

**DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 690-2023**

Project Name: Hawthorne Elementary Partners, LLC
Project Address: 3575 W. 130th Street, Cleveland. OH 44111
Developer: Sustainable Community Associates (SCA) and/or designee
Project Manager: Conrad Metz
Ward/Councilperson: 16 – Brian Kazy
City Assistance: Non-School TIF

Project Summary and Discussion

Hawthorne Elementary Partners’ affiliate, Sustainable Community Associates (SCA) and/or designee, (“Developer”) is proposing to redevelop the historic Hawthorne Elementary School at 3575 West 130th Street. Redevelopment of this important neighborhood landmark will help stabilize the surrounding community and provide a sense of progress and momentum. The school was built in 1917, with additions in 1920 and 1927, and has been vacant for several years. This will be a historic rehabilitation of the original school building, and will be listed on the National Register of Historic Places. The school building will contain 36 apartments, ranging from 1 to 4 bedrooms, and will have parking for residents. Developer anticipates that 75% of units will have rents affordable for residents between 80%-100% of AMI. 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 5 new W-2 jobs at the Project Site with an approximate payroll of \$250,000. The total project investment is expected to exceed \$14 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 Hawthorne Elementary Partners, 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 5 new full time jobs in the City of Cleveland
- Project estimates \$21,375 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