

CITY OF STRONGSVILLE, OHIO

ORDINANCE NO. 2026 – 056

By: Mayor Perciak and All Members of Council

AN ORDINANCE DECLARING IMPROVEMENTS TO A CERTAIN PARCEL OF REAL PROPERTY TO BE A PUBLIC PURPOSE, DESCRIBING THE PUBLIC IMPROVEMENTS TO BE MADE TO DIRECTLY BENEFIT SUCH PARCEL, REQUIRING THE OWNER OF THE IMPROVEMENTS ON SUCH PARCEL TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES, ESTABLISHING **SOUTHPARK MALL HOTEL PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUND** FOR THE DEPOSIT OF SUCH SERVICE PAYMENTS PURSUANT TO OHIO REVISED CODE SECTIONS 5709.40, 5709.42 AND 5709.43, AND DECLARING AN EMERGENCY.

WHEREAS, Ohio Revised Code (the “Revised Code”) Sections 5709.40, 5709.42 and 5709.43 (the “Act”) provide that this Council may describe public improvements to be made which directly benefit certain parcels, declare Improvements (as defined in Revised Code Section 5709.40) with respect to such parcels of real property located in the City of Strongsville, Ohio (the “City”) to be a public purpose, thereby authorizing the exemption of those Improvements from real property taxation for a period of time, and provide for the making of service payments in lieu of taxes by the owner of such parcels, and establish a municipal public improvement tax increment fund into which such service payments shall be deposited; and

WHEREAS, Howe Mustang, LLC, an Ohio limited liability company (the “Developer”), intend to improve, develop, and redevelop a portion of the existing SouthPark Mall property in the City (the “Property”) and currently known as Permanent Parcel Number 396-24-019 in the records of the Cuyahoga County Fiscal Office (as such parcel may be consolidated or split, the “Project Site”) and as more particularly described in the attached ***Exhibit A***; and

WHEREAS, the Developer has agreed to improve the Project Site by (i) constructing an approximately 77,000 square-foot, four-story, 132-key hotel, and performing certain demolition, grading, and other related site work on the Project Site, and (ii) constructing the necessary public infrastructure improvements which include the construction, relocation, expansion and installation utilities, sanitary sewer and water system improvements, storm water retention and flood remediation, the provision of gas, electric and communication service facilities, off-street parking facilities, land acquisition, demolition and site preparation, as well as certain streetscape, lighting, street and sidewalk improvements as further described in more detail on the attached ***Exhibit C*** (the “Project Site Public Infrastructure Improvements”), that once made will directly benefit the Property, the City, its residents, and the general public, and will aid industry and commerce in the City (as described on the attached ***Exhibit B***, collectively, the “Project”); and

WHEREAS, the Developer shall pay for and construct the Project Site Public Infrastructure Improvements with its own funds; and

WHEREAS, to improve the flow of traffic in and around the Project Site, this Council may cause the construction of one or more of the public improvements described as “City Public

Improvements” in the attached *Exhibit C* (the “City Public Infrastructure Improvements” and, together with the Project Site Public Infrastructure Improvements, the “Public Infrastructure Improvements”), that once made will directly benefit the Property, the City, its residents, and the general public; and

WHEREAS, the City has determined that it is necessary and appropriate and in the best interests of the City to provide for service payments in lieu of taxes with respect to the Property pursuant to Revised Code Section 5709.42 (the “Service Payments”) to (i) pay certain expenses related to the Project, (ii) reimburse the Developer for all or a portion of the costs of the construction of the Project Site Public Infrastructure Improvements, and (iii) pay costs of the City Public Infrastructure Improvements; and

WHEREAS, the Strongsville City School District and Polaris Joint Vocational School District have been notified of this Ordinance consistent with Revised Code Section 5709.83; and

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF STRONGSVILLE, COUNTY OF CUYAHOGA, AND STATE OF OHIO:

Section 1. That the Public Infrastructure Improvements described in the attached *Exhibit C*, if made or caused to be made, are hereby designated as those Public Infrastructure Improvements that directly benefit, or that once made will directly benefit, the Property, and are determined to be necessary for the public health, safety, and welfare of the City and its residents, and will aid industry and commerce in the City.

Section 2. That pursuant to and in accordance with the provisions of Revised Code Section 5709.40, and, in particular, Section 5709.40(B), this Council hereby finds and determines that 100% of the increase in the assessed value of the Property that would first appear on the tax list and duplicate of real property after the effective date of this Ordinance (which increase in assessed value is referred to in this Ordinance as the “Improvement” or “Improvements” as defined in Revised Code Section 5709.40) is a public purpose, and 100% of the Improvement is hereby declared to be a public purpose for a period of 30 years and exempt from taxation commencing in the tax year in which the Cuyahoga County Fiscal Officer determines the increase in value with respect to the Improvements for each such parcel (and if any parcels are consolidated, the resulting consolidated parcel) meets or exceeds \$100,000 in true value; and ending on the earlier of (a) the date the Improvements have been exempted from taxation for a period of 30 years or (b) the date on which the City has collected into the Municipal Public Improvement Tax Increment Equivalent Fund established in Section 4 hereof a total amount of Service Payments available for and sufficient to pay the costs provided in Section 4 hereof; provided, however, that Service Payments shall be paid to the Strongsville City School District and the Polaris Joint Vocational School District in the amount of the taxes that would have been payable to both the Strongsville City School District and the Polaris Joint Vocational School District if the Improvements had not been exempted from taxation.

Section 3. That as provided in Revised Code Section 5709.42, the owner or owners of the Improvements are hereby required to and shall pay the Service Payments to the County Treasurer on or before the final dates for payment of real property taxes, which Service Payments,

together with any associated rollback payments, shall be deposited in the **SouthPark Mall Hotel** Municipal Public Improvement Tax Increment Equivalent Fund established in Section 4 hereof. In accordance with Revised Code Section 5709.42, the County Treasurer shall distribute a portion of the Service Payments directly to the Strongsville City School District and the Polaris Joint Vocational School District in an amount equal to the property tax payments the Strongsville City School District and the Polaris Joint Vocational School District would each have received from the portion of the Improvements exempted from taxation, had such Improvements not been exempted from taxation. This Council hereby authorizes the Mayor, Director of Finance and Law Director, and other appropriate officers of the City, to provide such information and certifications, and execute and deliver or accept delivery of such instruments, as are necessary or incidental to collect those Service Payments, and to make such arrangements as are necessary and proper for payment of the Service Payments.

Section 4. That this Council hereby establishes pursuant to and in accordance with the provisions of Revised Code Section 5709.43, the **South Park Mall Hotel** Public Improvement Tax Increment Equivalent Fund (the "Fund"), into which shall be deposited all of the Service Payments and any associated rollback payments distributed to the City with respect to the Improvements on the Property by or on behalf of the County Treasurer, as provided in Revised Code Section 5709.42, and hereby agrees that moneys in the Fund shall be used for any or all of the following purposes and in the following order:

- (a) to pay any and all planning, engineering, acquisition, construction, installation, financing costs, and any and all other direct and indirect costs of the Project Site Public Infrastructure Improvements, including out-of-pocket expenses incurred by the City in connection with the Project (including the fees and expenses of special counsel to the City), and to reimburse the Developer or its successors or assigns, for all or a portion of the monies used to pay such costs of the Project Site Public Infrastructure Improvements as agreed upon between the City and the Developer, and
- (b) after the payment of the items described in item (a) above and the reimbursement to Developer with respect to item (a) above, for the use by the City for other City Public Infrastructure Improvements that directly benefit the Property.

The Fund shall remain in existence so long as the Service Payments are collected and used for the aforesaid purposes, after which said Fund shall be dissolved in accordance with Revised Code Section 5709.43.

Section 5. That pursuant to Revised Code Section 5709.40, the Clerk of Council is hereby directed to deliver a copy of this Ordinance to the Director of Development of the State of Ohio within 15 days after its passage. On or before March 31 of each year that the exemption set forth in Section 2 hereof remains in effect, the Mayor or other authorized officer of this City shall prepare and submit to the Director of the Department of Development of the State of Ohio the status report required under Revised Code Section 5709.40.

Section 6. That this Council finds and determines that all formal actions of this Council concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council and that all deliberations of this Council and of any committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 7. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City, and for the further reason that this Ordinance is required to be immediately effective in order to cause the development of the Project to foster economic development which will create jobs and employment opportunities and improve the economic welfare of the people of the City; wherefore, this Ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor, provided it receives the affirmative vote of at least two-thirds of the members of the Council, otherwise it shall take effect and be in force from and after the earliest period allowed by law.



President of Council

Date Passed: July 27, 2026

	<u>Yea</u>	<u>Nay</u>
Carbone	☒	_____
Clark	☒	_____
Kaminski	☒	_____
Kosek	☒	_____
Roff	☒	_____
Short	☒	_____
Zacharyasz	☒	_____

Approved: 

Mayor

Date Approved: July 27, 2026

Attest: 

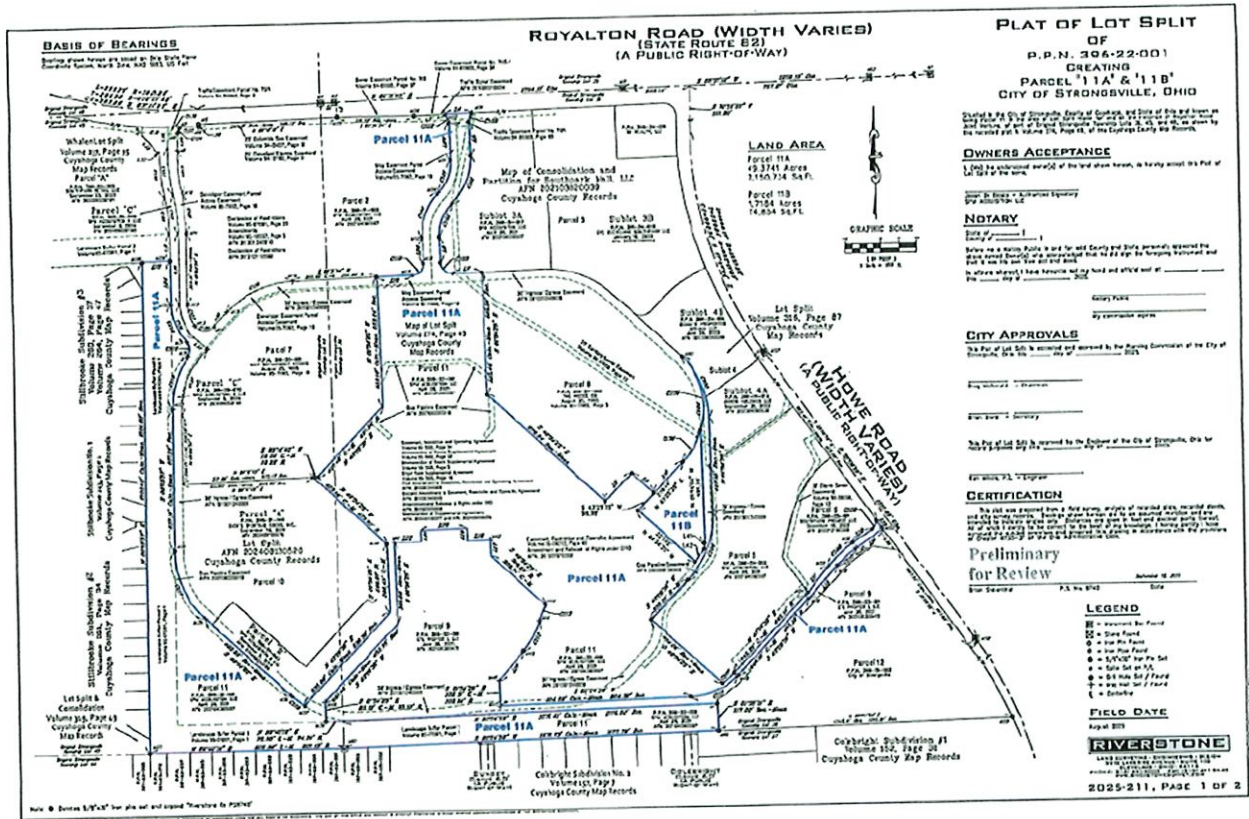
Acting Clerk of Council

Ord. No. 2026-056 Amended: _____
1st Rdg. 05-18-26 Ref: Finance
2nd Rdg. 06-01-26 Ref: Finance
3rd Rdg. 07-27-26 Ref: _____

Public Hrg. _____ Ref: _____
Adopted: 07-27-26 Defeated: _____

EXHIBIT A

THE PROPERTY



The Property is depicted on the map above as "Parcel 11B," which is Permanent Parcel No. 396-24-019 (which was previously a part of Permanent Parcel No. 396-22-001).

EXHIBIT B

DEVELOPER IMPROVEMENTS

Howe Mustang, LLC, an Ohio limited liability company (the "Developer"), proposes to construct an approximately 77,000 square-foot, four-story, 132-key hotel on approximately 1.7 acres of property located near the northeast corner of Howe Road and Royalton Road in the City of Strongsville, Ohio, and generally on the site of the SouthPark Mall (the "Project Site"). The project will include approximately 132 guest rooms, a fitness room, indoor swimming pool, lobby and meeting rooms, 77 outdoor parking spaces, along with all related site improvements and landscaping.

All of the above-referenced improvements will require extensive upgrades to the existing infrastructure on the Project Site, which are inadequate to service the project. Developer intends to install new utility connections, storm water management systems, construct sanitary sewer and water system improvements, off-street parking facilities, demolition and site preparation, landscaping, lighting, and streetscape and sidewalk improvements.

Developer expects to start construction of the Developer Improvements in September 2026 and the anticipated duration of construction of the Developer Improvements is approximately 16 months.

Attached is a site plan which depicts the proposed development upon completion.

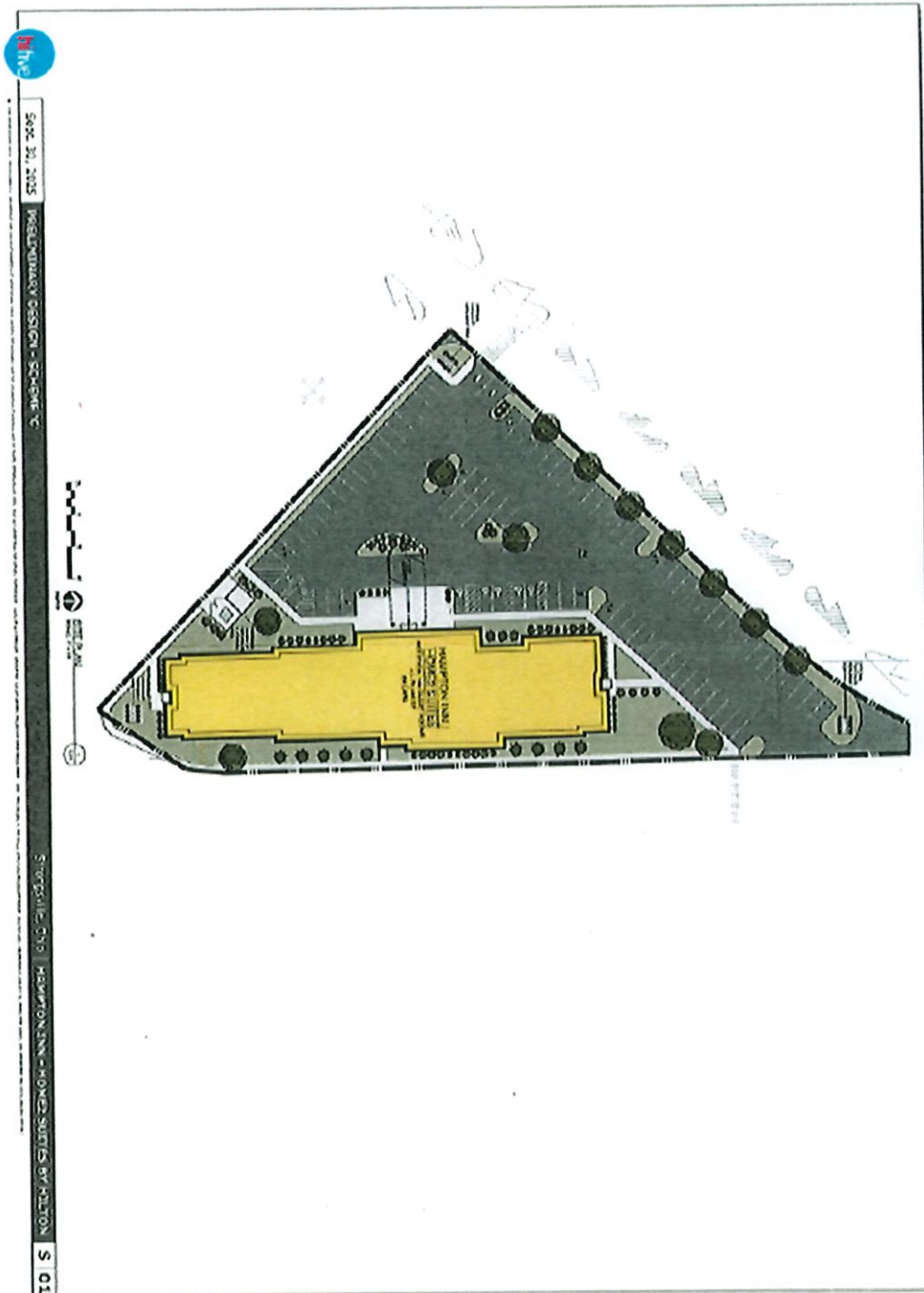


EXHIBIT C
PUBLIC INFRASTRUCTURE IMPROVEMENTS

The Public Infrastructure Improvements consist of:

(a) Project Site Public Infrastructure Improvements

IIF Funding Estimates SOUTHPARK MALL HOTEL Preliminary Cost Estimates as of 4/27/26					
Category	Description	Quantity	Unit	Unit Price	Total
"Demolition and Environmental Remediation"	Phase 1 Study & Testing	1	Ea	1,950	1,950
	Soil Testing - Geotech	1	Ea	12,900	12,900
	Demolition of Existing Conditions	1	Ea	30,000	30,000
	Erosion Control	2	Acres	2,800	5,600
	Site Work (excavation, fills, grading)	1	LS	300,000	300,000
	Subtotal				\$ 350,450
"water and sewer lines" "stormwater and flood remediation projects necessary for economic development"	Relocate Existing Utilities	1	LS	50,000	50,000
	Hydrants	3	EA	10,000	30,000
	Water Main (incl tees, fittings, reducers)	1	LS	175,000	175,000
	Utilities (storm/sanitary sewer, underdrains, trenching & conduits)	1	LS	611,000	611,000
	Subtotal				\$ 866,000
Public Roads and right of ways/easements	Ring Road Work	1	LS	65,000	65,000
	Concrete - Roads/Sidewalks	1	LS	350,000	350,000
	Mall Parking Lot Improvements	1	LS	85,000	85,000
	Landscaping	1	LS	150,000	150,000
	Lighting	1	LS	125,000	125,000
	Subtotal				\$ 775,000
Planning, Engineering, Professional Fees, and Soft Costs	Civil Engineering	1	Ea	35,000	35,000
	Architectural & Engineering	1	LS	475,000	475,000
	Surveying & Plat Consolidation	1	Ea	5,500	5,500
	Traffic Study	1	Ea	15,000	15,000
	Legal Fees	1	LS	150,000	150,000
	Insurance	1	LS	75,000	75,000
	Interest Expense (@ 7.5%, 16 months)	1	LS	250,000	250,000
	Contingency / General Conditions	1	LS	350,000	350,000
	Financing Costs	1	LS	406,000	406,000
	Subtotal				\$ 1,761,500
	OVERALL TOTAL				\$ 3,752,950

(b) City Public Infrastructure Improvements. The City Public Infrastructure Improvements further include the construction of or improvements to any other public streets (including but not limited to Southpark Center Road, Howe Road, Royalton Road, Shurmer Road, and Pearl Road), utilities, and public facilities in and around the Project Site or directly benefiting or serving the Project Site, including but not limited to traffic signalization, curbs, sidewalks, lighting, streetscapes, and water and sanitary sewer improvements.