

**DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 737-2020**

Project Name: Public Square North
Project Address: 75 Public Square, Cleveland, OH 44113
Developer: 75 Public Square Ohio, LLC and/or designee
Project Manager: Anthony Svoboda
Ward/Councilperson: 3-Kerry McCormack
City Assistance: Non-School TIF

Project Summary and Discussion

75 Public Square Ohio, LLC (“Developer”) is a subsidiary of The Millennia Companies. The Millennia Companies is a full service real estate and property management company based in Cleveland, Ohio. Established in 1995 by Frank T. Sinito, Developer works in all facets of real estate development, from property management to construction and development. Their portfolio consists of over 275 multi-family residential communities, servicing more than 30,000 apartments nationwide. In 2017, The Millennia Companies led the acquisition and restoration of the Key Tower complex in Downtown Cleveland, making a significant impact on the Downtown commercial real estate market.

The Developer now has plans to rehabilitate the historic building located at 75 Public Square, Cleveland, Ohio 44113 (“Project Site”). The building will be converted from an antiquated office tower into a dynamic, mixed-use project named “Public Square North”. The new Public Square North development will include 114 new market rate apartments, a 3,060 square foot restaurant, and 1,250 square feet of retail space. The total project investment is expected to exceed approximately \$41.9 million.

Proposed City Assistance

In order to assist with the project financing, the Developer has requested the City impose a 5709.41, 30-Year, Non-School TIF. The TIF will support debt service related to the project and assist with the mixed use development located at the Project Site. The project will create and/or cause to create thirteen (13) new W-2 jobs at the Project Site with an approximate payroll of \$270,000. The TIF will be immediately effective on the residential portion of the project after the expiration of the 15-year, 100% tax abatement.

Under the agreement, parcels acquired and re-conveyed to the developer will be subject to a TIF under Section 5709.41 of the Ohio Revised Code in consideration for the developer agreeing to make certain improvements to those parcels and making payments in lieu of taxes (PILOTs) equal to the taxes that would have been paid for those parcels but for the TIF. A portion of the PILOT will be paid to the Cleveland Municipal School District in the amount the District would have otherwise received but for the TIF.

<u>Estimated Sources</u>		<u>Estimated Uses</u>	
Equity	\$2,722,922	Acquisition	\$4,000,000
VPI Loan	\$180,000	Predevelopment	\$1,785,000
TriState Capital Bank	\$20,750,000	Hard Construction	\$23,813,083
Federal HTC Equity	\$4,781,338	TIA	\$129,300
State HTC Equity	\$4,200,000	M&E / F&F	\$230,000
CDA Loan	\$3,000,000	Soft Costs	\$9,757,555
OWDA Loan	\$3,000,000	Contingency	\$2,219,322
Deferred Developer Fee	\$3,300,000		
Total Sources	\$41,934,260	Total Uses	\$41,934,260

Economic Impact

- Creation of 13 new full time jobs in the City of Cleveland
- Project estimates \$135,000 in new annual City tax revenue generated from residents and new employees

City Requirements

- Subject to Chapter 187: MBE/FBE/CSB requirements
- Subject to Chapter 188: Fannie Lewis Cleveland Residential Employment Law
- Subject to a Workforce Development Agreement for all new jobs
- Subject to a Community Benefits Agreement