

**DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 215-2021**

Project Name: Addis View Apartments
Project Address: Chester Ave. and East 90th Street, Cleveland, OH 44106
Developer: The Inspirion Group, LTD and/or Designee
Project Manager: Dan Kennedy
Ward/Councilperson: 7 – Basheer Jones
City Assistance: Non-School TIF

Project Summary and Discussion

The Inspirion Group, LTD. is a development team consisting of two principals; Lemma Getachew and Guenet Tilahun Indlale. Inspired by the growth and excitement in today’s marketplace, they strive to uncover the unique and often overlooked real estate opportunities which others may ignore. With over 25 years of collective experience in the Greater Cleveland area, they are focused on expanding their portfolio of commercial, multi-family and retail properties by applying fundamental principles, sound analysis and a little inspiration, to create surprising and successful outcomes.

The Inspirion Group is working on a 4-phased development project consisting of mostly multi-family residential units with some commercial space consisting various parcels along Chester Avenue and East 90th Street, Cleveland, Ohio 44106 ("Project Site"). The Inspirion Group will create and/or cause to create 10 new W-2 jobs at the Project Site with an approximate payroll of \$400,000 and retain/cause to retain 0 jobs.

They will move their property management company to the space from Cleveland Heights. The Inspirion team has started modeling the construction costs and the size of the project, but hopes to place approximately 424 units of housing in the area. These units would be affordable to people at 80% AMI with the hope to attract residents who work in University Circle, Midtown, or downtown to live in the Hough area, further supporting local businesses by adding neighborhood density.

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 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.

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 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