

**DEPARTMENT OF ECONOMIC DEVELOPMENT  
SUMMARY FOR THE LEGISLATIVE FILE  
ORDINANCE NO: \_\_\_\_\_**

**Project Name:** Reserve Premier Development  
**Project Address:** E. 55<sup>th</sup> and Sweeney Ave., Cleveland, OH 44127  
**Developer:** Reserve Premier, LLC and/or Designee  
**Project Manager:** Dan Kennedy  
**Ward/Councilperson:** 5 – Gray  
**City Assistance:** Non-School TIF

**Project Summary and Discussion**

Reserve Premier, LLC and/or Designee (“Developer”) requests the City impose a 5709.41 30-Year, Non-School TIF. The TIF will support debt service and assist with the development located at E. 55<sup>th</sup> St. and Sweeney Ave., Cleveland, OH 44127 (“Project Site”). The project will create and/or cause to create 36 new FTE W-2 jobs at the Project Site.

The proximity to Opportunity Corridor is the catalyst for this project, however the brownfield and demolition issues result in costs that do not add to value and are a big hurdle for a project here, especially at a time when escalating costs further complicate development projects. The 10.9-acre development site at East 55<sup>th</sup> Street and Bragg in Cleveland consists of 5 existing parcels and a vacated street (Sweeney Avenue from 51<sup>st</sup> to 55<sup>th</sup>, approximately 1.2 acres) with 8 buildings on the parcels. The site includes four parcels, totaling 6.7 acres, owned by the Developer and a fifth parcel currently under option (3 acres). The parcel under option is currently owned by SO Realty. The property owned by the Developer includes a former recycling site and is considered a brownfield.

After demolition of the 8 buildings (over 200,000 square feet) and the brownfield clean-up is completed, this site would be graded and slated for new construction of a modern light industrial or logistics facility, to meet current market preferences. The planned building would be a 182,000 SF industrial spec building with 32’ clear ceilings. The site will also have up to 38 docks and approximately 215 parking spaces.

Opportunity Corridor provides access to Route 490 as well as the rest of the federal highway network, Route 77, Route 71 and Route 90, which places approximately 50% percent of the US population within a 500-mile radius. Additionally, the close proximity to Cleveland Clinic, University Hospitals and Metro Hospital is a strategic advantage. The redevelopment of this site will greatly benefit Cleveland by revitalizing this area and promoting further development in the areas surrounding the Opportunity Corridor.

### **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 the Reserve Premier, 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 36 jobs in the City of Cleveland
- Project estimates \$43,000 in new annual City tax revenue generated 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