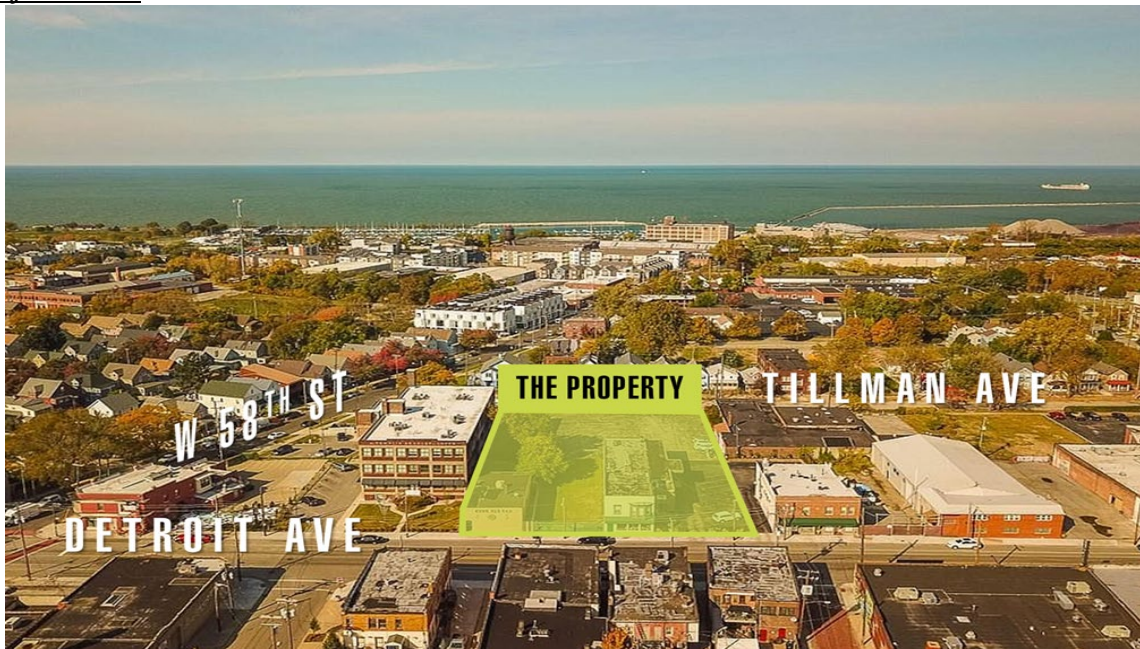


**DEPARTMENT OF ECONOMIC DEVELOPMENT  
SUMMARY FOR THE LEGISLATIVE FILE  
ORDINANCE NO: 539-2021**

**Project Name:** Waverly & Oak Apartments  
**Project Address:** 5506 Detroit Avenue, Cleveland, OH 44102  
**Developer:** 5506 Detroit, LLC, or designee  
**Project Manager:** Robin Brown  
**Ward/Councilperson:** 15 – Jenny Spencer  
**City Assistance:** 30 year Non-school TIF

**Project Site**



**Project Summary**

5506 Detroit, LLC or designee, (“Developer”) is proposing a mixed use development located at 5506 Detroit Avenue, Cleveland, OH 44102 (“Project Site”). 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 development of approximately 126 market rate rental units built over an active street level commercial environment with approximately 17,300 square feet of retail space with below grade and surface parking, named Waverly & Oak (the “Project”, or “W&O”). The project will be the first new construction, mixed-use development along Detroit Avenue in Gordon Square. The property’s location provides residents with convenient access to all the cultural, entertainment, and dining establishments that have made Gordon Square the most desirable neighborhood in Cleveland. Total project investment is expected to exceed approximately \$47 million.

The project will create and/or cause to create 4 new W-2 jobs at the Project Site with an approximate payroll of \$91,556.

5506 Detroit LLC is an entity of the Bond Street Group (“Bond Street”). Bond Street is a team of 3 individuals with over 20 years of experience in commercial real estate, construction and project management, Their first project as the Bond Street is the development of a mixed use building located at 5506 Detroit Avenue, Cleveland, Ohio 44102.

Bond Street is under exclusive contract to acquire 5506 Detroit Avenue, a seven-parcel assemblage comprising .92 acres in the Gordon Square neighborhood. The property sits at the gateway to Gordon Square, and features over 150’ of frontage along Detroit Avenue, the main commercial corridor and transportation artery connecting Downtown Cleveland to the city’s near-west-side neighborhoods.

### **Proposed City Assistance**

The request to Cleveland City Council is to authorize the Director of Economic Development to enter into the chain of title for certain properties associated with the project for the purpose of entering into a non-school Tax Increment Finance (TIF) agreement with 5506 Detroit LLC and Mayekar Familia, LLC or its designee. This TIF agreement will be up to 30 years in length. The City will declare certain improvements with respect to the project to be a public purpose and exempt 100% of the improvements from real property taxes.

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.

This piece of legislation will allow the City of Cleveland to enter into the chain of title for the parcels that are to be included in the TIF district. A second piece of legislation will be required by Cleveland City Council for approval of the TIF Agreement.

### **Economic Impact**

- Creation of 4 new full time jobs in the City of Cleveland, with a payroll of \$91,556.
- Project estimates \$2,289 in new annual City tax revenue from 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