

DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 1270-2022

Project Name: City Club Apartments
Project Address: 776 Euclid Avenue, Cleveland. OH 44114
Developer: CCA CBD Cleveland, LLC and/or designee
Project Manager: Robin Brown
Ward/Councilperson: 3 – Kerry McCormack
City Assistance: Non-School TIF

Project Summary and Discussion

City Club Apartments (“CCA”) is 100-year-old Detroit based multifamily apartment developer strictly focused on building extremely innovative and high-quality properties for long term hold and operation in the mid-west.

CCA focuses on urban mixed-use apartment communities with resort class amenities and time saving services for our residents. Despite the high level of finishes and services, CCA is able to affordably offer these units to residents earning between \$40,000 and \$60,000. They are design driven and technologically advanced, and are committed to social responsibility, wellness, and green living.

The project site is located at 776 Euclid Avenue (formerly part of 720 Euclid Ave.), and currently is the site of a surface parking lot. The Project Site was once the home of the iconic Hippodrome Theater. The developer is proposing a multi-story mixed-use building on the 0.5-acre site fronting on Euclid Avenue. The parcel on which the project will be built has been assigned permanent parcel 101-27-041. Construction is anticipated to be completed in 2024 and the project is expected to include approximately 250,000 total square feet of space, including over 15,000 square feet of commercial space and 304 apartment units.

The developer is committed to providing housing available to Clevelanders of many income levels and is willing to commit to providing workforce housing in this apartment community. Over 30% of units at the Project Site are anticipated to be affordable to households making approximately 90% of the Area Median Income for the Cleveland MSA. Over 2/3 of units are anticipated to be affordable for households making under \$60,000 per year once the project is completed. The project’s unique unit layouts and sizes allow the project to keep the price per unit lower than other new construction projects as well as in redeveloped buildings in Downtown.

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. The project will create and/or cause to create approximately 26 new

W-2 jobs at the Project Site with an approximate payroll of \$1,300,000. The total project investment is expected to exceed \$94 million.

Proposed City Assistance

- This ordinance will authorize the Director of Economic Development to enter into a 30-year non-school Tax Increment Finance (TIF) agreement with CCA CBD Cleveland, LLC and/or its designee. The City will have declared certain improvements with respect to the project to be a public purpose and exempt 100% of the improvements from real property taxes.
- The Developer agrees to make certain improvements to the parcel and make payments in lieu of taxes (PILOTs) equal to the taxes that would have been paid for the parcel but for the TIF. A portion of the PILOTs will be paid to the Cleveland Metropolitan School District in the amount the District would have otherwise received but for the TIF by the County ("District Payments"). The balance of the PILOTs will be utilized to fund eligible project costs and project debt. The developer will be responsible for any shortfall of PILOT payments for project costs.
- The TIF will be immediately effective on the residential after the expiration of the 15-year, 100% tax abatement.

Economic Impact

- Creation of approximately 26 new full time jobs in the City of Cleveland
- Project estimates \$32,500 in new annual City tax revenue generated from residents and 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