

ATo: Mark Griffin, Director
Department of Law

From: Thomas S. McNair, Director
Department of Economic Development

Subject: Request for Legislation – **Burten Bell Carr Development, Inc.
Or Designee**

Date: May 31, 2024

Confidential subject to Attorney Client Privileges

Please prepare legislation for introduction and passage at the next meeting scheduled for **Monday June 3rd _____, 2024** that authorizes the following:

Authorizing the Director of Economic Development to enter into a forgivable loan agreement with Burten, Bell, Carr Development, Inc., or its designee, in the amount of up to \$3,879,807.65 for hard and soft costs associated with the Buckeye Road Commercial Corridor revitalization and stabilization initiative in up to ten (10) vacant and distressed mixed use commercial building in addition to parking lots identified along or adjacent to the Buckeye Road Commercial Corridor.

As always, your cooperation is appreciated.

cc: Ifeoma Ezepue, Joevrose Bourdeau Small, Dan Rehor, Byron Demery, A. Abonamah, file

**DEPARTMENT OF ECONOMIC DEVELOPMENT
MEMORANDUM FOR LEGISLATION**

DATE OF REQUEST: May 31, 2024

INITIATED BY: Thomas S. McNair, Director

DIVISION/PHONE: 664-2204 COUNCILPERSON CONTACTED ON: _____

Legislation to be passed under suspension: Yes X No _____

ACTION REQUESTED:	Apply	_____	Enter Into Contract	<u>X</u> _____
	Accept	_____	Amend Ordinance No.	_____
	Expend	<u>X</u>	Other (Copy Attached)	_____

DIVISION OF PURCHASE – REQUEST FOR LEGISLATION FORM:

R.L. X NOT APPLICABLE _____ COMPLETED & FORWARDED _____

Authorizing the Director of Economic Development to enter into a forgivable loan agreement with Burten, Bell, Carr Development, Inc., or designee in the amount of up to \$3,879,807.65 for hard and soft costs associated with the Buckeye Road Commercial Corridor revitalization and stabilization initiative in up to ten (10) vacant and distressed mixed use commercial building in addition to parking lots identified along or adjacent to the Buckeye Road Commercial Corridor.

TO BE COMPLETED BY MANAGEMENT ONLY:

Disbursement:	Fund _____	Subclass _____
Others:	Fund _____	Subclass _____

_____	_____
Fiscal Manager/Controller	Date

_____	_____
Director of Economic Development	Date

_____	_____
Legislative Liaison	Date

JUSTIFICATION: The passage of this ordinance is necessary to aid Burten, Bell, Carr Development, Inc. redeveloping, revitalizing and stabilizing the Buckeye Commercial Corridor.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
EXECUTIVE SUMMARY
ORDINANCE NO.:_____**

Project: Buckeye Commercial Corridor Construction, Rehabilitation and Stabilization

Entity: Burten, Bell, Carr Development, Inc. or Designee
7201 Kinsman Road, Suite 104
Cleveland, OH 44104

Project Location/Wards: 4/Gray and 6/Griffin

Forgivable loan Amount: Up to \$3,879,807.65

Purpose of Financial Assistance:

The purpose of this forgivable loan of up to \$3,879,807.65 up to will be to foster catalytic neighborhood development by funding hard and soft costs needed by Burten, Bell, Carr Development, Inc. and/or their Designee for Buckeye Road Commercial Corridor revitalization and stabilization initiative in up to ten (10) vacant and distressed mixed use commercial buildings in addition to parking lots identified along or adjacent to the Buckeye Road Commercial Corridor, near East 120th Street.

Background:

The Neighborhood Transformation Initiative (NTI) was established by the City of Cleveland to help support the creation of healthy, equitable, and more sustainable neighborhoods through commercial and mixed-use development. The initiative sought to eliminate social and economic disparities in the identified target neighborhoods including the Buckeye Neighborhood.

BBC and its designee/wholly owned subsidiary purchased 10 buildings and 6 lots shown below. The properties are currently owned free and clear by The Zone, LLC, a wholly owned subsidiary of Burten, Bell, Carr Development, Inc. (BBC), which may be designated to expend the funds on behalf of BBC and/or designee. The project will be selected and pre-approved by the Department from this list.

BBC will work with Department of Economic Development and Cleveland Citywide Development Corporation to periodically review progress and ensure that funds are deployed in a way that maximizes the amount of property brought to market. Eligible activities will include hard and soft costs.

BBC plans to create an “Arts, Culture and Technology” district on Buckeye Road that will complement other neighborhood serving businesses and provide a regional draw for tenants, clients, shoppers and other visitors.

Loan forgiveness will occur for each building and/or parking lot once the WDA and CBA are fully executed and the CCDC conditions of forgiveness has been met for each PPN.

Vacant Land & Parking Lots owned by BBC wholly owned subsidiary/designee:

1. 129-15-031 Buckeye Road NE corner of E 124
2. 129-15-135 12301 Buckeye
3. 129-16-024 12409 Buckeye
4. 129-19-011 12200 Buckeye Rd
5. 129-15-024 11913 (aka 11909) Buckeye parking lot
6. 128-29-036 Buckeye Road parking lot near E 116th

Mixed use Buildings owned by BBC wholly owned Subsidiary/designee:

1. 129-15-027 12001 Buckeye
2. 129-15-023 11905 Buckeye
3. “ 11909 Buckeye
4. “ 11900 (aka 11909 rear) Buckeye
5. 129-15-022 11901-03 Buckeye
6. 129-19-005 11920 Buckeye
7. 129-19-004 11914 Buckeye
8. 129-19-003 11910 Buckeye
9. 129-18-013 11810-20 Buckeye Moreland Theater complex
10. 129-18-012 11806 Buckeye

The parcels listed above are proposed parcels for the project. The Department of Economic Development requests authority to include in this project additional commercial parcels along Buckeye Road, if and when they become available, as needed.