

**DEPARTMENT OF ECONOMIC DEVELOPMENT
EXECUTIVE SUMMARY PRESENTED TO CLEVELAND CITY COUNCIL
ON 12/2/2024
SHOREWAY TOWER, LLC – ENTER INTO CHAIN OF TITLE
ORDINANCE NO: 1311-2024**

Project Name: Shoreway Tower, LLC and / or Designee
Project Address: 1200 W. 76th Street, Cleveland, Ohio 44102
Developer: J ROC Development
Project Manager: Kevin Schmotzer
Ward/Councilperson: 15-Jenny Spencer
City Assistance: Non-School TIF

Project Summary and Discussion

Shoreway Tower LLC and/or Designee, (“Owner/Developer”) is proposing a mixed use development project located at 1200 W. 76th Street, Cleveland, OH 44102 (“Project Site”). In order to assist with the project financing, the Owner/Developer has requested the City impose a 5709.41, 30-Year, Non-School TIF.



The TIF will support debt service related to the project as an incentive to partially offset additional development costs to convert vacant land to a mid-rise residential tower in the Detroit Shoreway neighborhood. The mixed-use development project add approximately 110 new apartments, upgrade and renovate 51 apartments in a former industrial building called the Shoreway Building that was renovated in 2014; renovate an existing commercial / retail space currently occupied by the Good Company restaurant, add one additional retail space and add approximately 169 parking stalls. Total project cost are estimated at \$92,137,385.

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 Shoreway Tower, 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. Cleveland City Council will require a second piece of legislation for approval of a 30-year non-school TIF Agreement with Shoreway Tower, LLC and / or its designee. The second piece of legislation will be introduced and presented before Cleveland City Council in January / February 2025.

Economic Impact

- Creation of approximately 9 new full-time, W-2 jobs in the City of Cleveland with an estimated payroll of \$368,225;
- Retention of approximately 15 full-time, W-2 jobs in the City of Cleveland with an estimated payroll of \$581,535.

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. The Community Benefits Agreement has been agreed upon between the Developer, the Office of Equal Opportunity, and Councilwoman Spencer.