

An aerial photograph of the Cleveland skyline, featuring prominent skyscrapers like the Terminal Tower and the Cuyahoga Falls Tower. The city is surrounded by greenery and water bodies. The logo for the City of Cleveland is overlaid in the center, consisting of the words "City of" in a smaller font above "CLEVELAND" in large, bold, white capital letters. A red, stylized star or compass rose graphic is positioned between the "E" and "L" of "CLEVELAND" and the "A" and "N" of "LAND". Below "CLEVELAND" is the word "ECONOMIC DEVELOPMENT" in smaller, white, all-caps sans-serif font.

City of
CLEVELAND
ECONOMIC DEVELOPMENT

FINANCE COMMITTEE:
INTERNATIONAL FOOD SOLUTIONS
JANUARY 29, 2024

INTERNATIONAL FOOD SOLUTIONS – ADDITIONAL COMMUNITY BENEFITS

- INSTALLING MURALS ON E. 55th AND CENTRAL ELEVATIONS HONORING MAJESTIC HOTEL (\$10,000)
- SECURED, AS PROJECT SPONSOR AN OHIO HISTORY CONNECTIONS HISTORIC MARKER FOR MAJESTIC HOTEL
- CREATING POCKET PARK IN FRONT OF BUILDING ALONG EAST 55TH STREET (\$30,000)
- WORKING WITH COUNCILMAN STARR TO LAUNCH AREA BUSINESS ASSOCIATION GROUP
- IFS WILL MAKE QUARTERLY FOOD DONATIONS TO SHILOH BAPTIST CHURCH AND/OR OTHER WARD 5 ORGANIZATIONS
- IFS WILL MAKE ANNUAL \$1,500 CONTRIBUTION TO ORGANIZATION OF ITS CHOICE THAT SERVES WARD 5
- IFS WILL HOST JOB FAIRS IN COORDINATION WITH COUNCILMAN STARR, BURTEN BELL CARR AND OTHER ORGS
- IFS WILL SUPPLY DAYCARE SUBSIDY OF \$75/WEEK FOR ALL FTE's IN GOOD STANDING FOR CHILDREN ENROLLED AT “DAYCARE FOR FUTURE SCHOLARS” A WARD 5 CHILDCARE PROVIDER
- IFS WILL ENGAGE IN DUE DILIGENCE ACTIVITIES IN PARTNERSHIP WITH LOCAL AND REGIONAL TRANSPORTATION AND ECONOMIC DEVELOPMENT STAKEHOLDERS TO EXPLORE PROVIDING ‘LAST MILE’ TRANSIT OPPORTUNITIES FOR EMPLOYEES
- IFS WILL EXCEED COMBINED MBE/FBE/CSB GOALS BY \$3M OF ADDITIONAL PARTICIPATION (CONTINGENT UPON OEO CONFIRMATION OF PROJECT COMPONENTS SUBJECT TO OEO REQUIREMENTS)
- IFS WILL HOST COMMUNITY OUTREACH EVENTS SUCH AS CONSTRUCTION JOB FAIR TO PROVIDE OPPORTUNITIES FOR RESIDENTS AND BUSINESS OWNERS TO PARTICIPATE IN THE PROJECT
- IFS WILL UNBUNDLE CONSTRUCTION PACKAGES TO SUPPORT DIVERSE PARTICIPATION

JOB CREATION INCOME TAX credit program (JCIT)

- Provides a **50% TAX CREDIT** on all payroll taxes for a period of 5 years for companies that create at least 50 new jobs in the City of Cleveland

YEAR	ANTICIPATED NEW JOBS	ANTICIPATED NEW PAYROLL	CREDIT % OF PAYROLL	ESTIMATED CREDIT
2025	60	\$2,839,200	1.25%	\$35,490
2026	120	\$5,678,400	1.25%	\$70,980
2027	180	\$8,517,600	1.25%	\$106,470
2028	200	\$9,464,000	1.25%	\$118,300
2029	220	\$10,410,000	1.25%	\$130,130
TOTAL	220	\$36,909,200	1.25%	\$461,370

- Total **NEW** payroll taxes collected over 10 year period: **+\$2,602,600**

OHIO ENTERPRISE ZONE COMMERCIAL TAX ABATEMENT

- Provides 75% commercial property tax abatement over 10 year period

REAL ESTATE TAXES

SUBJECT TAX CONCLUSION

Ad Valorem Tax Analysis		
	Subject History	Conclusion
	2023	
Total Assessed Value	\$64,790	\$11,049,500
Total Assessed Value/SF	\$0.57	\$97.95
Tax Rate	9.97357%	9.9736%
Ad Valorem Taxes	\$6,462	\$1,102,030
Direct Assessments	\$5,215	\$5,215
Actual / Pro Forma Taxes	\$11,677	\$1,107,245
Reported Tax Delinquencies	None	None
Tax Exemptions or Abatements	None	None

Compiled by Newmark

- SUBJECT PROPERTY PAYS \$11,677 ANNUAL TAXES OR \$116,770 OVER 10 YEAR SPAN
- AFTER INVESTMENT APPRIASAL PROJECTS \$1,107,245 IN ANNUAL TAXES
- ESTIMATED VALUE OF ABATEMENT AT \$8,511,044
- **WITH** ABATEMENT PROPERTY PAYS \$2,837,015 IN NEW PROPERTY TAXES OVER 10 YEARS
- **ESTIMATED NET INCREASE OF +\$2,720,245** IN PROPERTY TAXES OVER 10 YEARS

ESTIMATED NET INCREASE OF +\$5,322,845 IN NEW TAX REVENUE OVER 10 YEARS