

**DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 856-2020**

Project Name: Western Reserve Building
Project Address: 1468 W 9th Street, Cleveland, OH 44113
Developer: WRB Partners LLC and/or designee
Project Manager: Cassie Slansky
Ward/Councilperson: 3-Kerry McCormack
City Assistance: Non-School TIF

Project Summary and Discussion

WRB Partners LLC or designee, (“Developer”) is proposing a redevelopment project located at 1468 W 9th Street, Cleveland, OH 44113 (“Project Site”). 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 and assist with the redevelopment of the property into a multi-tenant office amenity for the Warehouse District. The project will create and/or cause to create 85 new W-2 jobs at the Project Site with an approximate payroll of \$4,700,000 and retain/cause to retain 90 jobs.

The Western Reserve Building was first constructed in 1890 and is one of the oldest office buildings in Downtown. In 1990, an addition was added to the eight-story building. The buildings anchor tenant was K.A. Architecture, who occupied over 22,000 square feet and then relocated outside of the City in 2015. The building has over 143,000 square feet of rentable space and has sat at least 50 percent vacant for the last three years.

The Developers of WRB Partners LLC have significant experience renovating, leasing, refinancing, and repositioning office properties across Northeast Ohio, with over 60 years of combined experience in real estate and creative industries. This project will rehab 40,665 square feet of office space for multiple new tenants. This redevelopment will allow the building to go from 50 percent leased to over 90 percent of leased office space. The total project investment is expected to exceed approximately \$13 million.

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 WRB Partners 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 85 new full time jobs in the City of Cleveland
- Retention of 90 full time jobs in the City of Cleveland
- Project estimates \$117,500 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