

## DEPARTMENT OF ECONOMIC DEVELOPMENT

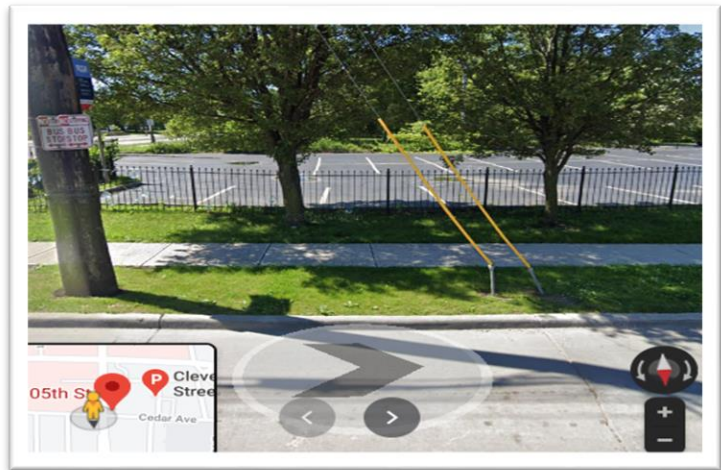
### SUMMARY FOR THE LEGISLATIVE FILE

ORDINANCE NO: 819-2020

**Project Name:** Fairfax Mixed Use Project  
**Recipient:** Fairmount Properties, LLC or designee  
**Project Manager:** Robin Brown  
**Ward/Councilperson:** 6 / Griffin  
**City Assistance:** \$9,000,000 HUD 108 Loan/Empowerment Zone  
**Project Site:** E. 105<sup>th</sup> St/Cedar Avenue

#### **Company Background**

The applicant for this proposed HUD108/Empowerment Zone loan will be Fairmount Properties and/or designee (“Developer”). Since 1998, Fairmount Properties has grown to be a well-respected industry leader across multiple real estate platforms-from college campuses to city centers. Fairmount Properties has been fortunate to play lead roles in the development of major urban and suburban cores and the creation of transit-oriented projects including Flats East Bank Phase I-III and Pinecrest. The principals of Fairmount Properties are Randy Ruttenberg and Adam Fishman.



#### **Project Summary**

HUD funding will support the development of a new 35-40,000 SF grocery store and will include approximately 130,000SF of residential space located at the intersection of E. 105<sup>th</sup> Street/Cedar Avenue. The project will also include a parking structure to support both projects. The developers are leaning towards the development of approximately 170 “micro-units” of approximately 500SF. Their target is the Cleveland Clinic workforce who work long shifts and have minimal need for space. The rent projection is approximately \$2.60/sf.

A special assessment will be placed on the property in an amount equal to the non-school portion of the residential tax abatement during the tax abatement period. This special assessment will support the HUD 108 loan for the project. The total development cost for the project is approximately \$51.9 million.

### **Proposed City Assistance**

- This ordinance will authorize the Director of Economic Development to apply for, accept and expend a HUD 108 Loan in the amount of \$9 million and enter into the necessary loan agreements with Fairmount Properties, LLC or its designee.

### **Economic Impact**

- Project estimates the creation of 40 full time equivalent jobs in the City of Cleveland, with an annual payroll of \$1,372,000
- Estimated \$34,300 annual income tax revenue from commercial portion only.
- Promotion of access to fresh, healthy and affordable food in a transit-oriented development

### **City Requirements**

- Project is subject to Chapter 187: MBE/FBE/CSB requirements
- Project is subject to Chapter 188: Fannie Lewis Cleveland Resident Employment Law
- Project is subject to a Workforce Development Agreement
- Project is subject to a Community Benefits Agreement
- Project is subject to Davis-Bacon prevailing wage and Section 3 requirements