

**RESOLUTION NO.
2017- _____**

Title: A RESOLUTION APPROVING A REAL PROPERTY TAX EXEMPTION UNDER REVISED CODE SECTION 5709.41 IN CONNECTION WITH THE DEVELOPMENT OF CERTAIN PROPERTY IN THE CITY OF CLEVELAND AND AUTHORIZING A COMPENSATION AGREEMENT WITH THE CITY, GATEWAY HURON LLC, AND RELATED MATTERS.

WHEREAS, the City of Cleveland has provided information with respect to a proposed residential and commercial development by Gateway Huron LLC (“Gateway Huron”) or affiliated entities located between Prospect Avenue, Huron Road, East 4th Street, and the East 6th Street pedestrian walkway involving the real estate parcels in Exhibit A (collectively, the “Development”) and related public streets, parking facilities, public utilities and other improvements, and with respect to a proposed real property tax exemption for the real property improvements to be made as part of the Development to enable the City to carry out tax increment financing proceedings under Ohio Revised Code Section 5709.41;

WHEREAS, the City of Cleveland and Gateway Huron have informed the Board that the Development known as NuCLEus comprises (i) approximately 100,000 square feet of retail/restaurant space on both street level and a second level; (ii) approximately 200,000 square feet of office space; (iii) at least 400 residential units (both for sale and for lease are anticipated); (iv) at least 1,800 structured parking spaces serving not only nuCLEus, but the surrounding area as well; and (v) a hotel of at least 110 rooms;

WHEREAS, the School Board is currently receiving approximately \$360,000 of real estate tax revenue;

WHEREAS, the Mayor of the City of Cleveland supports the Development to benefit the City of Cleveland and the Board of Education of the Cleveland Municipal School District;

WHEREAS, the Development and those improvements will be a significant benefit to the entire community and increase revenue to the School Board;

WHEREAS, the City proposes to pass an ordinance that will exempt for thirty (30) years 100% of the real estate taxes resulting from the increase in the assessed value of the Development;

WHEREAS, R.C. 5709.41 permits the City to exempt the taxes associated with the increase in value of the Development in excess of 75% of the increase in value for periods in excess of ten (10) years if approved by the affected school district, which approval may contain conditions under which the board of education of such school district would approve the exemption;

WHEREAS, under Ohio law approval of the Board is necessary for an exemption of new improvements at the site of the Development for a period exceeding ten (10) years and/or 75% of the taxable value of the new improvements;

WHEREAS, pursuant to R.C. 5709.41 through 5709.43 and 5709.82, the City and Gateway Huron LLC may negotiate with the Board to compensate the School District for a portion of the taxes that it would have received with respect to the Development but for the exemption to be provided in a proposed ordinance;

WHEREAS, R.C. 5709.41 and 5709.83 require that the City give notice of its proposed action with respect to the Development to a school district affected by the proposed exemption not less than 45 business days, or 14 days, respectively, prior to approving the exemption, unless the board of education has adopted a resolution waiving its right to receive the notice; and

WHEREAS, the City provided notice to the Board on August 2, 2017, before City Council would take action on the proposed tax increment financing.

NOW THEREFORE, BE IT RESOLVED by the Board of Education of the Cleveland Municipal School District, County of Cuyahoga, State of Ohio, that:

Section 1. This Board hereby approves the 100% real property tax exemption for up to 30 years to be authorized by the Cleveland City Council by an ordinance to be passed pursuant to R.C. 5709.41, authorizing a real property tax exemption for the parcels identified on Exhibit A hereto with respect to the real property improvements to be made as part of the Development.

Section 2. This Board hereby waives all notice requirements under R.C. Sections 5709.41 and 5709.83 or any other law with respect to the aforesaid real property tax exemption and the Tax Increment Financing Ordinances.

Section 3. This Board authorizes the Chief Executive Officer or his designee to certify its resolution to the legislative authority.

Section 4. This Board hereby authorizes the Chief Executive Officer, Board Chair, and Chief Financial and Administrative Officer to sign the Compensation Agreement on behalf of this Board with the City and any other appropriate party (the "Agreement"), attached as Exhibit B.

Section 5. This Board authorizes and directs the Chief Executive Officer or his designees to provide such information or certificates, and enter into such instruments from time to time as are necessary and appropriate to carry out this Resolution.

Section 6. This Board finds and determines that all formal actions of this Board concerning and relating to the deliberation and adoption of this Resolution were made in compliance with Ohio law.

Section 7. This resolution shall be in full force and effect from and immediately upon its adoption.

By: _____
Eric S. Gordon
Chief Executive Officer

By: _____
Anne E. Bingham
Board of Education Chair

Derek Richey
Chief Financial and Administrative Officer

CHIEF FINANCIAL OFFICER'S CERTIFICATION

The above is a true and correct extract from the minutes of the regular meeting of the Board of Education of Cleveland Municipal School District, Ohio, held on _____, 2017, and recorded in the official records of the School District.

Dated: _____, 2017

Derek Richey, Chief Financial and
Administrative Officer

Exhibit A

The Property is the approximately 2.8436 ± acres of real estate situated in the City of Cleveland, Cuyahoga County, Ohio shown on the attached depiction and comprised of the following parcel numbers:

101-28-007
101-29-001
101-29-010
101-29-011
101-29-012
101-29-045
101-28-008
101-28-009
101-28-010
101-28-011
101-28-012
101-28-013
101-28-014
101-28-015
101-28-016
101-28-029
101-28-030
101-28-031
101-28-033
101-28-034
101-28-035
101-28-032
101-29-002