

Apt Development Group The Apollo (1250 Riverbed)



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Mike Apt
President and CEO, Apt Development Group

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Mike Apt is building a name for himself in the real estate business, amassing a stable of apartment properties and wading into development.

The Houston native formed Cleveland-based Apt Development Group in 2016 and has been chasing real estate deals in earnest since early 2020.

He made news in July, when he popped up in public records as the developer behind a planned apartment makeover of 1250 Riverbed St., a vacant and deteriorating building in the Flats.

Apt followed the pre-law track at Sam Houston State University and studied construction management and development at Arizona State University. He served in the U.S. Army Reserve and recently obtained a master of business administration degree from Case Western Reserve University.


"My mission moving forward is to go to underserved neighborhoods – neighborhoods like the one where I was born – and renovate the apartments," Apt wrote in an open letter online to his adoptive parents, who took in an infant born to a struggling teenage mother.

"I want children who aren't as lucky as I was as a kid to at least have a home where they can learn and grow and feel secure."

FOR FINANCIAL ADVISORS & FIRMS, FINRA DOESN'T HAVE TO BE AN F-WORD.
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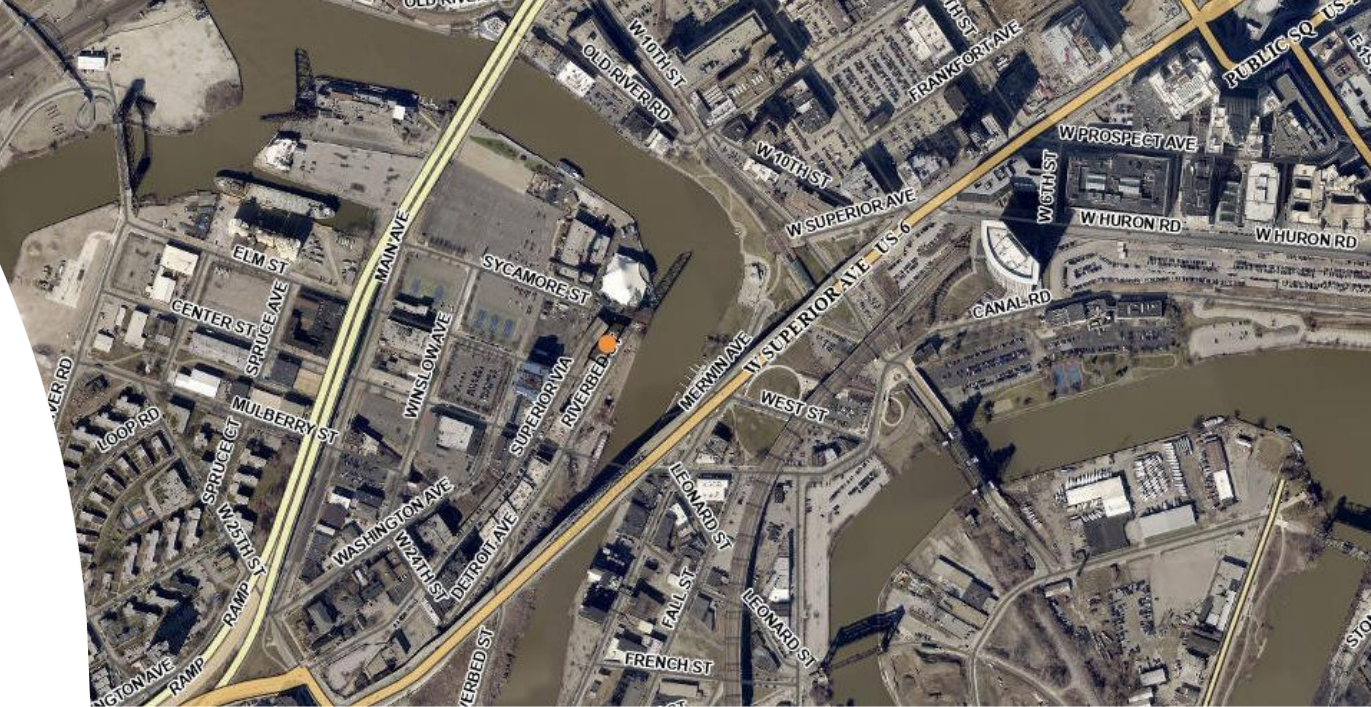
MATASAR JACOBS
SECURITIES FINRA MIGHT BEETLE BY FEAT

BOOK TODAY!
NONSTOP FLIGHTS ABOARD BREEZE FROM CAK



The Apollo - Site

- 1250 Riverbed St.
- PPN: 003-19-007
- Flats West Bank: adjacent to Superior Viaduct, Jacobs Pavilion & Heritage Park II
- Riverfront property, unique views of downtown



The Apollo - History

- The historic building consumes the entirety of the parcel.
- Originally built in 1887 as a two-story building for Lyman, Strong & Co.; two stories were added to the building in 1913 for the Kaplan-Shanman Company; and later an additional six-story building was connected to the north.
- More recently, the building experienced a failed attempt at housing and has been vacant for over a decade.
- The property was purchased by the current owner in 2021.





Existing Exterior Conditions



Exterior Existing Conditions



Existing Interior Conditions



Existing Interior Conditions

The Apollo – Project Details

Property Information

- Property Address: 1250 Riverbed St.
- Proposed Use: Multi-Family Residential/Commercial
- Tax Lot ID: 003-19-007
- Proposed Residential Units: 70
- Proposed Commercial Units: 1 (Office for Apt Development)
- Total Square Feet of Proposed Residential Units: 30,639
- Total Square Feet of Proposed Commercial Units: 2,741

SITE DATA:	
ZONING USE DIST.	LLR: LIMITED RETAIL BUSINESS WITH URBAN FORM OVERLAY
AREA DISTRICT:	K (8x LOT AREA)
HEIGHT DISTRICT:	5 (250 FT. MAX)
PROPOSED USE	RESIDENTIAL, OFFICE
ACREAGE	+/- 0.253 ACRES (11,020 SF)
PROPOSED UNITS	70 UNITS
TOTAL FL AREA	+/- 53,644 GSF
BUILDING FOOTPRINT	+/- 11,379 SF (100% COVERAGE)
ON-SITE PARKING	1 PER DWELLING UNIT = 70 SPACES 1 PER 500 SF OFFICE = 3 SPACES 75% REDUCTION PER UF OVERLAY .25 X 73 = 19 SPACES REQ'D NONE PROVIDED, VARIANCE APPROVED FOR ADJACENT PARKING LOT LONG TERM LEASE
OFF-STREET PARKING	ADJACENT PARKING LOT PER ZONING APPEAL APPROVAL
HISTORIC DISTRICT:	CLEVELAND CENTRE NATIONAL HISTORIC DISTRICT LISTED CONTRIBUTING STRUCTURE

GROSS AREA SUMMARY:		
	BUILDING GROSS AREA	BUILDING GROSS AREA
	EXISTING BUILDING	PROPOSED BUILDING
1ST FLOOR	11,208 GSF	11,172 GSF
2ND FLOOR	11,208 GSF	11,208 GSF
3RD FLOOR	11,208 GSF	11,208 GSF
4TH FLOOR	11,208 GSF	11,208 GSF
5TH FLOOR	2,741 GSF	6,071 GSF
6TH FLOOR	2,741 GSF	2,741 GSF
TOTALS	50,314 GSF	53,608 GSF

The Apollo – Sources and Uses

<u>Estimated Sources</u>		<u>Estimated Uses</u>	
Premier Bank	\$ 10,506,639	Property Acquisition	\$ 1,251,850
City of Cleveland (HTF)	\$ 600,000	Construction Costs	\$ 14,969,624
Developer Equity	\$ 1,251,850	Predevelopment Costs	\$ 890,840
State & Federal Historic Tax Credits	\$ 3,500,000	Financing & Demolition Costs	\$ 846,175
Gap Financing	\$ 2,100,000		
Total Sources	\$ 17,958,489	Total Uses	\$ 17,958,489

The Apollo – Project Financing

- State/Federal Historic Tax Credits (\$3.5 million)
- Cleveland Housing Trust Fund HOME (\$600k)
- Seeking CPACE gap financing



Ohio
Historic Preservation
Tax Credit



Why TIF?

- Increasing Constructions Costs
- Higher Interest Rates
- Significant Historic Renovation
- Connection to Viaduct, Roof Repair



Apollo - Viaduct Courtyard

TIF ANALYSIS SUMMARY & ECONOMIC DEVELOPMENT ROI

- Estimated non-school 41 TIF net proceeds are \$347,590;
- New annual income tax revenue to the Cleveland schools after expiration of the residential tax abatement - \$158,205;
- No commercial tax abatement associated with the project.
- Creation of 8 new W-2 FTE jobs;
- \$400,000 of new annual payroll;
- \$10,000 of new annual income tax revenue;
- Approximately \$300,000 of total new income tax revenue over the 30-year term of the TIF.