nelaview, Greyton, Dresden, Hanover and Desota neighborhoods** are currently located within an existing tax abatement incentive area, which is the City-wide Community Reinvestment Area (CRA), known as the "Cleveland Heights Grow Program". This incentive allows for an exemption from property taxes on the increased value created by new construction or remodeling of residential or commercial improvements. For new single-family residential building construction of owner-occupied dwelling units, attaining sustainability requirement certification and located in these neighborhoods, tax abatement levels with a term of 15 years and a rate of 100% is available.

In the **Desota neighborhood**, for new two-family residential building construction of dwelling units, attaining sustainability requirement certification, tax abatement levels with a

term of 15 years and a rate of 100% is available. For construction of new residential fee simple, owner-occupied townhome or condominium structures, attaining sustainability requirement certification, and a minimum per unit investment of \$270,000, tax abatement levels with a term of 15 years and a rate of 100% is available.

Additional information on the City's CRA program can be found on the City website at <https://www.clevelandheights.com/1075/Community-Reinvestment-Area-CRA> .

In the past, the City has also provided the opportunity for Tax Increment Financing (TIF), most recently with the Top of the Hill Redevelopment project, to assist City-owned land redevelopment projects. The City recognizes that Tax Increment Financing may be necessary to finance the construction of project improvements, and that this tool has the ability to provide strong and significant school compensation opportunities for our school district partners.

III. SUBMISSION REQUIREMENTS

All proposals submitted for consideration shall include, but not be limited to, the following components. If development teams consist of more than one company, please provide the requested qualifications for all companies.

A. DEVELOPMENT TEAM INFORMATION

Provide a narrative description of the proposed development team, including the following:

- Brief history and overview of your company and your experience with urban development / infill housing projects having similar characteristics with this proposed project;
- Identification of key members of your development team, their proposed roles for this project, and their qualifications and experience;
- Summary of the team's past experience working together;
- Identification of the principal person who will speak for the development team and any other key participants who will be involved in negotiating the project terms;
- Specification of whether the development entity is or intends to form a corporation, a general or limited partnership, a joint venture, or other type of business association to carry out the proposed development; and
- Your firm's long-term goals related to ownership of the development.

B. RELEVANT DEVELOPMENT EXPERIENCE

Describe at least three recent similar urban development / infill housing projects that your company has successfully completed or that are currently underway. Include a project summary, location, project cost, funding sources, development challenges and solutions, and municipal references. List development team members and their role in each project.

C. FINANCIAL CAPACITY

Present evidence of your company/team's ability to finance the development project including commitments of equity and debt capital and any public (city, county, state, or federal) financial assistance necessary for the project to proceed.

D. PROPOSED DEVELOPMENT VISION(S)

Provide a Development Proposal with narrative description of the proposed development vision(s), including the following:

- Location of the lots to be redeveloped;
- Size of proposed project buildings in square feet with breakdown by use;
- Estimated capital investment;
- Proposed residential housing types and designs to be developed on the site;
- Proposed general development standards / guidelines that would be anticipated to guide redevelopment of these neighborhoods. An indication of the level of quality of the materials to be used and the amenities to be provided in the new housing;
- Proposed ownership structure of new in-fill housing;
- Description and evidence of how the vision(s) addresses existing market conditions;
- Design approach and discussion of its compatibility with surrounding neighborhoods, activities, uses, architecture, and aesthetics;
- Plan for any new parking and traffic needs created by the redevelopment of these neighborhoods, and the potential impact of the proposed development on the existing and surrounding neighborhoods; and
- Discussion of pedestrian friendliness/walkability, sustainability, greenspace and other elements of the vision(s), including areas to be preserved and your firm's understanding of the significance of these neighborhoods to the City and the adjacent commercial district and residential neighborhoods;
- Proposed amount/financial consideration the Developer is offering to pay the City to purchase these available lots;
- Is the Developer open to developing infill housing on other City-owned, Land Bank-owned lots in other areas of the City? If so, to what extent?

As stated previously, the City does not require or request conceptual drawings or renderings at this time. However, such drawings or renderings will be accepted and considered as part of the Team's submission.

E. COMMUNITY ENGAGEMENT

The development process must be inclusive and involve input not only from the City administration and City Council, but adjacent residents, property and business owners, as well as the greater Cleveland Heights community. Please describe your approach to effective community engagement for this project and your experience successfully navigating this process with previous projects. The City strongly encourages collaboration between the Development Team selected and our City Community Development Corporation FutureHeights on this project.

F. PROPOSED PROCESS AND TIMELINES

Constructing the infill housing in these neighborhoods as quickly as possible is a primary goal of the City. Please describe the anticipated timelines and critical path for fully developing these lots, specifically identifying dates for commencement and completion of key project activities including, but not limited to:

- Site, market, financial analysis and/or other due diligence;
- Securing financing commitments;
- Design development, pre-construction planning, etc.;
- Permitting and approvals (the City intends to assist, as much as possible, to facilitate approvals);
- Construction;
- Project completion; and
- Sale.

If the proposed project involves phasing, please be specific regarding the above timelines for each phase.

G. ECONOMIC IMPACTS

At a high level, please describe the anticipated economic and fiscal benefits of the proposed development, including but not limited to:

- Projected capital investment;

- Number of proposed residential units, square footage and related property and income tax creation projected;
- Projected new employment and payroll anticipated to result from the project; and
- Discussion of how the project could catalyze additional nearby neighborhoods.

H. RESOURCES REQUIRED FROM THE CITY AND OR OTHERS

It is the City's intent to work collaboratively with the chosen developer to refine the concept in a mutually beneficial way that streamlines the process of approvals and ultimately accelerates the timeline for commencing and completing the development. What support or resources will you require from the City to bring your concept to fruition and ensure an effective partnership between your company and the City? To the extent that the proposed development concept would require financial assistance from the City, County, State, or Federal Government, please be specific as to what would be required. What other contingencies exist that must be cleared in order for the development to proceed?

I. MINORITY AND FEMALE BUSINESS ENTERPRISES INCLUSION; PREVAILING WAGE, & LOCAL HIRING

The City strongly encourages the participation of minority-owned and female-owned business enterprises in the development of the Site. Please describe any efforts you have made on past projects to include minority-owned and female-owned businesses and any steps you intend to take to include minority-owned and female-owned businesses for this project. The City strongly encourages the use of commercially reasonable efforts to achieve inclusion of minority-owned and female-owned business enterprises in the construction of the development, as well as the use of commercially reasonable efforts to ensure that laborers and mechanics employed on the project shall be paid at a prevailing wage rate to an extent reasonably practicable at an acceptable aggregate level to be negotiated;

Developer shall use commercially reasonable efforts to achieve the goal of local worker participation by having a majority of workers participating in the construction of this project being residents of Northeast Ohio. In furtherance of this goal, the Developer will ensure that a suitable number of worker outreach events be held in Cleveland Heights to promote local worker participation in the project. The Developer shall agree to share with the City, and its agents, including but not limited to the Regional Income Tax Authority, all information necessary to facilitate tracking of project construction workers on a monthly basis to assure payment of the appropriate income taxes due to the City from such employment. All reporting requirements associated with the project will be subject to the conditions negotiated in a final project development agreement.

J. DEVELOPMENT AND USE AGREEMENT

At the conclusion of the evaluation process, the City anticipates entering into a non-binding Memorandum of Understanding (MOU) and a subsequent Development Agreement with the selected developer that would outline the roles and responsibilities of the City and developer and establish timelines for completing the development. Broadly identify any development agreement terms that would not be acceptable or that the respondent would require.

K. PROJECT SUMMARY

The following project summary should be completed and included in project submission:

Company Information	
Founded	
Employees	
Headquarters	
Development Partner(s)	
Timeline	
Phases	
Time from groundbreaking to completion	
Financing	
Equity source	
Personal guarantee of debt financing from the firm's principal(s)	
Tax Increment Financing required for current concept?	
Guarantee of public infrastructure financing	
Tax abatement required?	
Development contingent on availability of any County, State, Federal funding sources outside of City control?	
MBE and FBE Inclusion	
MBE and FBE Inclusion	
Project Team	
Development Partner	
Architect	
MBE and FBE participation	
Public finance	
Construction	

Site work	
For-sale housing development partner	
Residential sales	
Parking	
Parking study to be completed?	
Project Examples	
Examples (3)	

IV. Evaluation Criteria

The goal of this RFQ/RFP process is to identify the development partner or team possessing the vision, experience, and financial resources to carry out a development of this scope and which is best suited to work collaboratively with the City to create and execute a development plan for infill housing in these neighborhoods that accomplishes the goals of the City and its residents.

It is anticipated that submittals will be evaluated by a review team composed primarily, if not entirely, of City staff and based upon, but not limited to, the criteria below. To facilitate review of your company's submission, we suggest that the following items be specifically addressed in your response:

Developer Qualifications

- Recent history of successful, high-impact urban residential / infill housing development projects;
- Access to sufficient equity and debt capital;
- Commitment sale for owner-occupancy, ground lease, or other site control arrangement; and
- Ability to successfully navigate development hurdles.

Development Concept

- Size of the development, number of dwelling units, square footage proposed, and investment levels anticipated;
- Size and type(s) of residential units and proposed amenities to be provided;
- Compatibility with surrounding uses, architecture and aesthetics;
- Architectural style, durability, use of high-quality materials, visual impact, and development standards / guidelines anticipated;
- Impact on parking and traffic conditions, as well as lot ingress and egress;
- Incorporation of greenspace and landscaping into the project;
- Impact on neighborhood economic and demographic diversity;
- Pedestrian friendliness and walkability;
- Potential to catalyze nearby investment;

- Sustainability; and
- Ability for the project to “stand the test of time” and age well in the future.

Development Approach

- Strategy for soliciting and incorporating neighborhood/stakeholder input; and
- Inclusion of minority-owned and female-owned business enterprises.

Economic & Fiscal Impact

- Maximization of the available lots for residential uses;
- New job and payroll creation;
- Capital investment;
- Synergy with neighborhood businesses;
- Benefit to residents, employees and all users of the site (convenience, amenities, accessibility and similar site design considerations);
- Promotion of this development as a unique, high quality residential development;
- Potential to generate City income from income tax and amount the Developer is proposing to pay for each lot to be redeveloped;
- Potential to build property value and generate property and income tax; and
- Generation of other City revenue streams (fees, taxes, and other similar revenue streams).

Development Schedule

Projected timeline / critical path to accomplish the following milestones:

- Pre-Development activities including Memorandum of Understanding (MOU) and Development Agreement;
- Design and engineering of the project; and
- Commencing and completion of construction.

V. EVALUATION PROCESS AND TIMELINE

It is expected that the developers or development teams whose submissions best meet the evaluation criteria established above will be selected for an interview with the review team.

Following the review team interviews, some or all of the developers or development teams may be invited to present their qualifications and preliminary development proposals to City Council. City Council will make the final selection of a developer. The following is the anticipated schedule for the evaluation and selection of a development team.

Milestone	Date (2020 & 2021)
RFQ/RFP available	October 8, 2020
Deadline for submissions	December 11, 2020
Interviews with selected development teams	January, 2021

City Council presentations by finalists	February, 2021
Begin contract negotiations with selected development team	March, 2021

The City intends to adhere to this selection process, but reserves the right to reject all submissions or deviate from the process, as necessary, to accomplish the goal of selecting the most qualified development partner for this important project and to begin the development process as soon as is possible.

Confidentiality

The City of Cleveland Heights complies with all applicable laws regarding public meetings and public records. The City will endeavor to maintain, but cannot guarantee, the confidentiality during the selection and review process of financial information or disclosures of the developer or prospective users, provided that such confidential information shall be segregated into a separate volume in the original or any subsequent submission and shall be clearly marked "CONFIDENTIAL-TRADE SECRETS."

Rights Reserved by the City

The City of Cleveland Heights reserves the right to reject any and all submittals, to negotiate with parties interested in developing the available lots, to change, without notice, the RFQ/RFP and evaluation process, and to waive any formality in submissions whenever same is in the interest of the City of Cleveland Heights and its development objectives.

VI. SUBMISSION INSTRUCTIONS

To ensure that all potential respondents have access to the same information, all questions regarding this project shall be posed via e-mail to:

nrpphase1@clvhts.com

Questions and answers with general relevance will be posted on the following page of the City's website: **<https://www.clevelandheights.com/NeghborhoodRedevelopment>**. Questions and answers will be posted weekly. **Timothy M. Boland, Director of Economic Development**, is the single point of contact for any questions related to this RFQ/RFP. Please do not contact anyone else at the City to discuss this RFQ/RFP.

Development teams shall submit an electronic copy of their submission via email (attachment or file-sharing link) to **nrpphase1@clvhts.com** or have a flash drive containing

the submission delivered to the address below. As part of the review process, development teams may be asked to provide up to 15 hard copies of the submission. Packages must be clearly labeled "**Developer Qualifications for the City of Cleveland Heights Neighborhood Redevelopment Program (NRP) – Phase I.**" Documents containing confidential financial or trade secrets should be submitted in a sealed envelope clearly labeled "CONFIDENTIAL-TRADE SECRETS." The City will endeavor to maintain but cannot guarantee confidentiality of these documents.

Qualifications packages and supporting materials must be received by **Friday, December 11, 2020 by 4:00 pm EST** to be considered. Packages should be addressed to:

The City of Cleveland Heights
Attn: Timothy M. Boland, Director of Economic Development
40 Severance Circle
Cleveland Heights, OH 44118

P 216-291-4857
nrpphase1@clvhts.com

VII. ADDITIONAL RESOURCES

The following documents provide additional information about the project and surrounding areas and are accessible via the City of Cleveland Heights website:

www.clevelandheights.com/NeighborhoodRedevelopment .

- **The City's Master Plan**
- **Zoning Code** – Contact the Planning Department with specific questions at 216-291-4878
- Utility Maps – Maps are available upon request from interested parties

Relevant Websites

- **www.clevelandheights.com**

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Start Right
Community Development Corporation

December 10, 2020

Timothy M. Boland
Director of Economic Development
The City of Cleveland Heights
40 Severance Circle
Cleveland Heights, OH 44118

Re:

RFQ/RFP City of Cleveland Heights NRP Phase 1

Dear Mr. Boland:

Start Right Community Development Corporation appreciates the opportunity to submit our response to the City's RFQ/RFP. We agree with the City's desire to develop new construction in-fill housing on vacant lots. We are committed to work with the City to provide meaningful support to make this important initiative a success.

A copy of our response has been emailed as instructed. Enclosed you will find a flash drive containing our response to the RFQ/RFP.

I can be contacted at 216-832-6508 or starrightcdc@yahoo.com.

Best regards,

Pastor Jimmie Hicks, Jr.



Start Right Community Development Corporation (SRCDC)



**City of Cleveland Heights Neighborhood
Redevelopment Program (NRP) Sites- Phase 1**

RFQ/RFP RESPONSE:

PREPARED BY:

Thomas Stone, Stone Enterprise

Jimmie Hicks Jr., Start Right Community Development Corporation

ISSUED TO:

The City of Cleveland Heights

Development Team Information

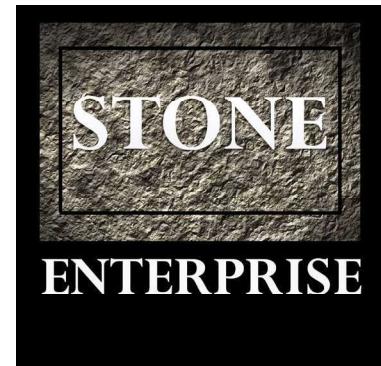
The project ownership entity to be formed is Caledonia Homes 1, LLC (“CH1”). CH1 is a real estate development limited liability company created specifically to develop new construction residential properties on lots identified in the Cleveland Heights NRP. CH1’s ownership consists of Start Right Community Development Corporation as controlling member and the investor group.

Start Right Community Development Corporation was founded in 2008 as a not-for-profit, 501 (c) 3 tax-exempt corporation, incorporated in the state of Ohio. The CDC was established by Jimmie Hicks, Jr., Pastor, Start Right Church. Pastor Hicks serves as Executive Director of SRCDC.

The mission of SRCDC is to improve quality of life conditions for individuals and families living primarily in the Caledonia neighborhood of Cleveland Heights, Ohio. SRCDC achieves its mission by operating a hunger relief program, sponsoring various educational programs, facilitating home purchase training events, and conducting a community beautification program.

In collaboration with the city of Cleveland Heights, SRCDC has established its Good Neighbor Project. The objective of this program is to fully rehabilitate vacant and blighted houses and make them available for home ownership. SRCDC has successfully rehabbed three houses and currently has three houses in process.

SRCDC is pursuing strategies to become more impactful in its efforts to improve quality of life conditions in the City. The City’s NRP is an opportunity for SRCDC to expand its residential redevelopment program to include new construction in-fill housing.



UBIQUITOUS DESIGN, LIMITED

ARCHITECTURE PLANNING
INTERIORS

HISTORIC PRESERVATION
GRAPHICS

Development Team Members



Pastor Jimmie Hicks, Jr.

Executive Director, Start Right Community Development Corporation.

Pastor Hicks represents the controlling member of the ownership entity and has Board Approval to have final authority over all project decisions. Pastor Hicks founded Start Right Community Development Corporation in 2008. Pastor Hicks founded Start Right Church of God in Christ on September 17, 2006 becoming the first Church of God in Christ church located in the City of Cleveland Heights. Prior to becoming a full-time pastor, he owned and operated the Hicks Insurance Agency for 23 years as an affiliate of Nationwide Insurance. He won numerous awards and was recognized as the top homeowner salesman in Ohio. Pastor Hicks is the first African American male elected to the Cleveland Heights City Council where he served the people of that community for 8 years. Pastor Hicks joined the Cleveland Heights Police Department in Dec. 2001 where he was appointed as Chaplin. As Chaplin he teaches a tolerance and diversity seminar at the Police Academy and is available for spiritual guidance and counseling. Pastor Hicks and his wife Lynda have been residents of Cleveland Heights for 47 years.



Jimmie Hicks III

SRDCD Staff Member

Mr. Hicks will provide project and administrative support. Mr. Hicks is a graduate of Bowling Green State University. He is currently pursuing a masters degree in Urban Planning from Cleveland State University. Jimmie and his wife were born and raised in Cleveland Heights and have been homeowners for 3 years.



Tom Stone

Principal and Lead Consultant, Stone Enterprise, www.stoneenterpriseclc.com.

Mr. Stone is the principal member to speak for the development team and will handle negotiations of project terms. Mr. Stone will serve as Project Manager from conceptual stage to project completion. Mr. Stone has 22 years of real estate development experience. Mr. Stone served as the Executive Director of Mt. Pleasant NOW Development Corporation in the city of Cleveland. In addition to his community and real estate development experience, Mr. Stone had a 10-year career as a commercial/community development lending officer with a major financial institution. Mr. Stone with his wife Yolanda have been residents of Cleveland Heights for 31 years.

Development Team Members Cont.



Michael Anderson

Owner, Nature Tek, Inc.,

Mr. Anderson will serve as the primary/lead contractor/builder for the project. Mr. Anderson has operated Nature Tek for six years and has 30 years of home building experience in Greater Cleveland. Nature Tek which means infusing nature with technology. Nature Tek has a focus to become a leader in Federal Green Building Standards in America. Mr. Anderson has taken Construction Management courses and contractor acceleration programs through the City of Cleveland and Turner Construction. He is also a member of the Home Builders Association of Greater Cleveland and has won such awards as Contractor of the Year from the Cleveland Housing Network.

W. Daniel Bickerstaff

Architect, Ubiquitous Design LTD.

Mr. Bickerstaff is founder of Ubiquitous Design, Limited, a full service architectural practice providing professional services from conceptual feasibility through construction administration. Mr. Bickerstaff has over 25 years of architectural design and project management experience.



Alan Rapoport

Attorney-at-Law

Mr. Rapoport will serve as project legal counsel. Mr. Rapoport has over forty years of experience in the practice of law, with special emphasis on issues involving real property, probate, and problems of small business. Mr. Rapoport was a three term Mayor, City of Cleveland Heights, Ohio (1982-1987); former member of National League of Cities; Lecturer on real property issues for Ohio State Bar Association; and former President, Coventry Neighbors, Inc., Cleveland Heights.



Bradford Cavanaugh

Realtor, CEO Kings Housing Network

Mr. Cavanaugh will be responsible for marketing and sale of all units. Mr. Cavanaugh has five years experience in selling houses in the Greater Cleveland market.

The development entity (to be formed) will be a limited liability company (LLC) with SRCDC as the controlling member and the investor/investor group as the limited member. A joint-venture agreement will be established by and between the two members to establish roles and responsibilities, liability, and the distribution of profits.

Ownership entity will be created for the specific purpose of completing the project. The houses in the project will be constructed for sale. Upon completion of construction, sale of houses, and allocation of profits, the ownership entity will be dissolved.

Relevant Development Experience

SRCDC Real Estate Development Experience

6 Home rehabilitation projects in Cleveland Heights on Caledonia, Greyton, Nelaview, Noble, Selwyn, and South Taylor

15 Individuals employed on average per project

\$191,000 Total investment with **\$95,000** allocated for labor

Tom Stone (Principal, Lead Consultant , Stone Enterprise)

127 New construction, single-family, scattered-site, low-income housing tax-credit houses

Total community investment value **\$13 million**

74 New construction, single-family, for-sale houses

Total community investment value **\$11 million**

30 Apartment units rehabilitated

48-unit New construction, senior apartment building.

Total community investment value **\$5 million**

57,000 Square feet new construction commercial office building.

Total community investment value **\$8 million.**

Michael Anderson, Contractor/Builder

Mr. Anderson has worked with **Burton, Bell, Carr Development Corporation** and has won contracts from **Cuyahoga Metropolitan Housing Authority**. Mr. Anderson has also worked with the **Cuyahoga County Lead Abatement Program**, the **Cuyahoga County Board-Up Program** and the **Cuyahoga County Asbestos Program**. Mr. Anderson has worked closely with the following cities: **Shaker Heights, Maple Heights, University Heights, Cleveland, Bedford, Bedford Heights and Warrensville**.

Mr. Anderson has built **houses ranging in size from 1500 square feet** with assistance from the federal government (HUD) in the Woodhill area of Cleveland to **7000 square feet in the township of Richmond in Summit County**. For a sample of houses built by Mr. Anderson see Exhibit #1.

Daniel Bickerstaff, Architect

Mr Bickerstaff has worked on a wide variety of projects ranging from historic preservation to medical facilities. Some of his residential projects include **West 8th Townhouses, Clarence Townhouses, Allen Estates, and The Woods at Hampton Hills**. Mr. Bickerstaff's largest project to date, completed in 2007, was a **new Pediatric Health Center construction project** totalling approximately **\$3.5 million in construction cost**. A sample of his housing designs can be found in Exhibit #2.

Exhibit #1



Start Right Development Corporation (SRCDC)

Exhibit #2



Tremont Neighborhood
2472 Tremont Av.
Cleveland, OH 44113

CitiRama I
1247 East 101st Street
Cleveland, OH 44108



CitiRama II
1247 East 101st Street
Cleveland, OH 44108



The Starkweathers
2491, 2195 & 2501 West 8th Street
Cleveland, OH 44113

Clarence Court Phase III
905 Fruit Av.
Cleveland, OH 44113



Front Facade Looking East

A1.0

ALLEN ESTATES
NEW SINGLE FAMILY DWELLINGS
LEAGUE PARK DISTRICT
EAST 65TH STREET

UBIQUITOUS DESIGN, LIMITED

ARCHITECTURE PLANNING
INTERIORS

HISTORIC PRESERVATION
GRAPHICS

Financial Capacity



Michael McGruder

Project Capital Investor.

Mr. McGruder is a former NFL player. Over his 12-year career, Mike has played in championship games for the Miami Dolphins, the San Francisco 49ers, and in Super Bowl XXXI with the New England Patriots. Mr. McGruder's business knowledge and success has made him a sought-after speaker for high schools, higher education institutions, and corporate functions. He was a partner with the Trinity Entertainment Group for more than 10 years, which won the Blockbuster Video Franchise Award twice. He was also a partner of Trinity Properties, a Texas real estate management company. Raised in the inner city of Cleveland, Mr. McGruder witnessed the devastating effects the streets can have on our youth. Heavily involved in charity work and passionate about improving the lives of others, Mike founded Platinum Charities (PC) in 2010. Mr. McGruder graduated from Cleveland Heights High School. Mr. McGruder has partnered with Start Right CDC to rehab three homes in Cleveland Heights.

Proposed Development Vision

SRCDC has identified 10 lots located in the Caledonia neighborhood of Cleveland Heights to build on as a phase 1 of the project. It is the mission of SRCDC to improve quality of life conditions primarily in the Caledonia neighborhood, therefore, these lots have been selected for phase 1. The lots were also selected for the following reasons:

- The lots are located in close proximity to Start Right Church.
- The lots are currently maintained by SRCDC through its vacant lot grass cutting program.
- Several of the lots are either located side-by-side or very close to each other allowing a clustering effect.
- All of the sites are good, buildable lots with surrounding lots/houses in good to fair condition.

SRCDC has also identified an additional 11 lots it would request as a phase 2 project. SRCDC desires that the city hold in reserve the phase 2 lots and allocate them to SRCDC based on success metrics established for phase 1.

Exhibit #3 is a listing of the phase 1 and 2 lots requested. Exhibit #4 is a map showing the lots and other key points of interest.

Phase 1	Address	PP#	Owner(s)	Lot Footage	Lot Depth	Rating
	945 Greyton	681-07-084	CCLRC	40	118	Good
	943 Greyton	681-07083	Cleve. Hts	40	116	Good
	971 Greyton	681-07-091	Cleve. Hts	47	134	Good
	963 Greyton	681-07-089	Cleve. Hts	40	139	Good
Exhibit #3						
	1016 Greyton	681-08-107	Cleve. Hts	40	120	Good
	1014 Greyton	681-08-107	Cleve. Hts	40	120	Good
	931 Nelaview	681-07-117	Cleve. Hts	40	120	Good
	927 Nelaview	681-07-116	CCLRC	40	120	Good
	965 Nelaview	681-07-127	Cleve. Hts	40	120	Good
	961 Nelaview	681-07-126	Cleve. Hts	40	120	Good

Phase 2	Address	PP#	Owner(s)	Lot Footage	Lot Depth	Rating
	945 Greyton	681-07-107	Cleve. Hts	40	121	Fair
	943 Greyton	681-04-019	Cleve. Hts	40	127	Fair
	971 Greyton	681-04-010	Cleve. Hts	40	162	Good
	963 Greyton	681-08-008	CCLRC	40	120	
	1016 Greyton	681-05-041	Cleve. Hts	45	139	Good
	1014 Greyton	681-08-023	Cleve. Hts	40	136	Good
	931 Nelaview	681-06-059	Cleve. Hts	40	120	Good
	927 Nelaview	681-06-065	CLeve. Hts	40	120	Fair
	965 Nelaview	681-06-045	Cleve. Hts	40	120	Fair

Exhibit #4

Size of proposed project buildings in square feet with breakdown by use

All of the lots identified are zoned SF-A. The planned use is Single-Family. The units to be constructed will be for-sale between 1400 to 1500 square feet with detached garage.

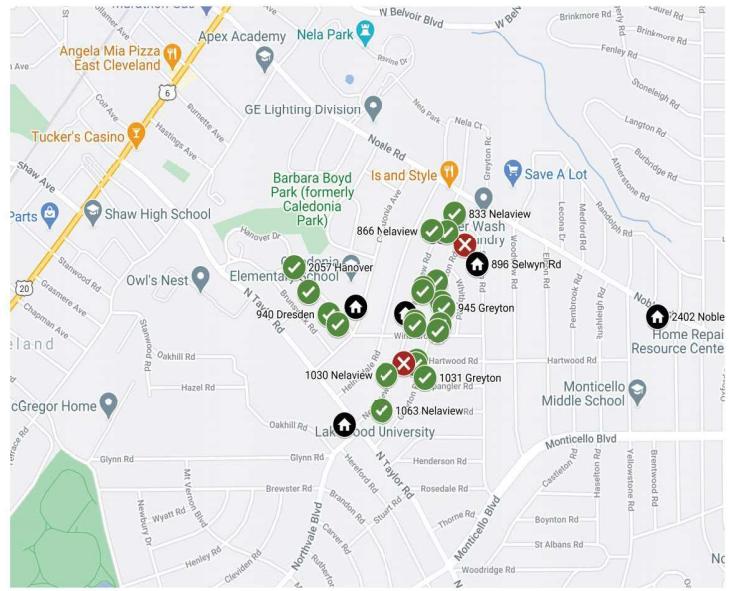
Estimated capital investment

An initial investment of \$400,000 will be deposited into the LLC capital account by the investor group representing 24% of the total estimated project cost.

RFP/RFQ Overlay

Full Address List

- ✓ 920 Dresden
- ✓ 940 Dresden
- ✓ 1014 Greyton
- ✓ 1016 Greyton
- ✓ 1031 Greyton
- ✗ 869 Greyton
- ✓ 924 Greyton
- ✓ 943 Greyton
- ✓ 945 Greyton
- ✓ 963 Greyton
- ✓ 971 Greyton
- ✓ 927 Nelaview
- ✗ 1013 Nelaview
- ✓ 1030 Nelaview
- ✓ 1063 Nelaview
- ✓ 833 Nelaview
- ✓ 859 Nelaview
- ✓ 866 Nelaview
- ✓ 931 Nelaview
- ✓ 961 Nelaview
- ✓ 965 Nelaview
- ✓ 954 Dresden
- ✓ 2057 Hanover



(Black houses represent SRCDC rehabs)

Proposed residential housing types and designs to be developed on the site

The housing types and designs will be finalized through a community engagement process. Housing designs selected will complement the existing range of styles that exist in the neighborhood, while striving to present creative and innovative features that attract the homebuyer of today. Some major features that will be explored is a first floor bedroom, bathroom and laundry.

Proposed general development standards / guidelines that would be anticipated to guide redevelopment of these neighborhoods. An indication of the level of quality of the materials to be used and the amenities to be provided in the new housing

The actual general development standards / guidelines and quality of materials will be established during the contracting and permitting process with the City. However, the project will comply with all city, state, and federal development standards, guidelines, and material quality requirements.

Description and evidence of how the vision(s) addresses existing market conditions

The houses to be constructed will complement the existing housing types and designs. Amenities will be added that are modern, affordable, and attractive to today's buyers, and found in other new construction projects throughout Greater Cleveland. Amenities will be selected that add value, enhance sustainability, and increase energy efficiency.

Design approach and discussion of its compatibility with surrounding neighborhoods, activities, uses, architecture, and aesthetics

To be determined with Architect and community engagement process.

Plan for any new parking and traffic needs created by the redevelopment of these neighborhoods, and the potential impact of the proposed development on the existing and surrounding neighborhoods.

All of the lots selected are located on streets zoned residential. The use is single-family. There is no new parking or traffic needs.

Discussion of pedestrian friendliness/walkability, sustainability, greenspace and other elements of the vision(s), including areas to be preserved and your firm's understanding of the significance of these neighborhoods to the City and the adjacent commercial district and residential neighborhoods

All of the lots selected are located on residential streets nestled in a pedestrian friendly, walkable neighborhood. Within walking distance is Noble road, the commercial district that services the Caledonia neighborhood containing several businesses providing quality and affordable goods and services including a full service grocery store, a laundry mat, dine-in and take out restaurants, and other consumer service establishments. Also in walking distance are community assets including Caledonia Elementary School, Caledonia Community Center, and Barbara Boyd Park.

The residents of the houses to be built on the selected lots will have easy access to two main north/south commercial streets, Noble and North Taylor providing transportation routes to other parts of the City. Each street intersects Euclid avenue providing access to University Circle and further west Downtown Cleveland, the number two and number one employment centers in Cleveland, respectively.

Building new houses on the selected lots will help the City to stabilize the housing stock of the City's most northern neighborhood and gateway.

Proposed amount/financial consideration the Developer is offering to pay the City to purchase these available lots

SRCDC is requesting that the City transfer the selected lots to the development entity at a minimal amount not to exceed \$100. Construction costs per square feet are estimated at \$125. To cover all project costs, market sale prices may need to exceed \$230,000. Adding additional cost to the project from land acquisition will further threaten the success of the project. The houses will be sold at a price above market with no immediate area comps. SRCDC estimates that the 15-year tax abatement will be sufficient subsidy to offset any market or appraisal gap.

Is the Developer open to developing infill housing on other City-owned, Land Bank-owned lots in other areas of the City? If so, to what extent?

Yes. SRCDC's response to the City's NRP RFQ/RFP identifies lots in the Caledonia neighborhood. This is the primary area of the City that SRCDC plans to impact through its various programs, projects, and services. However, SRCDC programs already assist residents in other parts of the City, specifically the hunger relief and community beautification programs. If the City issues an additional RFP, SRCDC would seek to develop lots that it currently services through its community beautification or vacant lot maintenance program.

Community Engagement



SRCDC will implement a community engagement process with the objective of gaining advice, counsel, and feedback on the types of housing and designs most appropriate for the neighborhood. In addition to City administration, City Council, other identified stakeholders including residents, business owners, faith based and community leaders. Focus groups and public meetings will be the primary methods utilized to gather input from the identified stakeholders. Given the challenges presented by the Covid-19 virus, web-based and online methods will also be considered. SRCDC will be able to identify individuals from the roster of its program participants. Participants will also be invited to meetings using voter rosters and by dropping flyers on target and surrounding streets.

The community engagement process will be led and facilitated by Tom Stone, Lead Consultant, Stone Enterprise. Mr. Stone has been responsible for implementing and facilitating several community engagement processes during his 22-year tenure as Executive Director of Mt. Pleasant NOW Development Corporation. Through these engagement efforts Mr. Stone has worked with community stakeholders to construct 200 single-family housing units in the Mt. Pleasant neighborhood of Cleveland.

Proposed Timeline

Site, Market, financial analysis and/or other due diligence

- The lots requested in the application have been identified based on location within the Caledonia neighborhood, ability to cluster homes on streets, and being good buildable lots. See exhibit #3.
- Market analysis completed pre-application submission.
- Financial analysis including securing project financing commitments in process.
- Capital contributions anticipated within 30 days of gaining project approval from the City.

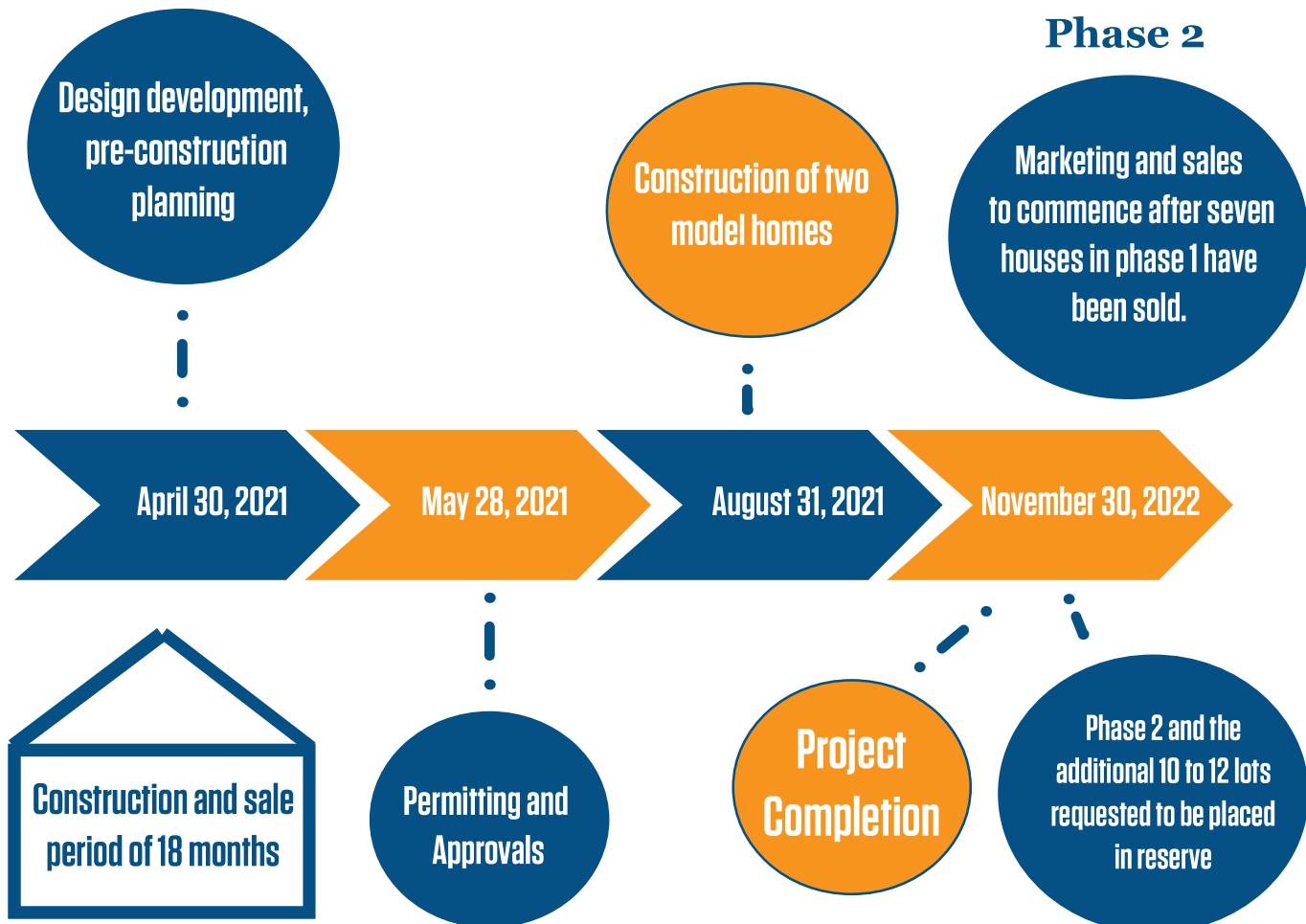
Design development, pre-construction planning to be completed 60 days after gaining project approval from the City.

Permitting and approvals to be completed 30 days after design development and pre-construction.

The construction of each house is anticipated to be completed between 60-90 days. The project will commence with the construction of two houses to serve as models. Additional houses will be constructed based on purchase orders from approved buyers.

The maximum time period for construction and sale of 10 houses is 18 months.

The following timeline assumes gaining project approval from the City by February 26, 2021:



Economic Impacts

10 Phase 1 Residential Units

24%

Project Capital Invested or Maximum of \$400,000

11 Phase 2 Residential Units

1400
Square Feet

Property Tax on Land

\$5,000 Estimated Tax Assessed Value of Land

\$525
**Annual Tax Per House
Constructed**

105.11126

Effective Tax Rate

\$7,883
15 Year Cumulative Tax

Post 15 Year Tax Abatement

\$73,500
**Estimated Tax
Assessed Value**

\$235,000
Estimated Market Value

105.111126

Effective Tax Rate

2.25%

City Income Tax Rate

\$52,500
Median Income

120% of AMI or \$63,000 Houses Affordable to Family Incomes

\$1,417

Minimum Annual City Income Tax per Household (For 10 households in phase 1: \$14,170)

Projected new employment and payroll anticipated to result from the project

\$875,000 or 50% Project Construction Budget

50 Temporary Construction Jobs

\$1.75 Million Project Construction Budget

Discussion of how the project could catalyze additional nearby neighborhoods

Nearby neighborhoods face similar challenges. There has been no significant residential new construction. The market for new construction housing has not yet been determined and validated. This projects' success will help to establish the new construction housing market in similar nearby neighborhoods. Other developers will follow bringing additional investment into Cleveland Heights and surrounding communities.

Resources Required from the City and or Others

SRCDC is requesting that the lots are transferred at a nominal price not to exceed \$100. SRCDC will apply for 15-year tax abatement for improvements made on each lot.

SRCDC is also requesting that the City create a deferred payment, zero (0%) interest second mortgage down payment assistance program up to \$15,000. The program would be eligible to individuals with incomes at or below 120% AMI. The program is only available to homes purchase as a part of the City's NRP program. The loans are to be repaid at the time of resale, transfer, or if the property becomes absentee-owned.

SRCDC requests an allocation from the Economic Development Fund in the amount of \$250,000. We understand that this fund provides more flexibility than some of the other financial programs offered by the City, for high impact projects the City wants to support.

We would hope that the City sees this neighborhood redevelopment program as a project it would like to support. We are requesting the funding because:

- SRCDC desires to decrease and or eliminate our current dependence on private sector investors. The private sector investors by design have our redevelopment project focused on the profit margin instead of our goal to provide affordable new homes for our community.
- A partnership with the City through the Economic Development Fund will allow SRCDC to build and sell homes at an affordable price to the community but still positively impact the market value of homes in the neighborhood.
- Based on our financial projections, and our mission to redevelop the community, SRCDC will return the allocated funds to the City for future development at the completion of Phase 1 and will finance future Phases of the RFP with the remaining profits.

Minority and Female Business Enterprise Inclusion Prevailing Wage & Local Hiring

The project development team is 85% African American. The project contractor/builder is African American. The owner has established a minimum goal of 35% of payroll going to minorities and females. Also the minimum goal for Northeast Ohio residence participation is 65%.

Project Summary

Company Information

- **Name**
- **Founded**
- **Headquarters**
- **Development Partner**

Start Right Community Development Corporation
2008
977 Caledonia Avenue, Cleveland Heights Ohio 44112
Michael McGruder

Timeline

- **Phases**
- **Time from groundbreaking to completion of Phase 1**

Phase 1- 10 houses; Potential Phase 2- 11 houses
May 31, 2021 through November 30, 2022

Financing

- **Equity Source**
- **Personal guarantee of debt financing from the firm's principal**
- **Tax Increment Financing required for current concept?**
- **Guarantee of public infrastructure financing**
- **Tax Abatement required?**
- **Development contingent on availability of any County, State, Federal funding**
- **Sources outside City control?**

Michael McGruder net worth
Yes, if bank financing is pursued and secured
No
N/A
Yes
No

MBE FBE Inclusion

- **MBE FBE Inclusion**

Minimum Goal: 35%

Project Team

- **Developer Partner**
- **Architect**
- **MBE and FBE participation**
- **Public Finance**
- **Construction**

Michael McGruder
W. Daniel Bickerstaff, Ubiquitous Design LTD.
See development team members
N/A
Michael Anderson, Owner, Nature Tek, Inc.

Parking

- **Parking study to be completed?**

NA

Project Examples

- **Examples**

See relevant section

EXHIBIT C.1 & C.2

PLAN OF FINANCE / SOURCES & USES

[SEE ATTACHED]

Exhibit C.1**Plan of Finance/Sources & Uses****Start Right CDC
Caledonia Homes 1****Construction Sources and Uses Statement****Sources**

Secured Lending Construction Line of Credit	201,337
Total Sources	201,337

10 Units

Uses

Land Acquisition	100	1,000
Site Improvements	2,000	20,000
Architecture & Engineering	2,000	20,000
House Construction	169,000	1,690,000
Project management	10,887	108,872
Construction financing	4,600	45,997
Sales Commission	10,250	102,500
Administrative and other costs	2,500	25,000
Total Uses	201,337	2,013,369

Sales Sources

Sale Price	205,000
Downpayment - Buyer	26,000
First Mortgage	164,000
City of Cleveland Heights Second Mortgage	15,000
Total Sales Sources	205,000

Notes:

Source of construction funds - Secured Lending Incorporated construction line of credit up to \$1,000,000

Sale price estimated range from \$200,000 to \$240,000

First Mortgage at 80% of sale price/appraisal

City of Cleveland Heights \$15,000 Deferred 0% Down Payment Assistance Second Mortgage

Downpayment - Buyer equals Sale Price/Appraisal less (First Mortgage + City Second Mortgage)

House size 1300 square feet

Construction Cost \$ 130 per square feet

Administrative and other costs (permits, taxes, accounting, legal, and insurance)

Project management fee - 6.2% of total project cost

Sales commission - 5%

City transfer to SRCDC @ \$100 per lot

Construction financing rate - 10%

EXHIBIT D

[RESERVED]

EXHIBIT E

PURCHASE AGREEMENT / REVERTER CLAUSE

[SEE ATTACHED]

PURCHASE AND SALE AGREEMENT
(Caledonia Neighborhood – Vacant Lots)

This Purchase and Sale Agreement (the “**Agreement**”) is made as of the ____ day of _____, 20____ (the “**Effective Date**”), between **CITY OF CLEVELAND HEIGHTS, OHIO**, an Ohio municipal corporation, having an address at 40 Severance Circle, Cleveland Heights Ohio 44118 (the “**City**” or “**Seller**”) and the **START RIGHT COMMUNITY DEVELOPMENT CORPORATION**, an Ohio non-profit community development corporation, having an address at 3315 Mayfield Road, Cleveland Heights, Ohio 44118 (“**Buyer**”).

WITNESSETH:

WHEREAS, Seller is the owner of certain lots currently situated along Nelaview Road, Greyton Road, Dresden Road and Hanover Drive in an area known as the Caledonia Neighborhood in the City of Cleveland Heights, Cuyahoga County, Ohio, comprising twenty-three (23) vacant lots (collectively, the “**Lots**” and individually, a “**Lot**”), as more fully described in the Development Agreement (as hereinafter defined); and

WHEREAS, Seller and Buyer have entered into a certain development agreement (the “**Development Agreement**”) under the terms of which Buyer is to construct single family homes on one or more Lots, subject to the terms and conditions of the Development Agreement which also requires that Seller sell and Buyer purchase one or more Lots on which the single family homes are to be constructed.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, and in consideration of the foregoing and of the mutual covenants contained herein, as well as other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, covenant and agree as follows:

1. Preambles. The foregoing definitions and preambles are incorporated into the terms of this Agreement.

2. Conveyance of Lot(s). Seller shall, on the Closing Date (defined below), subject to the terms of this Agreement, convey to Buyer by quit claim deed (the “**Deed**”), free and clear of all liens and encumbrances of any and every nature except the Permitted Exceptions (as defined below), good and marketable fee simple title to the Lot(s), the legal description for which is attached hereto as Exhibit A and incorporated herein by reference. The title company shall be Chicago Title Insurance Company, 1111 Superior Avenue, Suite 600, Cleveland, Ohio 44114, Attn: Linda M. Green, Esq. (“**Title Company**”). Buyer and Seller hereby designate the Title Company to serve as escrow agent (the “**Escrow Agent**”) in connection with this Agreement. A fully executed version of this Agreement shall serve as escrow instructions and shall be subject to

the usual conditions of acceptance of the Escrow Agent, so long as the same are not inconsistent with any of the terms hereof.

3. Closing Date; Closing Documents.

(a) The closing (“**Closing**” or “**Closing Date**”) shall take place at a location mutually acceptable to Buyer and Seller on the date that is forty-five (45) days after the Effective Date.

(b) Seller shall deliver exclusive possession of the Lot(s), free and clear of all occupants and tenancies to Buyer on the Closing Date. To the extent necessary, Seller, at Seller’s expense, shall cause the eviction of any tenants occupying all or any portion of the Lot(s).

(c) At Closing, the parties agree to execute and/or deliver, or cause to be executed and delivered, all documentation as may reasonably be required by the Title Company to issue an ALTA Owner’s Policy of Title Insurance in an amount not less than the Purchase Price, which policy shall insure Buyer’s marketable title in fee simple to the Lot(s), and shall not contain any exception other than the Permitted Exceptions and those which may hereafter be approved by Buyer in writing (the “**Title Policy**”).

(d) On the Closing Date, the Escrow Agent shall complete this transaction by:

- i. paying the Purchase Price to Seller in accordance with the terms set forth in Section 4(a) below, adjusted as set forth on the Settlement Statement;
- ii. filing the Deed with the Cuyahoga County Fiscal Officer (which shall be deemed delivery to Buyer);
- iii. issuing the Title Policy and forwarding same to Buyer;
- iv. charging the parties respectively for those costs and expenses to be paid by them pursuant to this Agreement; and
- v. preparing and forwarding to both parties one signed copy of the Escrow Agent’s Settlement Statement showing all receipts and disbursements of the escrow.

In the event the Escrow Agent is unable to simultaneously perform all of the instructions set forth above, it shall so notify Buyer and Seller and retain all funds and documents in its possession pending receipt of further instructions jointly issued by Buyer and Seller.

4. **Purchase Price.** Subject to adjustments as hereinafter described, Buyer shall purchase the Lot(s) and pay therefor the sum of One Hundred Dollars and 00/100 Dollars (\$100.00) per Lot (the “**Purchase Price**”).

5. **Closing Adjustments, Costs and Expenses.**

(a) Seller covenants and agrees that it shall pay for the following costs: (i) cost of the Deed preparation; (ii) any and all transfer taxes; (iii) one-half of the premium cost for the Title Policy; (iv) one-half of the fees, costs and expenses of the Escrow Agent, for its escrow services; and (v) all matters of title clearance necessary to deliver title to the Lot(s) in accordance with this Agreement.

(b) Buyer covenants and agrees that it shall pay for the following costs: (i) the costs of the Survey, if any; (ii) the costs of the initial title search and the Title Commitment (defined below); (iii) one-half of the premium cost for the Title Policy, plus the costs of any endorsements requested by Buyer; (iv) one-half of the fees, costs and expenses of the Escrow Agent, for its escrow services; (v) the recording charges incident to the filing of the Deed and Mortgage for the Lot(s); and meet all conditions described in the Development Agreement.

(c) All real estate taxes assessed against the Lot(s) shall be prorated as of the Closing Date. Seller shall be responsible for all taxes applicable up to the Closing Date, and Buyer shall be responsible for taxes applicable to the period from and after the Closing Date. This Section 5(c) shall survive the Closing Date and the recording of the Deed.

(d) Seller shall pay for all municipal charges for sewage, water and other utility services up to the Closing Date, and cause final meter readings to be made of same.

6. **Title.**

(a) Within ten (10) days after the Effective Date, Buyer shall obtain, at Buyer’s sole cost and expense, a commitment from the Title Company for the issuance of the Title Policy (the “**Title Commitment**”) in the amount of the Purchase Price and at its option, and at no cost and expense to Seller, a current ALTA survey to be certified to Buyer and the Title Company (the “**Survey**”). Included with the Title Commitment shall be a copy of all exceptions listed on Schedule B-2 thereof. As soon as practicable after receipt of the Title Commitment and Survey, but in no event later than the end of the Due Diligence Period, Buyer shall furnish Seller with a copy of the Title Commitment and Survey and notify Seller of the liens or encumbrances on or against the Lot(s) to which it objects (“**Defects Notice**”). Buyer’s failure to notify Seller of any defects to which it objects within the time period provided in the preceding sentence shall constitute an agreement by Buyer that the encumbrances and matters listed or identified on the

Title Commitment and/or Survey shall constitute Permitted Exceptions. **“Permitted Exceptions”** shall also include (i) real estate taxes and assessments that are a lien but not yet due and payable, (ii) zoning ordinances, (iii) any matters shown on the Survey not objected to by Buyer, (iv) a reverter provision as set forth in the form of the Deed attached as **Exhibit B** and incorporated herein by reference; and (iv) any matters to which Buyer objects that Seller fails or refuses to cure, if Buyer does not elect to terminate this Agreement.

(b) Not later than ten (10) days after receipt of the Defects Notice from Buyer (“**Seller’s Response Period**”), Seller shall notify Buyer whether or not Seller will cure such defects and the actions, if any, Seller intends to take to cure the defects to which Buyer objects. If Seller elects not to cure the identified defects (other than Permitted Exceptions, which Seller shall not be required to cure), then Buyer may terminate this Agreement by written notice to the Seller given within ten (10) days after the earlier of (i) the expiration of Seller’s Response Period or (ii) Seller’s notice to Buyer that it will not cure all of the identified defects. If Buyer fails to deliver written notice of termination to Seller within such ten (10) day period, then Buyer shall be deemed to have waived its right to terminate this Agreement pursuant to this Section 6(b). If Buyer does not terminate this Agreement, then Buyer shall accept title with those defects that Seller has elected, in its notice to Buyer, not to cure, and such items shall also constitute Permitted Exceptions. In the event Seller fails to timely respond to the Defects Notice, Seller shall be deemed to have agreed not to remedy or cure all defects specified in the Defects Notice on or before the Closing Date. If Buyer timely issues the Defects Notice, then the Due Diligence Period and the Closing Date shall be extended for the amount of time reasonably necessary until such time as the defects are resolved pursuant to the provisions of this Section 6, provided that Seller shall diligently pursue resolution of any such defects.

(c) Notwithstanding anything contained in this Agreement to the contrary, Seller shall be obligated to cure, remedy or satisfy at or prior to Closing, any mortgages or monetary judgments of a liquidated amount (collectively, “**Monetary Liens**”) on or against the Lot(s) regardless of whether Buyer identifies them in Buyer’s Defects Notice.

7. Conditions of Buyer’s Obligation to Purchase.

(a) Buyer is purchasing the Lot(s) in its or their “AS IS, WHERE IS” CONDITION, WITH ALL DEFECTS AND FREE FROM ALL REPRESENTATIONS OR WARRANTIES WHATSOEVER EXCEPT AS MAY BE SET FORTH IN THIS AGREEMENT; provided, however, that Buyer’s obligation to purchase the Lot(s) is conditioned upon all of the following (the “**Conditions**”) (i) Buyer’s satisfaction, in its sole discretion, that the Lot(s) is properly zoned under any applicable laws and ordinances to permit Buyer’s intended use, (ii) Buyer’s satisfaction, in its sole discretion, that the Lot(s) is properly served with sufficient sanitary sewer, storm sewer, water, gas, electricity, telephone and other utilities to permit Buyer’s intended use, (iii) at Buyer’s option, Buyer’s receipt of an environmental assessment report satisfactory, in Buyer’s sole discretion, with respect to any recognized environmental conditions affecting the

Lot(s), (iv) Buyer's satisfaction, in its sole discretion, that Buyer will be able to obtain all necessary or desirable governmental approvals and/or permits in connection with Buyer's intended use of the Lot(s), and (v) Buyer's satisfaction, in its sole discretion, with all of all investigations it makes of the Lot(s) and matters affecting Buyer's intended use of the Lot(s) during the Due Diligence Period (the "**Due Diligence Matters**"). Buyer shall have the right, in Buyer's sole and absolute discretion, to obtain a Phase I environmental report and a Phase II environmental report, if necessary, with respect to the Lot(s).

(b) Buyer shall have from the Effective Date until the date that is thirty (30) days after the Effective Date (the "**Due Diligence Period**") to review the Due Diligence Matters and Seller's Due Diligence Materials (as hereinafter defined). If Buyer is not satisfied with the status of the Due Diligence Matters or Seller's Due Diligence Materials, in Buyer's sole and absolute discretion, Buyer shall have the right to terminate this Agreement for any reason or no reason at all, by delivery of written notice to Seller prior to 5 pm EST on the last day of the Due Diligence Period, in which case the parties hereto shall have no further obligations hereunder.

(c) Seller agrees to assist Buyer in reviewing the Due Diligence Matters. Furthermore, within ten (10) days after the Effective Date, Seller shall deliver to Buyer any and all information in Seller's possession with respect to the Lot(s), including, but not limited to, any existing title commitments and policies, insurance policies, certificates of occupancy, surveys, engineering reports, Lot(s) condition reports, technical reports, environmental reports, service contracts and notices received from any governmental authority within the twelve (12) months preceding the Effective Date, along with any additional information that may be readily available to Seller at Buyer's request from time to time during the term of this Agreement (collectively, "**Seller's Due Diligence Materials**").

8. Insurance and Risk of Loss. Prior to the Closing Date, all risk of loss or damage to the Lot(s), including, without limitation, loss by fire, windstorm or other casualty, shall rest with Seller. If prior to the Closing Date the Lot(s) or any part thereof is damaged as a result of fire, windstorm or other casualty, Buyer shall have the option to:

(a) cancel this Agreement and, notwithstanding any provision to the contrary set forth in this Agreement, receive a refund of any sums paid on account of the Purchase Price, in which event neither party shall have any further liability or obligation to the other hereunder; or

(b) enforce this Agreement and obtain an assignment from Seller of all insurance proceeds payable as a result of such loss or damage to the Lot(s) (not to exceed the Purchase Price), and all insurance proceeds previously paid in connection with such casualty shall be paid over to Buyer, together with the amount of any deductible which shall be paid by Seller to Buyer.

Buyer shall have twenty (20) Business Days (hereinafter defined) after Buyer's receipt of written notice from Seller's insurer of the amount of insurance proceeds that will be payable as a result of such casualty and damage within which to make its election under this Section, and to accomplish the foregoing, Buyer shall have the right to adjourn and extend the Closing Date until not later than fifteen (15) days after the expiration of such twenty (20) day period. The provisions of this Section 8 shall survive the Closing and delivery of the Deed.

9. (Intentionally Deleted)

10. Seller's Covenants; Maintenance and Repair of Lot(s).

Seller shall, through the Closing Date:

- (a) pay, in the normal course of business, all sums due for work, materials or service furnished or otherwise incurred in the ownership of the Lot(s) prior to Closing;
- (b) not make or permit to be made any alterations, improvements or additions on the Lot(s) without the prior written consent of Buyer;
- (c) not enter into any lease or license or letter of intent to lease or license any portion of the Lot(s);
- (d) not enter into any agreements which would bind Buyer or the Lot(s) after Closing.

11. Seller's Representations and Warranties. Seller represents and warrants that the following are true and correct on the date hereof and shall be true and correct on the Closing Date:

- (a) Seller has the full right, power and authority to sell, convey and assign the Lot(s) and to carry out Seller's obligations hereunder. The joinder of no person or entity will be necessary to convey the Lot(s) fully and completely to Buyer on the Closing Date.
- (c) This Agreement and each document to be delivered hereunder, when duly executed and delivered, will be valid, legal and binding obligations of Seller or any other signatory enforceable in accordance with their respective terms.
- (b) The Seller is not a foreign person as defined in Section 1445(f) (3) of the Internal Revenue Code of 1986, as amended, and Seller shall deliver to Buyer on the Closing Date a Certificate of Non-Foreign Status, in a form to be reasonably designated by Buyer.

12. Buyer's Representations and Warranties. Buyer represents and warrants that the following are true and correct on the date hereof and shall be true and correct on the Closing Date:

- (a) Buyer has been duly organized and exists in good standing under the laws of the State of Ohio and has the full right, power and authority to buy the Lot(s) and to carry out Buyer's obligations hereunder;
- (b) All requisite corporate or other actions necessary to authorize Buyer to enter into this Agreement and to perform its obligation hereunder have been taken, and the joinder of no person or entity other than Buyer is necessary to the execution and delivery of such agreements;
- (c) The consummation of the contemplated transaction will not conflict with, or with or without notice or the passage of time, or both, result in a breach of any of the terms or provisions of, or constitute a default under any agreement or instrument to which Buyer is a party; and
- (d) This Agreement and each document to be delivered hereunder, when duly executed and delivered will be valid, legal and binding obligations of Buyer or such signatory, enforceable in accordance with their respective terms.

13. Broker. Seller and Buyer each represent and warrant to the other that they have not been represented by any broker in connection with the sale of the Lot(s), and no real estate commissions, selling commissions or finder's fees are due to any other broker or finder by virtue of any act of Seller or Buyer or any agent acting on their behalf.

14. Access to the Lot(s). Throughout the entire term of this Agreement, Buyer and its employees and contractors, upon prior notice to Seller, shall have access to and the right to enter the Lot(s) and any part thereof for the purposes of making surveys, plans, soil tests and borings, water tests and other environmental and/or engineering tests on the same, subject to the execution and delivery by the parties of the form of Access Agreement attached to the Development Agreement. Seller shall have the right to have a representative present during all on-site investigations of the Lot(s) by Buyer. Buyer shall, at its sole cost and expense, repair any direct damage caused by any tests or inspections.

15. (Intentionally Deleted)

16. Notices. Any notices required or permitted to be given under the terms of this Agreement shall be in writing, and shall be deemed given when received only if sent to the following addresses by (a) certified or registered United States Mail, return receipt requested, postage prepaid, or (b) Federal Express or a comparable overnight or next business day courier

service, or (c) hand delivered, at the following addresses (or to such other or additional addresses as a party may designate by notice):

BUYER: Start Right Community Development Corporation
3315 Mayfield Road
Cleveland Heights, Ohio 44118
Attention: Reverend Jimmie Hicks Jr.

With a copy to: Alan J. Rapoport, Esq.
1567 Compton Road
Cleveland Heights, Ohio 44118

SELLER: City of Cleveland Heights
40 Severance Circle
Cleveland Heights, Ohio 44118
Attention: Economic Development Director

With a copy to: City of Cleveland Heights
40 Severance Circle
Cleveland Heights, Ohio 44118
Attention City Manager

And a copy to: City of Cleveland Heights
40 Severance Circle
Cleveland Heights, Ohio 44118
Attention: Director of Law

Notice shall be deemed given on the date of receipt (or refusal by the recipient) as evidenced by return receipt or other couriers standard delivery documentation.

17. Modifications and Termination. This Agreement cannot be changed or terminated orally or in any manner other than by a written agreement executed by both parties.

18. Construction. This Agreement shall be governed by and construed in accordance with the laws of Ohio. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted. All terms and words used in this Agreement, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require.

19. Merger of Prior Agreements and Representations. Except for the Development Agreement, which shall remain in full force and effect: (a) this Agreement constitutes the entire agreement between the parties hereto with respect to the sale and purchase of the Lot(s), and (b) it is understood and agreed that all undertakings and agreements heretofore made between Buyer and Seller are merged herein.

20. Survival. Notwithstanding any presumption to the contrary, all covenants, representations and warranties contained in this Agreement shall not survive Closing unless otherwise specifically provided herein.

21. Seller's Default. If Seller defaults hereunder, which default shall consist of the failure of Seller to fulfill any of obligations of Seller herein contained, and Seller does not cure such default within ten (10) days after written notice from Buyer, Buyer may pursue all remedies available to Buyer at law or in equity, including without limitation an action for specific performance.

22. Buyer's Default. In the event of default by Buyer hereunder, and Buyer does not cure such default within ten (10) days after written notice from Seller. Seller may pursue all remedies available to Buyer at law or in equity, including without limitation an action for specific performance.

23. Time of the Essence. Time is of the essence as to all matters set forth herein.

24. Counterparts. This Agreement may be signed in one or more counterparts each of which for all purposes shall be deemed to be an original.

25. Assignment. This Agreement may not be assigned by Buyer without Seller's prior consent. Seller may not assign its obligations under this Agreement other than by operation of law, except with the prior written consent of Buyer. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

27. Waiver of Jury Trial. IT IS MUTUALLY AGREED BY AND BETWEEN SELLER AND BUYER THAT THE RESPECTIVE PARTIES HERETO SHALL AND DO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT. EACH PARTY ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THIS WAIVER AND HAS BEEN ADVISED BY COUNSEL AS NECESSARY OR APPROPRIATE. THIS WAIVER IS MADE KNOWINGLY AND VOLUNTARILY BY THE PARTIES HERETO.

28. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns (to the extent permitted pursuant to Section 25 above).

29. Miscellaneous. The term “**Business Day**” shall mean any day other than a Saturday, a Sunday or a legal holiday on which banks are not open for business in Cleveland, Ohio.

[Signature Page follows]

IN WITNESS WHEREOF, the Buyer and Seller have caused this Agreement to be executed the day and year above written.

SELLER:

CITY OF CLEVELAND HEIGHTS, an Ohio
municipal corporation

By: _____
Name: _____
Its: _____

BUYER:

START RIGHT COMMUNITY DEVELOPMENT
CORPORATION, an Ohio non-profit community
development corporation

By: _____
Name: _____
Its: _____

EXHIBITS

- A – Legal Description
- B – Deed with Reverter Provision

EXHIBIT A

Legal Description

[to be attached]

EXHIBIT B

Deed with Reverter Provision

[*see next page*]

QUIT-CLAIM DEED

(with Right of Reverter)

THE CITY OF CLEVELAND HEIGHTS, an Ohio municipal corporation (“**Grantor**”), for valuable consideration paid, grants to **START RIGHT COMMUNITY DEVELOPMENT CORPORATION**, an Ohio non-profit community development corporation (“**Grantee**”), whose tax mailing address is 3315 Mayfield Road, Cleveland Heights, Ohio 44118, the following REAL PROPERTY:

The description of the property is as follows:

See Exhibit A attached hereto.

Property Address: _____

Permanent Parcel No.: _____

Prior Instrument Reference: _____

By acceptance of this Deed, as evidenced by its recording with the Cuyahoga County Fiscal Officer, Grantee, for itself and its successors and assigns, covenants and agrees with Grantor as follows, all of which shall be deemed covenants running with the land binding on all future owners or holders of all or any interest in the Real Property conveyed hereby: (a) that construction of a single family home shall commence on the Real Property (meaning that a building permit has been duly issued and that commencement of the excavation of footers or a basement has occurred) not later than ninety (90) days after the date of recordation of this Deed; (b) that completion of the construction of a single family home on the Real Property (meaning that a certificate of occupancy has been duly issued) shall occur not later than one hundred eighty (180) days after the commencement of construction of the single family home; and (c) that in the event either or both of the foregoing covenants is or are not fully satisfied, met and complied with by Grantee or any subsequent transferee, the title, right of possession and all other rights transferred hereunder to Grantee shall, at the option of Grantor, revert to Grantor sixty (60) days

after written demand to this effect is made to Grantee at its tax mailing address above. Filing of a true copy of the foregoing written demand of reverter with the Cuyahoga County Fiscal Officer shall be and be deemed to be conclusive evidence that reverter of title, right of possession and all other rights transferred to Grantee hereunder have reverted to Grantor without further action on the part of Grantor, Grantee, or any other party. In the event the foregoing covenants or the enforcement thereof is found or deemed to be invalid, then each of the foregoing clauses (a) and (b) shall be construed to be conditions, upon breach of which Grantor may exercise its option to cause title, right of possession and all other rights transferred hereunder to Grantee to revert to Grantor.

(no further text this page; the next page is the signature page)

Signed this _____ day of _____, 20____

GRANTOR:

**THE CITY OF CLEVELAND HEIGHTS,
an Ohio municipal corporation**

By: _____

Print

Name: _____

Title: _____

—

STATE OF OHIO)
)
) SS:
COUNTY OF CUYAHOGA)

This is an acknowledgment clause. No oath or affirmation was administered to the signer.

The foregoing instrument was acknowledged before me this _____
(date) by _____, _____ of The City of Cleveland Heights, on behalf
of the municipal corporation.

NOTARY PUBLIC

My Commission Expires _____

Approved as to form:
City of Cleveland Heights

By: _____
William R. Hanna, Director of Law

EXHIBIT A
Legal Description

EXHIBIT F
PROJECT SCHEDULE / TIMELINE
[SEE ATTACHED]

EXHIBIT F
PROJECT SCHEDULE / TIMELINE*

Project Phase 1

Project timeline assumptions:

- Development Agreement approved by September 30, 2021
- First house design approved by ABR and BZA by September 30, 2021
- Construction drawings and permits approved by October 31, 2021
- Construction period each house 90 days
- Sale period each house 30 days
- Construction begins November 1, 2021

<u>Date</u>	<u>Activity</u>	<u>Month</u>
November 1, 2021	House #1 begin construction	1
December 1, 2021	Houses #2 and #3 begin construction	2
January 31, 2022	House #1 construction completion	3
February 28, 2022	House #1 sold	4
February 28, 2022	House #2 and #3 construction completion	4
March 31, 2022	Houses #2 and #3 sold	5
April 1, 2022	Houses #4 and #5 begin construction	6
June 30, 2022	House #4 and #5 construction completion	8
July 31, 2022	Houses #4 and #5 sold	9
August 1, 2022	Houses #6 and #7 begin construction	10
October 31, 2022	House #6 and #7 construction completion	12
November 30, 2022	Houses #6 and #7 sold	13
December 1, 2022	Houses #8, #9, and #10 begin construction	14
February 28, 2023	House #8, #9, #10 construction completion	16
March 31, 2023	Houses #8, #9, and #10 sold	17
March 31, 2023	Project Phase 1 completion	17

*Construction of all infill housing noted in this schedule is subject to review and approval of all appropriate City boards and/or commissions.

EXHIBIT G

ACCESS AGREEMENT

[SEE ATTACHED]

ACCESS AGREEMENT

This Access Agreement (the “Agreement”) is made by and between the CITY OF CLEVELAND HEIGHTS, OHIO, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio (the “City”) and START RIGHT CDC, a Community Development Corporation (the “Developer”) effective as of the last date set forth below their respective signatures hereto (the “Effective Date”) in connection with the possible sale to and development of up to 10 lots by Developer of single-family owner-occupied dwelling units of City-owned/controlled real property located in Phase I and Phase II (when approved) in the Caledonia Neighborhood in the City (the “Project Site”). As a condition to City’s agreement to allow Developer access to the Project Site which the City hereby grants to the Developer and its Representatives, Developer agrees to be bound by the terms set forth in this Agreement (the “Agreement”).

1. In connection with any entry by Developer or any of its officers, directors, employees, agents, advisors or representatives (collectively “Representatives”) onto the Project Site, Developer shall give City reasonable advance notice of such entry, which shall not be less than twenty-four (24) hours, and shall conduct such entry and any inspections in connection therewith so as to reasonably minimize interference with (i) the business of the City and (ii) neighboring properties, and otherwise in a manner reasonably acceptable to City. Notwithstanding the foregoing, Developer shall not perform any physically invasive testing of the Project Site, including, without limitation, performing any environmental testing, drilling or sampling, without first obtaining City’s prior written consent thereto. City may have a representative present to observe all testing, work, inspections or entries onto the Project Site (such testing and other work, inspections and entries onto the Project Site are referred to herein as the “Inspection Work”). The Inspection Work shall be at Developer’s sole cost and expense and Developer agrees to keep the Project Site free and clear of any liens that may arise as a result thereof. All activities undertaken in connection with the Inspection Work shall fully comply with applicable law and regulations, including, without limitation, laws and regulations relating to worker safety, proper disposal of any disturbed or discarded materials, and noise and operating hour restrictions. Developer is solely responsible for the off-site disposal of any samples taken. Developer shall repair promptly any physical damage caused by the Inspection Work, and shall restore the Project Site to its condition immediately prior to entry by Developer on the Project Site. The Developer shall provide copies to the City of any test results and reports relating to the Inspection Work promptly after completion of such work on the

Project Site. The Developer shall maintain parking and minimize traffic issues during all testing and inspection activities on the Project Site.

2. Developer shall maintain, and shall ensure that its contractors maintain, public liability and property damage insurance reasonably satisfactory to the City insuring Developer and its Representatives against any liability arising out of any entry or inspections of the Project Site pursuant to the provisions hereof. Such insurance maintained by Developer (and Developer's contractors) shall be in the amount of One Million Five Hundred Thousand Dollars (\$1,500,000) combined single limit for injury to or death of one or more persons in an occurrence, and for damage to tangible property (including loss of use) in an occurrence. The policies maintained by Developer and its contractors shall insure the contractual liability of Developer covering the indemnities herein and shall (i) name the City (and its successors and assigns) as additional insureds, (ii) contain a cross-liability provision, and (iii) contain a provision that the insurance provided by Developer hereunder shall be primary and noncontributing with any other insurance available to such City. Developer shall provide City with evidence of such insurance coverage for City's review and approval prior to any entry or inspection of the Project Site. Developer shall indemnify and hold City and its respective affiliates, partners, trustees, shareholders, members, controlling persons, directors, officers, attorneys, employees and agents of each of them, and their respective heirs, successors, personal representatives and assigns, harmless from and against any and all suits, actions, proceedings, investigations, demands, claims, liabilities, fines, penalties, liens, judgments, losses, injuries, damages, expenses or costs whatsoever, including, without limitation, attorneys' and expert' fees and costs, costs of investigation and remediation costs arising out of or relating to any entry on the Project Site by Developer or any of its Representatives and/or the Inspection Work, except to the extent arising out of an existing condition of or on the Project Site or caused by the City or any person or party acting at the request, or on behalf, of the City. Notwithstanding any provision in this agreement to the contrary, except as may be required by law, neither Developer nor any of its Representatives shall contact any governmental official or representative regarding any hazardous or toxic materials on or the environmental condition of the Project Site, without City's prior written consent thereto, which consent may be withheld in City's sole discretion.
3. Notwithstanding anything to the contrary contained in this Agreement, City shall have the right to terminate Developer's access to the Project Site at any time upon the termination of the MOU between the parties regarding the Project Site.

IN WITNESS WHEREOF, the parties have hereunto set their hands.

CITY OF CLEVELAND HEIGHTS, OHIO

START RIGHT CDC

By: _____

Name: _____

Title: _____

Date: _____, 2021

By: _____

Name: _____

Title: _____

Date: _____, 2021

The legal form and correctness of this
instrument is approved:

By: _____

Name: _____

Title: _____

Date: _____, 2021 _____

EXHIBIT H

PLAN FOR COMMUNICATION AND COORDINATION BETWEEN DEVELOPER AND THE CITY

The plan for communication and coordination between Developer and the City during the pre-construction planning period and the construction period for the Project shall be as follows:

I. Pre-Construction Planning Period:

All press releases, briefings, council updates, public briefings or information sessions shall be coordinated between the two parties and are subject to the approval of the City.

Community Meetings intended to update the community, answer questions and receive input from residents on the project will be held periodically throughout this period. Community engagement is a key element for a successful development project and input from citizens will be a vital ingredient in the final development agreement for this project. Anyone interested in this important project is encouraged to attend these community meetings.

A meeting representing the Closing shall be held at such time as deemed acceptable so as to enable Developer to commence all construction activities.

At least one (1) pre-construction meeting will be held between the parties to this agreement, general contractor and subcontractor and all other parties as determined by the City. The purpose of this meeting is to exchange contact information and discuss all pertinent construction related issues in prepare for commencement of the building of the project improvements. A complaint resolution process shall also be negotiated and agreed to by the parties at this meeting.

II. Construction Period:

All press releases, briefings, council updates, public briefings or information sessions shall be coordinated between the two parties and are subject to the approval of the City.

A Ground-Breaking Ceremony shall be held at the project site prior to commencement of construction. The City shall issue invitations to this event and coordinate all media coverage as deemed necessary.

A schedule for periodic Construction Progress meetings shall be agreed to at the pre-construction meeting for the project. Notes will be taken at these meetings and distributed to all parties within a reasonable time after the progress meeting is held.

**THE CITY SHALL HAVE THE RIGHT TO INSPECT THE PROJECT AT ALL
REASONABLE TIMES DURING CONSTRUCTION, AFTER WRITTEN NOTICE
TO DEVELOPER, AND FOLLOWING ALL OTHER REQUIREMENTS STATED IN
THIS AGREEMENT. THE FOREGOING SHALL NOT BE DEEMED AS LIMITING
IN ANY WAY THE RIGHTS OF THE CITY'S BUILDING INSPECTORS TO**

CONDUCT INSPECTIONS FROM TIME TO TIME AND WITHOUT PRIOR NOTICE, IN ACCORDANCE WITH NORMAL CITY INSPECTION PROCEDURES.

EXHIBIT I

STREET TREE PLANTING PLAN

After consulting with the City's Forestry Division, Developer shall prepare and submit a Street Tree Planting Plan (the "Plan") for approval by the City. This plan will, at a minimum, identify types of trees (species), designate locations where trees are to be planted or replaced, and define the size (caliper) of trees to be planted. Trees will be planted or replaced on tree lawns within the City Right-of-Way along streets on which lots listed on Exhibit A are located.

(a) At its sole expense, City shall plant or remove trees in such a manner as set forth in the Plan and at the earliest reasonable opportunity after acceptance of that Plan by the City.

(b) The choice and location of trees and the timing of any planting ultimately shall be as determined by the City based upon recommendations of the City Forester, but only after consultation between the City Forester and the Developer. Trees may be located at or near any locations on the same street as those lots listed on Exhibit A.

(c) The objective of the Plan shall be to create a coordinated visual effect consistent with the types of housing nearby, and with the purpose of assuring the growth of large mature trees within a reasonable period of time.

Proposed: 10/04/2021

RESOLUTION NO. 132-2021 (CRR), *First Reading*

By Council Member

A Resolution joining communities throughout the nation in proclaiming October 2021 National Breast Cancer Awareness Month; October 13, 2021, Metastatic Breast Cancer Awareness Day; and October 22, 2021, National Mammography Day; and declaring an emergency.

WHEREAS, the American Cancer Society estimates that in 2021 about 281,550 cases of invasive breast cancer will be diagnosed in women and 2,650 cases in men, and that about 43,600 women and 530 men will die from the disease; and

WHEREAS, early detection and prompt treatment can significantly reduce suffering and deaths caused by this disease; and

WHEREAS, mammography is recognized as the single most effective method of detecting breast changes that may be cancerous long before physical symptoms can be seen or felt; and

WHEREAS, metastatic breast cancer refers to a condition in which stage IV breast cancer cells travel from the breast, either through the bloodstream or the lymphatic system, to other parts of the body, including the bones, liver, lungs, or brain, and continue to grow in their new location; and

WHEREAS, nearly 30 percent of women diagnosed with early stage breast cancer will develop stage IV advanced or metastatic cancer; and

WHEREAS, in 1997 the United States Conference of Mayors launched a Mayors' Campaign Against Breast Cancer, joining in the promotion of Breast Cancer Awareness Month and National Mammography Day; and

WHEREAS, in 2009 the United States Senate and House of Representatives passed Resolutions to designate the first National Metastatic Breast Cancer Awareness Day.

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

SECTION 1. This Council hereby proclaims October 2021, National Breast Cancer Awareness Month; October 13, 2021, Metastatic Breast Cancer Awareness Day; and October 22, 2021, National Mammography Day; and urges women and men in the community of all ages to learn about screening and mammography and to seek appropriate services.

RESOLUTION NO. 132-2021, *First Reading*

SECTION 2. Notice of the passage of this Resolution 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.

SECTION 3. This Resolution is hereby declared to be an emergency measure immediately 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 to recognize national breast cancer awareness month on a timely basis. Wherefore, provided it receives the affirmative vote of five (5) or more of the members elected or appointed to this Council, this Resolution shall take 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.

JASON S. STEIN
President of the Council

AMY HIMMELEIN
Clerk of Council

PASSED:

Proposed: 10/04/2021

RESOLUTION NO. 133-2021 (CRR), *First Reading*

By Council Member

A Resolution proclaiming October 2021 as Domestic Violence Awareness Month; and declaring an emergency.

WHEREAS, one in four women and a smaller, although significant, number of men will experience domestic violence in their lifetime; and

WHEREAS, children who witness domestic violence are much more likely to abuse their future partners or children; and

WHEREAS, domestic violence can happen to anyone regardless of gender, income, ethnicity, race, religion, age, or sexual orientation and/or identity; and

WHEREAS, locally, the Domestic Violence & Child Advocacy Center has provided services to victims of domestic violence for forty years; and

WHEREAS, the mission of the Domestic Violence & Child Advocacy Center is to empower individuals, promote justice, and mobilize the community so that all persons are free from violence and abuse in their homes; and

WHEREAS, the City of Cleveland Heights has been in the forefront of the fight against domestic violence, with its Police Department and Prosecutor being routinely commended for their aggressive, but fair, enforcement of domestic violence laws.

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

SECTION 1. This Council hereby proclaims October 2021 as Domestic Violence Awareness Month and urges all of its residents to educate themselves on the issues and to encourage and support victims of domestic violence and child abuse.

SECTION 2. Notice of the passage of this Resolution shall be given by publishing the title and abstract of its content, prepared by the Director of Law, once in one newspaper of general circulation in the City of Cleveland Heights.

SECTION 3. This Resolution is hereby declared to be an emergency measure immediately 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 to recognize Domestic Violence Awareness Month on a timely basis. Wherefore, provided it receives the affirmative vote of five

RESOLUTION NO. 133-2021, *First Reading*

(5) or more of the members elected or appointed to this Council, this Resolution shall take 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.

JASON S. STEIN
President of the Council

AMY HIMMELEIN
Clerk of Council

PASSED:



CLEVELAND HEIGHTS

Wednesday, August 25, 2021 Minutes

SPECIAL CITY COUNCIL MEETING

6:15 – 6:23 p.m.

President Stein presiding

Roll Call: Present: Cobb, Hart, Russell, Stein, Seren, Ungar

Staff present: Hanna, Niermann O'Neil

ADMINISTRATIVE SERVICES COMMITTEE

***MOTION** to amend agenda to accept substitute legislation Ordinance No. 115-2021 as the official version of the legislation before council.

Moved by Vice President Seren, Seconded by President Stein

Roll Call: Ayes: Seren, Hart, Russell, Stein, Ungar, Cobb

Motion Passed

ORDINANCE NO. 115-2021 (AS). An Ordinance to submit to the Electors of the City of Cleveland Heights an election to fill a vacancy on City Council for an unexpired term ending December 31, 2023, and declaring an emergency.

Introduced by Vice President Seren, Seconded by President Stein

Roll Call: Ayes: Hart, Russell, Stein, Ungar, Cobb, Seren

Nays: None

Legislation Passed

Vice President Seren explained that there is a vacancy on Council and the timing of this vacancy created some confusion as to the method this vacancy would be filled. After thorough research and discussion, the Law Department concluded that the appropriate way to fill this vacancy would be to hold a special election. This legislation calls for a special election to be held at the same time as the regular municipal election on November 2, 2021 providing for a period of time for candidates to collect petition signatures in order to get on the ballot. Fifty signatures were needed to get on the ballot

and the timeline for collecting these signatures will be now until September 7th and 4pm when they will need to be submitted to the Board of Elections.

Law Director William Hanna said the situation that Vice President Seren described was complicated by the conflict in the language in Article III-4 of the Charter, which states the council vacancy filling process, and Article VII-3, which sets out a number of criteria for regular municipal elections, including petition filing deadlines which have already passed for this regular municipal election coming up in November. In order to fulfill the City's duty to cause a replacement council person to be elected in November, or to provide that opportunity, this legislation is required. Since there were not any petition filing deadlines in our Charter that would work for this situation, we utilized the City's Home Rule authority in order to provide as much time as possible for candidates to obtain the required signatures and submit their petitions. September 7th at 4:00 pm is the latest date/time that the Board of Elections can accept petitions.

Because Section 3 of Article VII is applicable to regular municipal elections with four-year terms, it does not apply to this situation. For the same reason, the signature requirements are modified by looking to State law to fill in a silent area of our Charter. Per O.R.C. 3513.251, for a municipal corporation having a population of five thousand or more, fifty signatures are required for a municipal officer election. This is referenced in Section 3 of the Ordinance. We were able to incorporate some of the requirements found in Article VII-3 such as not being signed by an elector prior to the date upon which the ordinance is adopted and effective, no elector shall sign nominating petitions for more than one candidate, and if the nominating petition appears on its face to contain signatures aggregating a number more than three times the minimum aggregate of fifty, it won't be accepted. Also, no write-ins will be accepted because of State laws. The only additional change in terms of the form of legislation from the Resolution to the Ordinance is some additional direction to the Clerk of Council to cause publicity for this election, which is now being sent to the Board and to the Electors through the City's website, social media, etc. to make sure the word is out there.

President Stein thanked Garry Kanter for his email to council.

NEXT MEETING OF COUNCIL: MONDAY, AUGUST 30, 2021

Respectfully submitted,

Jason S. Stein
President of Council

Amy Himmlein
Clerk of Council



CLEVELAND HEIGHTS

Monday, August 30, 2021 Minutes

SPECIAL CITY COUNCIL MEETING

9:15 – 10:30 p.m.

President Stein presiding

Roll Call: Present: Cobb, Hart, Russell, Seren, Stein, Ungar

Staff present: Hanna, Himmelein

Personal communications from citizens

Diane Hallum thanked Vice President Seren and Council Member Hart for nominating her for the Citizens Advisory Board. She went on to say that it has been a curse in some ways because she now sees more of what is going on in the City and it is really disturbing. Ms. Hallum said that a City staffer from Economic Development told her that Noble Road is too far gone to merit any investments from the CDBG Program. However, this staff member is in support of the Noble Corridor Plan but that has nothing to do with Noble Road itself because the plan is to get \$356,280.00 to redo Mayfield Road from Warrensville to Noble on Mayfield Road. Ms. Hallum stated that this area was redone back in 1996 and it got new sidewalks, trees, cutouts, and concrete benches. Nothing like this has been done along Noble Road before, during, or after 1996. When she asked why, she was told Noble Road is too far gone to have the City spend that kind of money on any part of Noble Road. Ms. Hallum is also upset that Future Heights was given full control over the Noble Corridor Plan. She does not believe that anyone inside the organization has the expertise to be doing this work and she feels their plan has been forced upon the City. The only part of their plan that involves Noble Road is to add bicycle lanes. Ms. Hallum does not feel like these bike lanes are needed nor will they be utilized by most of the residents. She went on to say that there is a steep hill and most people would not be able to bicycle up such a hill. Ms. Hallum went on to say that Future Heights mentions Noble Neighbors frequently in their CDBG fund applications. She said that Noble Neighbors is not representative of anyone that lives on her street and it is not a citizens group made up of Noble Road residents. She is tired of seeing the name used by Future Heights as a way to inflict their will and plans on the Noble neighborhood.

Fran Mentch informed Council and citizens of Cleveland Heights that People for the Park have launched an initiative to put on the ballot that the City of Cleveland Heights create a park on the 1.07 acres of City owned land on Lee Road between Meadowbrook and Tullamore. Their motto is “What is green, stays green.” She encouraged residents to vote on this initiative and stressed that parks are needed by all kinds of people. She

believes that the park would compliment the apartments the developers intend to build and would attract high income tenants. Ms. Mentch said they are going to have a meeting on Thursday, September 9 from 7:00-8:30 pm at the Heights main library. Trust for Public Land was invited to attend and they hope to have a lot of engagement. They plan to discuss how this park will improve the community and how it will interact with the proposed development. For more information or to help gather signatures, please call 216-381-5356 or send an email to Cedarleepark@yahoo.com.

Christine Heggie verified that Council would be voting on the Northeast Ohio Regional Sewer District's recommendation in one month. She feels that transparency has been an issue when it comes to the sewer district and this project. They had over two years to go through this assessment and make a determination and suddenly it has become an urgent matter that needs to be fixed immediately. She does not believe that most Cleveland Heights and Shaker Heights citizens are aware of the situation. Ms. Heggie was not aware until she happened to see it on Nextdoor. She is frustrated that the sewer district claims to be transparent, yet for two years, they failed to mention any of this. They had two years to do a ten-million-dollar project on assessment. She believes communication was poor and it's unfair that the citizens now have to rally to get their voices heard. She believes the City should obtain a second, independent assessment and that the sewer district shouldn't be involved in the second opinion process. She does not want the City to consult with them about who should be used.

President Stein informed Ms. Heggie that the City is not going to do that.

Christine Heggie thanked President Stein and continued with her comments regarding the assessment. She believes it should be an unbiased assessment and should not be influenced by the opinion of the sewer district. She feels that we only have one perspective and that is the sewer district's perspective. She mentioned members of the Cleveland Heights Historical Society who prepared a YouTube video discussing the historical perspective and how it relates to the community. She encouraged residents to watch the video. Ms. Heggie asked about the focus on Horseshoe Lake instead of the Lower Lake or Green Lake since they've said Horseshoe minimally affects downstream flooding. She also wondered how they came up with the twenty-million-dollar estimate. She believes we need an independent assessment so we can confirm the costs, make sure that there isn't a way to reduce those costs, and to ensure the plan is rational and fair. She doesn't understand why the lake is so bad and why creeks and brooks would be preferable to having a lake. Ms. Heggie went on to say that the lake provides recreation, an energy source, a place for migratory birds, and is a home for local wildlife. She also asked about unanticipated consequences of their plan regarding the water table and water levels. Residential flooding could be an issue down the road. Ms. Heggie concluded by cautioning against rushing this project and stressing that the residents need to be better informed.

Leon Friedson wanted to make a follow up comment and said a lot of things Christine Heggie said tonight resonated with him. Additionally, he feels that the public is being somewhat bombarded by comments that are often stated as fact and we are not always certain what are the facts. He said Ms. Heggie referred to the fact that it doesn't seem

like Horseshoe Lake was doing harm yet they received a document tonight that does refer to harm related to Horseshoe Lake. Mr. Friedson said he said he is not challenging it but there are opposing comments that are being presented and it is difficult to determine what is true and what is not. He said he is not saying he distrusts the Northeast Ohio Regional Sewer District but he does have questions regarding the financial component. Mr. Friedson said the sewer district made it very clear that if it doesn't contribute to flood control, they will not fund it. He suggested taking thirty days to accomplish what is possible within that time frame. It may not be complete but at least we would have a timeline the City can live with. He stressed that it was important for the City to work with our sister city Shaker Heights and the Sewer District.

Tony Cuda said he walked Shaker Lakes with Christine, Corby, Kathy Flora, and Penny Allen and there is so much to learn. He really appreciated it. He wanted to comment on the Charter Amendment for the Council vacancies. He believes the City is headed in the right direction but the City doesn't often do things with a process in place and a timeline. This is also missing in the Charter Amendment process. Mr. Cuda thinks the thirty days is too short and he doesn't agree with Council having one personnel decision they make and turn it over to the Executive Branch if they aren't able to come to a consensus. Checks and balances are extremely important in government. Mr. Cuda agrees that the general election and the 120 days makes sense to him but the ballot language appears to be incomplete and nebulous. If the current Charter Amendment is still in place the next time there is a Council vacancy, the Council should sit down and come up with a process and a timeline. Then they should send out applications and interview people. They should put their political careers and integrity on the line. He concluded by saying this is one person's opinion and thanked Council for listening.

Report of the City Manager

Nothing to report at this time.

Report of the Clerk of Council

Nothing to report at this time.

PUBLIC SAFETY AND HEALTH COMMITTEE

***MOTION** to reconsider Resolution No. 116-2021

Moved by President Stein, Seconded by Vice President Seren

Roll Call: Ayes: Ungar, Cobb, Hart, Russell, Seren, Stein
 Nays: None

Motion Passed

RESOLUTION NO. 116-2021 (PSH), *First Reading*. A Resolution authorizing the City Manager to enter into an agreement with All City Management Services, Inc. for crossing guard services; providing compensation therefor; and declaring an emergency

Introduced by Council Member Cobb, Seconded by Council Member Hart

Roll Call: Ayes: Ungar, Cobb, Hart, Russell, Seren, Stein
 Nays: None

Legislation Passed

Initially, when Council Member Cobb introduced Ordinance No. 116-2021, there was some confusion as to why it was a first reading and yet the emergency language was used. President Stein explained that emergency just means that the legislation will be effective immediately if there are five or more votes when it's voted on. No one seconded and President Stein moved on the Administrative Services Committee.

After the Community Relations and Recreation Committee finished their report, Law Director Hanna informed Council that the administration has begun indicating the first reading for every Ordinance regardless of whether it's anticipated to be adopted on first reading or at a later date. The idea was that this would make it easier to go back and track the history of a piece of legislation. When there is an emergency piece of legislation, the two-reading rule does not apply so they can adopt an emergency piece of legislation on first reading. He then suggested that the Council reconsider discussion of Resolution No. 116-2021. The school year starting makes it a true emergency, which means it would take immediate effect.

ADMINISTRATIVE SERVICES COMMITTEE

***MOTION** to amend Ordinance No. 53-2021 to provide for a 45-day timeline for Council to approve an appointment for a vacancy.

Moved by Council Member Hart, Seconded by Vice President Seren

Roll Call: Ayes: Hart, Russell, Seren, Stein, Ungar, Cobb
 Nays: None

Motion Passed

ORDINANCE NO. 53-2021 (AS), *Second Reading*. An Ordinance providing for the submission to the electors of the City of Cleveland Heights of proposed amendments to the Charter of the City of Cleveland Heights for placement on the November 2, 2021 ballot; and declaring an emergency.

Introduced by Vice President Seren, Seconded by Council Member Russell

Roll Call: Ayes: Russell, Seren, Stein, Cobb, Hart
 Nays: Ungar

Legislation Passed

Vice President Seren introduced Ordinance No. 53-2021 and went on to explain the legislation to provide context for the people watching the meeting. This legislation is intended to place before the voters a choice about whether or not to amend the City Charter, to provide for a more time delineated process for the filling of vacancies on this Council. Vice President Seren discussed the legislation and delineated process as enumerated therein.

Vice President Seren stated that there could potentially be some more discussion about that 30-day requirement for Council to approve an appointment of a vacancy and that he is open to the possibility of amendment before passage. However, he suggested they pass the legislation at this meeting unless Council want to hold another special meeting before the deadline of getting something on the ballot.

Council Member Hart wanted to amend the legislation for 60 days instead of 30 because she felt it would be more doable considering the interview process and scheduling around people's schedules. President Stein pointed out that Council has spent a lot of time discussing this topic and the number has changed several times. They had decided on 30 based on practices in other cities and criticism from the public that Council doesn't move fast enough. Council Member Hart said if the timeline was 30 days, Council would need to change their application and interview process because there would not be enough time. President Stein believed that they could tweak their process to make the 30-day timeline work. Council Person Ungar respectfully disagreed and believes they might be sacrificing quality for speed and that 60 days should be the minimum. Vice President Seren suggested a compromise of 45 days. Council Member Cobb and Council Member Russell agreed with the 45-day compromise but they both believe 30 days could be doable.

There was a brief discussion regarding the signature requirements and Mr. Lawler explained that the Board of Elections requested that language be put into the legislation in order to facilitate clear management of the election process in the petitions. Vice President Seren expressed that his preference is not to have this appointment be made by a single individual, whether it be the Council President or a Mayor.

Council Member Ungar informed Council that he would be voting no, as he had previously indicated. He found Mr. Cuda's comments about checks and balances in government to be thought provoking. He encouraged other Council members to vote no, take it slow, think about it, and get the input of people like Mr. Cuda, Mr. Friedson, and other members of the community.

Council Member Russell said that she truly believes in the democracy of the people and them choosing their own elected officials. She does not agree with the Mayor appointing someone to fill a Council vacancy and would prefer the Council President be the person choosing the person if the group could not. However, she will support this Charter Amendment because she believes they need to try something different from what has been done before.

COMMUNITY RELATIONS AND RECREATION COMMITTEE

***MOTION** to add Ordinance No. 92-2021 to the Agenda.

Moved by Vice President Seren, Seconded by Council Member Hart

Roll Call: Ayes: Seren, Stein, Ungar, Cobb, Hart, Russell
 Nays: None

Motion Passed

ORDINANCE NO. 117-2021 (CRR), First Reading. An Ordinance repealing Chapter 141, “Recreation Advisory Board,” of Part One, Administrative Code, of the Codified Ordinances of the City of Cleveland Heights, and adopting a replacement Chapter 141, “Parks and Recreation Advisory Board”; and declaring an emergency

Introduced by Council Member Russell

Legislation Introduced

ORDINANCE NO. 92-2021 (CRR), Second Reading. An Ordinance authorizing all actions necessary, including the expenditure of funds, and declaring an emergency

Introduced by Council Member Russell, Seconded by Vice President Seren

Roll Call: Ayes: Stein, Cobb, Hart, Russell, Seren
 Nays: Ungar

Legislation Passed

Council Member Russell introduced Ordinance No. 117-2021 and explained that the Parks and Recreation Advisory Board used to be the Recreation Advisory Board. The new by-laws for the Parks and Recreation Advisory will be adopted once this legislation passes.

Council Member Russell was very pleased that Ordinance No. 92-2021 was added to the agenda for second reading. She is proud to support this legislation that will set aside five million dollars from the American Resource Plan Act. Two million for Noble Road, two million for Taylor Road, and one million to be distributed around the City for the businesses that have been affected by the pandemic once all the staff of Cleveland Heights have been made whole from the pandemic.

Council Member Ungar explained that he would be voting no on this because while he does agree with the goals, he doesn't think five million dollars should be set aside without any specifics. Additionally, he would vote for more money but thinks it should come from staff, not from Council.

Vice President Seren explained that he would be voting yes because he views this as an opportunity where the City is receiving funding from the Federal Government and they

can ensure that this funding will be directed to target imbalances in investment and racial equity. This is an opportunity to draw a line and at least say the five million dollars is a starting point. This will guarantee that this money will not be spent elsewhere. He thanked Council Member Russell for bringing this legislation forward.

Council Member Hart and Council Member Cobb were both supportive of the legislation and believe it is important to invest in these areas. President Stein thanked Council Member Russell for putting forth this legislation and being a champion for the Noble Taylor areas and for the areas of the City that have been neglected for so long. Council Member Russell thanked everyone and said it has been a mission of hers to represent all of Cleveland Heights and to turn attention to the distressed areas of the community.

Council Member Russell mentioned that they have two applications for the Parks and Recreation Advisory Board and will provide them to Vice President Seren so two new members can be appointed.

FINANCE COMMITTEE

ORDINANCE NO. 114-2021 (F), Second Reading. An Ordinance providing for the issuance and sale of bonds in the maximum principal amount of \$1,725,000 for the purpose of refunding for debt charges savings certain of the City's outstanding Severance Ring Road Improvement Refunding Bonds, Series 2014, dated July 2, 2014

Introduced by Council Member Hart, Seconded by Council Member Russell

Roll Call: Ayes: Cobb, Hart, Russell, Seren, Stein, Ungar
 Nays: None

Legislation Passed

MUNICIPAL SERVICES COMMITTEE

Council Member Russell did not have anything to report. She did want to let everyone know that there will be a Municipal Services Committee meeting on Thursday, September, 9th at 6:30 pm. This meeting will be regarding the Noble area as far as City services being on prime real estate that could help rebuild the Noble area and the dump.

PLANNING AND DEVELOPMENT COMMITTEE

***MOTION** to authorize and direct the administration to solicit proposals to evaluate the Northeastern Ohio Regional Sewer District's recommendations regarding Horseshoe Lake and to proceed with engaging a consultant for that work.

Moved by Council Member Ungar, Seconded by Council Member Hart

Roll Call: Ayes: Hart, Russell, Stein, Ungar, Cobb
Nays: Seren

Motion Passed

RESOLUTION NO. 118-2021 (PD), *First Reading*. A Resolution authorizing the City Manager to enter into an amendment to the Memorandum of Understanding with F&C Development, Inc. concerning the “Cedar-Lee Meadowbrook” development; and declaring an emergency

Introduced by Council Member Ungar, Seconded by Council Member Hart

Roll Call: Ayes: Russell, Stein, Ungar, Cobb, Seren, Hart
Nays:

Legislation Passed

***MOTION** to amend Resolution No. 119-2021 to include a 30-day timeline instead of 60 days.

Moved by Council Member Hart, Seconded by Council Member Cobb

Roll Call: Ayes: Seren, Stein, Cobb, Hart, Russell
Nays: Ungar

Motion Passed

RESOLUTION NO. 119-2021 (PD), *First Reading*. A Resolution authorizing the City Manager to enter into an amendment to the Memorandum of Understanding with the Start Right Community Development Corporation, for the redevelopment of vacant residential lots owned or controlled by the City with new single-family homes; and declaring an emergency

Introduced by Council Member Ungar, Seconded by Council Member Hart

Roll Call: Ayes: Stein, Ungar, Cobb, Hart, Russell, Seren
Nays: None

Legislation Passed

Council Member Ungar reminded everyone that there will be a Planning and Development Committee Meeting this upcoming Wednesday at 6:00 pm. They will be discussing the urban design and public open house on the Cedar Lee Meadowbrook Development Project. Council Member Russell encouraged everyone to attend the very first Cain Park festival on September 4th.

Consent Agenda

Motion to suspend rules by Council Member Hart, Seconded by Vice President Seren

Roll Call: Ayes: Ungar, Cobb, Hart, Russell, Seren, Stein

Nays: None

Motion Passed

RESOLUTION NO. 120-2021 (MS), *First Reading*. A Resolution proclaiming September 2021, National Preparedness Month; and declaring an emergency

RESOLUTION NO. 121-2021 (CRR), *First Reading*. A Resolution joining communities throughout the nation in proclaiming September 2021, Prostate Cancer Awareness Month; and declaring an emergency

RESOLUTION NO. 122-2021 (CRR), *First Reading*. A Resolution proclaiming September 10 – 19, 2021, Welcoming Week; and declaring an emergency

Motion to adopt by Council Member Russell, Seconded by Council Member Hart

Roll Call: Ayes: Cobb, Hart, Russell, Seren, Stein, Ungar

Nays: None

Legislation Passed

NEXT MEETING OF COUNCIL: MONDAY, SEPTEMBER 13, 2021

Respectfully submitted,

Jason S. Stein
President of Council

Amy Himmlein
Clerk of Council