

DEPARTMENT OF ECONOMIC DEVELOPMENT

SUMMARY FOR THE LEGISLATIVE FILE

ORDINANCE NO: _____

Project Name: The Midtown Redevelopment
Project Address: 3101 Euclid Avenue, Cleveland, OH 44115
Developer: The Inspirion Group, LTD. or Designee
Project Manager: Dan Kennedy
Ward/Councilperson: 7-Basheer Jones
City Assistance: Non-School TIF

Project Summary and Discussion

The Inspirion Group, LTD or designee, (“Developer”) is proposing a mixed use development located at 3101 Euclid Avenue, Cleveland, OH 44115 (“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 development of 92 market rate apartments, approximately 4,200 square feet of retail space, and parking deck for residents and retail users. The project will create and/or cause to create 10 new full-time jobs at the Project Site with an approximate payroll of \$400,000.

The new \$26M redevelopment will convert the existing building into 91 residential units, on floors 2 through 8 with a luxury penthouse on the 9th floor, and retail/commercial spaces of 2,600 SF and 1,700 SF on the first floor. The parking deck will be restored and will be configured for both resident and general public parking, with designated spaces set aside to support the retail users. The project will offer a state-of-the-art fitness center on the main floor of the building, with an attached outdoor landscaped garden, and a community recreation room on the first floor. The fourth floor will feature spacious apartments with walkout balconies. There will be a mix of studio, one, and two-bedroom units, with a private 3,000 SF four-bedroom penthouse on the 9th floor. The Building will benefit from the multi-million dollar renovation which will also comply with multiple LEED standards.

Once complete, the project will fill in a major vacancy along the Euclid Corridor and provide a mix of market rate housing options. This transit-oriented development will provide residents with optimal access the Health-Line as well as ideal access to the Innerbelt.

Proposed City Assistance

The request to Cleveland City Council is to authorize the Director of Economic Development to enter into a non-school Tax Increment Finance (TIF) agreement with The Inspirion Group, LTD 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. The TIF will be immediately effective on the residential after the expiration of the 15-year, 100% tax abatement.

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.

Economic Impact

- Creation of 10 jobs in the City of Cleveland
- Project estimates \$10,000 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