

**DEPARTMENT OF ECONOMIC DEVELOPMENT
LEGISLATIVE SUMMARY
ORDINANCE NO: 738-2020**

Project Name: Waterford Bluffs Apartments
Project Address: West 20th Street and Lorain Ave. (PPN# 004-01-115)
Developer: Stoneleigh Companies, LLC, or Designee
Project Manager: Anthony Svoboda
Ward/Councilperson: 3-Kerry McCormack
City Assistance: Non-School TIF

Project Summary and Discussion

Stoneleigh Companies, LLC (“Developer”) is proposing a 30-year Non-School TIF for their proposed residential development project to take place on vacant land at the corner of West 20th Street and Lorain Avenue (PPN# 004-01-115). The Developer has already taken ownership of and consolidated several parcels at the site to form the one coherent parcel that will be used for the TIF.

The Developer plans to build new residential construction on the currently unoccupied site. The new residential project will consist of a 4-story multifamily apartment building inclusive of 240 market rate units, two floors of enclosed heated parking, and 15,000 square feet of amenity space. The amenity space includes a second level pool area, a fitness center, top floor lounge, a dog park inclusive of an indoor dog wash, and a bike storage and repair facility with storage for over 100 bikes. As market demand across the country has shifted to smaller more efficient units, unit sizes will range from 445 square feet to 720 square feet, with an average unit size of 580 square feet.

The total project costs are estimated to total up to \$64.6 million. Of that, the Developer will be putting in \$50 million of their own equity. They are hopeful that the TIF provided by the City will allow them to cover the debt service required to close the gap on the Project. If awarded, the Developer will create and/or cause to create five (5) new W-2 jobs at the Project Site over the next five (5) years.

Stoneleigh Companies, LLC (“Developer”) is a Class A multifamily development company with a national footprint representing 40,000+ units nationwide. Based out of Chicago, the private real estate investment company has focused on acquisition and development of multifamily properties over the last 35 years in 35 different cities and 18 states. After conducting much market research on their next development project, Stoneleigh has identified the Ohio City neighborhood of Cleveland to be the “#1 area nationwide to put investment dollars to work”.

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 Stoneleigh Companies, 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.

<u>Estimated Sources</u>		<u>Estimated Uses</u>	
Equity	\$50,000,00	Acquisition Costs	\$7,615,000
Key Bank Loan	\$14,600,000	Construction	\$47,080,000
		Contingency	\$1,802,462
		Soft Costs	\$8,102,538
Total Sources	\$64,600,000	Total Uses	\$64,600,000

Economic Impact

- Creation of five (5) new full time jobs in the City of Cleveland
- Project estimates \$405,000 in new annual Residential Tax revenue.

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