

BEREA CITY COUNCIL

City of Berea, Ohio

ORDINANCE NO. 2024-22

By: Councilwoman Mary K. Brown Sponsor: Mayor Cyril M. Kleem

AN ORDINANCE

APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE A PASS-THROUGH SALE PURCHASE AND DEVELOPMENT AGREEMENT BETWEEN THE CUYAHOGA COUNTY LAND REUTILIZATION AUTHORITY AND THE CITY OF BEREA FOR THE TRANSFER OF A PROPERTY LOCATED AT 293 WALLACE DRIVE, PERMANENT PARCEL NUMBER 363-33-072, TO THE CITY OF BEREA, AND DECLARING AN EMERGENCY.

WHEREAS, the property located at 293 Wallace Drive, Permanent Parcel Number 363-33-072, ("the Property") is approximately .185 acres and includes a single-family home that is approximately 2,267 square feet; and

WHEREAS, due to unpaid property taxes the Property was unsuccessfully offered for sale at two separate Sheriff Sales; and

WHEREAS, the Property is to be sold at a State Forfeiture Sale in September; and

WHEREAS, prior to the State Forfeiture Sale, the Cuyahoga County Land Reutilization Authority ("CCLRC") has the ability to acquire properties from the State Forfeiture Sale list at little to no cost; and

WHEREAS, the CCLRC has agreed to acquire the Property and transfer it to the City of Berea for the cost of \$100.00 plus associated filing fees; and

WHEREAS, the CCLRC has also required that the City of Berea enter into a pass-through sale-purchase and development agreement which dictates the terms upon which the CCLRC will acquire the Property and transfer it to the City of Berea; and

WHEREAS, The City of Berea finds that this parcel of land can be useful to the city in the redevelopment of the area; and

WHEREAS, the CCLRC has offered to acquire and transfer the aforesaid parcel of property to the City of Berea pursuant to an agreement.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Berea, State of Ohio:

BEREA CITY COUNCIL

City of Berea, Ohio

ORDINANCE NO. 2024-22

SECTION 1. That the Pass-Through Sale Purchase and Development agreement, attached hereto as "Exhibit A", is hereby approved and that the Mayor be and he is hereby authorized and directed to execute the same on behalf of the City of Berea.

SECTION 2. That the Director of Finance be, and hereby is, authorized and directed to pay out such sum(s), and that the funds therefor are hereby appropriated from the Capital Improvement Fund, designated for accounting purposes as Fund No. 400.

SECTION 3. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal actions were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 4. That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety and welfare, or providing for the usual daily operation of a municipal department, and for the further reason that it is immediately necessary to acquire this parcel of land through this process in order to keep it from being sold pursuant to a public auction held by the Sheriff's Department. Therefore, provided this Ordinance receives the affirmative vote of two-thirds of all members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, from and after the earliest period allowed by law.

PASSED: May 6, 2024

ATTEST: [Signature]
Clerk of Council

APPROVED AS TO FORM:

[Signature]
Director of Law

[Signature]
President of Council

APPROVED: May 6, 2024
[Signature]
Mayor

PASS-THROUGH SALE-PURCHASE AND DEVELOPMENT AGREEMENT

This Pass-Through Sale-Purchase and Development Agreement (this "Agreement") is entered into on this _____ day of _____, 2024, by and between the **CITY OF BEREA** ("Buyer") and the **CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION** (the "CCLRC") under the following circumstances:

- A. Buyer is a municipality duly organized and existing under Ohio Law.
- B. The CCLRC is an Ohio nonprofit community improvement corporation, exempt from federal income taxation under Section 115(1) of the Internal Revenue Code, organized for the purposes of, among others, (i) facilitating the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed, or other real property within Cuyahoga County, Ohio (the "County") for whose benefit the corporation is organized; and (ii) efficiently hold and manage vacant, abandoned, or tax-foreclosed real property pending its reclamation, rehabilitation, and reutilization.
- C. Certain real property bearing the street address **293 Wallace Dr, Berea, Ohio, 44017** and being identified as **Permanent Parcel Number 363-33-072** in the real estate records of the County (hereinafter, the "Real Property") is tax delinquent and may be eligible to be transferred to the CCLRC in lieu of tax foreclosure, as a result of tax foreclosure or forfeiture, or may otherwise become available for acquisition by the CCLRC.
- D. Buyer has indicated its willingness to acquire the Real Property from CCLRC for the purpose of redevelopment if the CCLRC is willing and able to acquire the Real Property.
- E. In accordance with its statutory purposes of facilitating the reclamation, rehabilitation, and reutilization of real property within the County, the CCLRC is willing to acquire the Real Property and transfer it to Buyer on the terms, provisions and conditions set forth below.

NOW THEREFORE, Buyer and the CCLRC in consideration of the mutual promises made herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, hereby agree and promise as follows:

1. Buyer's Obligations. Buyer agrees as follows:
 - a. that Buyer shall accept title to the Real Property at closing and that closing shall occur within **thirty (30) days** from the CCLRC Acquisition Date. The "CCLRC Acquisition Date" shall mean the date the deed vesting title to the Real Property in the name of the CCLRC is recorded in the real estate records of the County and the "CCLRC Holding Period" shall mean the time period between the CCLRC Acquisition Date and closing. The CCLRC Holding Period may be extended by the CCLRC in its sole discretion after a written request for such extension by the Buyer;
 - b. to pay the CCLRC at closing the purchase price of One Hundred Dollars (\$100.00)("Purchase Price");
 - c. to pay one hundred percent (100%) of all closing and title insurance costs, if any;

- d. if Buyer requests and CCLRC agrees to extend the CCLRC Holding Period, Buyer shall reimburse the CCLRC for all CCLRC's holding costs in an amount not less than **One Hundred Dollars (\$100.00)** for every additional thirty (30) day period added to the CCLRC Holding Period (such "Holding Costs" shall not be subject to proration);
 - e. to unconditionally accept title to the Real Property from the CCLRC under any circumstances, and in furtherance thereof Buyer hereby irrevocably appoints CCLRC as its attorney-in-fact for filing, and authorizes CCLRC to file a quit claim deed transferring the Real Property from the CCLRC to Buyer ("CCLRC Deed") and to accept delivery of the CCLRC Deed on Buyer's behalf; and
 - f. in connection with this transaction, Buyer hereby covenants that it will cause the demolition, repair or rehabilitation of the structure(s) on the Real Property, if any, in accordance with all applicable federal, state or local laws, provided, however, that the consummation of the sale/ purchase and the transfer of the Real Property under this Agreement is not contingent upon such demolition, repair or rehabilitation.
2. Buyer's Representations and Covenants. Buyer hereby represents and covenants to the CCLRC that:
- a. it has full power and authority (i) to enter into and perform its obligations under this Agreement and (ii) to acquire the Real Property in accordance with this Agreement;
 - b. upon the recording of the CCLRC Deed, Buyer shall be responsible for all obligations relating to the Real Property, including, but not limited to, taxes and assessments that accrue from and after the date of the recording of the CCLRC Deed, property condition, environmental conditions and remediation, if any; and
 - c. the representations of Buyer set forth in the recital paragraph A above are true and correct as of the date hereof.
3. CCLRC's Obligations. If the CCLRC is able to acquire the Real Property, the CCLRC hereby agrees:
- a. to hold title to the Real Property for and through the CCLRC Holding Period;
 - b. to take such actions as are necessary to cause the Real Property to be exempt from real property taxation during the CCLRC Holding Period as may be permitted by law;
 - c. to permit the Buyer, or its agents, contractors or subcontractors, by way of a license or otherwise to enter into or upon the Real Property for due diligence purposes during the CCLRC Holding Period; and
 - d. at closing, to provide Buyer with a written statement of the Holding Costs that are due and payable to CCLRC, if any.
4. CCLRC's Representations. The CCLRC hereby represents to Buyer that:
- a. it is duly organized as a not for profit community improvement corporation, is validly existing and in good standing under the laws of the State of Ohio;
 - b. it has full power and authority to enter into and perform this Agreement to acquire the Real Property under the terms hereof and to dispose of such Real Property in accordance with this Agreement; and
 - c. the representations of the CCLRC set forth in the recital paragraph B above are true and correct as of the date hereof.

5. Notice Addresses. Any notice given hereunder or in connection with this Agreement shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed first class mail, postage prepaid, and addressed as follows:

a. If to Buyer:

CITY OF BEREA
Attention: Matt Madzy, Director
Economic Development
11 Berea Commons
Berea, Ohio 44017
Tel. (440)826-5800

b. If to the CCLRC:

CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION
Attention: Kim Steigerwald, Acquisitions Manager
812 Huron Road E, Suite 800
Cleveland, Ohio 44115
Tel. (216) 698-8802
Email ksteigerwald@cuyahogalandbank.org

6. Deed Authorization. By executing this instrument, Buyer hereby expressly and unconditionally authorizes CCLRC to file for record with the Cuyahoga County Recorder the CCLRC Deed transferring the Real Property to Buyer as contemplated in this Agreement; and further, such unconditional, continuing and irrevocable power of attorney hereby includes authorization to the CCLRC upon such filing to accept unconditional delivery of the CCLRC Deed on Buyer's behalf; and for such purposes Buyer additionally hereby grants the CCLRC a continuing power of attorney to file such CCLRC Deed and to accept delivery thereof as Buyer's agent, and on its behalf.
7. Real Property Conveyed "As Is, Where Is". CCLRC makes no warranties or representations whatsoever as to the condition or quality of the Real Property, all of which Buyer agrees shall be conveyed in its current "AS IS, WHERE IS" condition. Buyer hereby releases CCLRC from and against any and all liability with respect to the condition of the Real Property including, but not limited to, the environmental condition of the Real Property.
8. Termination. This Agreement may be terminated by the CCLRC at any time with written notice to Buyer. This Agreement may be terminated by Buyer only with the express written consent of the CCLRC.
9. Counterparts; Governing Law. This Agreement may be executed in any number of several counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Signed counterparts of this Agreement may be delivered by facsimile or electronic mail and a signed counterpart delivered in such manner shall be as effective to bind the party delivering in such manner as if such party had delivered a counterpart with such party's original signature. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio.

[signature page to follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

CITY OF BEREA

By: _____

Print Name: _____

Title: _____

County of Cuyahoga)
State of Ohio) ss:

The foregoing instrument was acknowledged before me this _____ day of _____, 2024 by _____, in his/her role as _____ of Buyer, for and on behalf of Buyer.

NOTARY

CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION

By: _____

Print Name: _____

Title: _____