

**DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 817-2020**

Project Name: Fairfax-Mixed Use Project
Project Address: E. 105th St./Cedar Avenue
Developer: Fairmount Properties, LLC/or designee
Project Manager: Robin Brown
Ward/Councilperson: 6-Blaine Griffin
City Assistance: Non-School TIF

Project Summary and Discussion

Fairmount Properties, LLC/or designee, (“Developer”) is proposing a mixed use development located at East 105th St/Cedar Avenue, Cleveland, OH 44106 (“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 approximately 170 market rate “micro-units”, 35-40,000 square feet grocery store and a parking structure to support both projects. The total project investment is expected to exceed approximately \$51.9 million. The project will create and/or cause to create 40 new W-2 jobs at the Project Site with an approximate payroll of \$1,327,000.

Since 1998 Fairmount Properties, LLC has grown to be a well-respected industry leader across multiple real estate platforms-from college campuses to city centers. Fairmount Properties, LLC has been fortunate to play lead roles in the development of major urban and suburban cores and the creation of transit-oriented projects including Flats East Bank Phases I-III and Pincrest. The principals of Fairmount Properties are Randy Ruttenberg and Adam Fishman.

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 Fairmount Properties, 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 40 new full time jobs in the City of Cleveland
- Project estimates \$34,300 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