Proposed: 1/5/2015

ORDINANCE NO. 1-2015 (PD)

By Council Member

An Ordinance authorizing the City Manager to enter into an agreement with GMG Cleveland, LLC, issuing a loan of approximately $470,537 to assist with its acquisition from the City of the commercial property located at 2930 and 3008 Monticello Boulevard; and declaring an emergency.

WHEREAS, Council determined in 2012 that renovation of the commercial property located at 2930 and 3008 Monticello Boulevard (the "Old Medusa Property") would eliminate a blighted condition in the neighborhood; and

WHERAS, in light of that determination, Council authorized a loan to Medusa Holdings, LLC, for five hundred thousand dollars ($500,000) under the City's Commercial Revolving Loan Fund Program to renovate the Old Medusa Property pursuant to the terms and conditions set forth in Resolution No. 98-2012 and subsequently amended by Resolution No. 113-2012 (the "Original Loan"); and

WHEREAS, Medusa Holdings, LLC, has been unable to meet all of the substantive terms and conditions set forth in the Original Loan; and

WHEREAS, subject to the retransfer of the Old Medusa Property to the City and termination of the loan with Medusa Holding, LLC, GMG Cleveland, LLC, has negotiated an agreement with the City wherein GMG Cleveland, LLC, shall purchase the Old Medusa Property from the City for the sum of approximately Four Hundred and Seventy Thousand Five Hundred Thirty-Seven Dollars ($470,537), which amount the City shall loan to GMG Cleveland, LLC, under certain terms and conditions; and

WHEREAS, the City must approve of any transfer of title, debts, or obligations relating the purchase of the Old Medusa Property; and

WHEREAS, GMG Cleveland, LLC, has promised to create or retain on its own behalf, or through its tenants, fifteen (15) full-time equivalent permanent jobs with a minimum of eight (8) of those jobs to be held by low-to-moderate income persons within one (1) year of the closing of the loan authorized herein; and

WHEREAS, this Council has determined that the continued renovation of the Old Medusa Property and the job creation and/or job retention by proposed by GMG Cleveland, LLC, is in the best interests of the City and its residents.

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

ORDINANCE NO.

SECTION 1. The City Manager is hereby authorized to enter into an agreement with GMG Cleveland, LLC, to transfer the commercial property located at 2930 and 3008 Monticello Boulevard (the "Old Medusa Property") and to execute a loan and all necessary documents to issue a loan to assist in the purchase of the Old Medusa Property, subject to the submission of all requested documentation. The loan shall be in the approximate sum of Four Hundred and Seventy Thousand Five Hundred Thirty-Seven Dollars ($470,537), which shall bear a fixed interest rate of two and a half percent (2.5%) and shall be for the term of ten (10) years. The loan shall be secured by a Mortgage on the Old Medusa Property, a Promissory Note, and a Corporate Guarantee. In exchange, GMG Cleveland, LLC, shall create or retain on its own behalf, or through its tenants, fifteen (15) full-time equivalent permanent jobs with a minimum of eight (8) of those jobs to be held by low-to-moderate income persons within one (1) year of the closing of the loan. The loan shall contain such other terms as recommended by the City Manager and Director of Law and shall be approved as to form by the Director of Law.

SECTION 2. The City Manager further is authorized to terminate the loan to Medusa Holdings, LLC, which was established pursuant to the terms and conditions set forth in Resolution No. 98-2012 and subsequently amended by Resolution No. 113-2012.

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

SECTION 4. This Ordinance 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 meet federal requirements concerning job creation or retention. 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.

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DENNIS R. WILCOX, Mayor
President of the Council

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TOM RAGUZ
Clerk of Council

PASSED: