

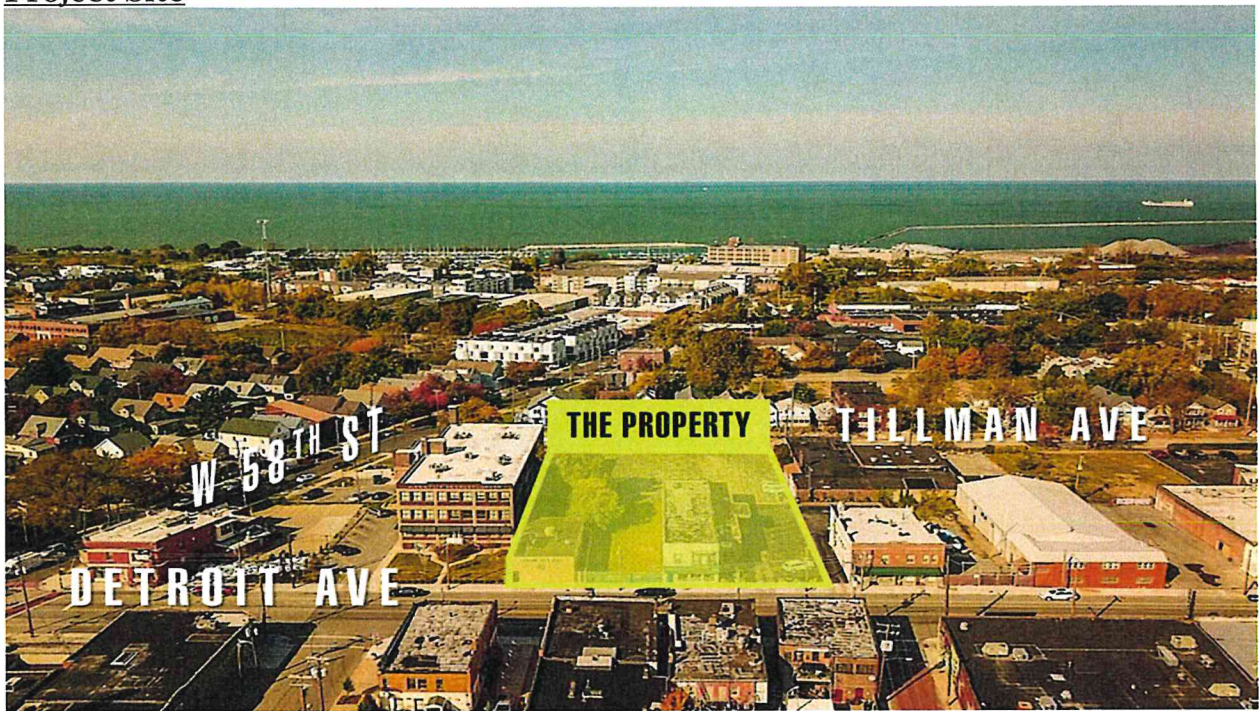
DEPARTMENT OF ECONOMIC DEVELOPMENT

SUMMARY FOR THE LEGISLATIVE FILE

ORDINANCE NO: \_\_\_\_\_

**Project Name:** Waverly & Oak Apartments  
**Project Address:** 5506 Detroit Avenue, Cleveland, OH 44102  
**Developer:** 5506 Detroit, LLC, or designee  
**Project Manager:** Robin Brown  
**Ward/Councilperson:** 15 – Jenny Spencer  
**City Assistance:** 30 year Non-school TIF

**Project Site**



**Project Summary**

5506 Detroit, LLC or designee, (“Developer”) is proposing a mixed use development located at 5506 Detroit Avenue, Cleveland, OH 44102 (“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 126 market rate rental units built over an active street level commercial environment with approximately 17,300 square feet of retail space with below grade and surface parking, named Waverly & Oak (the “Project”, or “W&O”). The project will be the first new construction, mixed-use development along Detroit Avenue in Gordon Square. The property’s location provides residents with convenient access to all the cultural, entertainment, and dining establishments that have made Gordon Square the most desirable neighborhood in Cleveland. Total project investment is expected to exceed

approximately \$47 million. The project will create and/or cause to create 4 new W-2 jobs at the Project Site with an approximate payroll of \$91,556.

5506 Detroit LLC is an entity of the Bond Street Group (“Bond Street”). Bond Street is a team of 3 individuals with over 20 years of experience in commercial real estate, construction and project management, Their first project as the Bond Street is the development of a mixed use building located at 5506 Detroit Avenue, Cleveland, Ohio 44102.

Bond Street is under exclusive contract to acquire 5506 Detroit Avenue, a seven-parcel assemblage comprising .92 acres in the Gordon Square neighborhood. The property sits at the gateway to Gordon Square, and features over 150’ of frontage along Detroit Avenue, the main commercial corridor and transportation artery connecting Downtown Cleveland to the city’s near-west-side neighborhoods.

### **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 5506 Detroit, 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 41 TIF will cover PPNs 003-09-067, 068, 069, 082, 083, 084 and 085.
- The TIF will be immediately effective on the residential after the expiration of the 15-year, 100% tax abatement.

### **Economic Impact**

- Creation of 4 new full time jobs in the City of
- Project estimates \$91,556 in new annual City tax revenue from new employees.
- The project will generate \$141,750 annual residency taxes and once stabilized, the project is expected to generate \$504,908 in annual property taxes for the School District upon expiration of the residential tax abatement

### **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