

DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 686-2026

Project Name: East 9th Scarlet, LLC
Project Address: 2060 East 9th Street, Cleveland, Ohio 44115
Parcel Number: 101-27-012
Developer: East 9th Scarlet LLC and/or designee
Project Manager: Ifeoma Ezepue
Ward/Councilperson: 5/Starr
City Assistance: Chain of Title for Non-School TIF



Project Summary

Originally constructed in the early 20th Century, the Rose and Sloan buildings, historic landmarks located in downtown Cleveland, are being revitalized by East9th Scarlet, LLC (“Developer”) into a blended residential apartments and hospitality development known as “Project Scarlet”. These two centrally located buildings will be modernized and transformed into Marriott branded premium living spaces and Tribute hotel. The

Rose Building will feature 154 apartments with resident amenities, while the Sloan Building will offer 123 hotel rooms, including double, single, and luxury suites, plus 33,323 square feet of commercial office and/retail space. The total project cost is estimated at \$126,689,999.

Project Scarlet is located at 2060 E. 9th Street, Cleveland, Ohio 44115 (“Project Site”). The construction project is scheduled to begin in 2026. The hotel and residential apartments will open in 2028 (“Project”). To support Project financing, the Developer is requesting a 30-Year Non-School Tax Increment Financing (TIF), which will commence following a 15-Year Community Reinvestment Area Tax Abatement. The TIF is projected to contribute approximately \$12,277,389 to the project over the 30-year term and will generate approximately \$34,754,295 in property tax revenue for the school district. The City’s loan will assist with the debt service to help pay for the hard and soft costs associated with the project. The TIF will require a carve-out from the “Shore to Core to Shore” downtown TIF district to accommodate this redevelopment project. The TIF’s estimated net present value is \$3,751,421.

Authorizing the Director of Development to acquire and re-convey certain parcels from/to East 9th Scarlet, LLC or designee, in order to enter in the chain-of-title prior to the institution of a TIF.

Proposed City Assistance

The request to Cleveland City Council is to authorize the Director of Development to acquire and re-convey certain parcels from/to East 9th Scarlet, LLC or designee prior to entering into a non-school Tax Increment Finance (TIF) agreement with East 9th Scarlet LLC or its designee.

Under the agreement, the parcel 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 that parcel and making payments in lieu of taxes (PILOTs) equal to the taxes that would have been paid for that parcel but for the TIF. A portion of the PILOTs will be paid to the Cleveland Municipal School District in the amount the school 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 parcel that is to be included in the TIF. A second piece of legislation will be required by Cleveland City Council for approval of the TIF Agreement.

Economic Impact

The project's improvement of real estate will increase the long-term funding bases of the City of Cleveland and Cleveland Metropolitan School District through increased property tax valuations. The addition of new housing units in the City aids in addressing the quality housing supply shortage being experienced in Cleveland and nationally. The project will also result in modest job and payroll creation through the management of residential apartments and hotel units.

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 the Bedrock Community Benefits Agreement
- Subject to Fair Employment Law (Living Wage)