

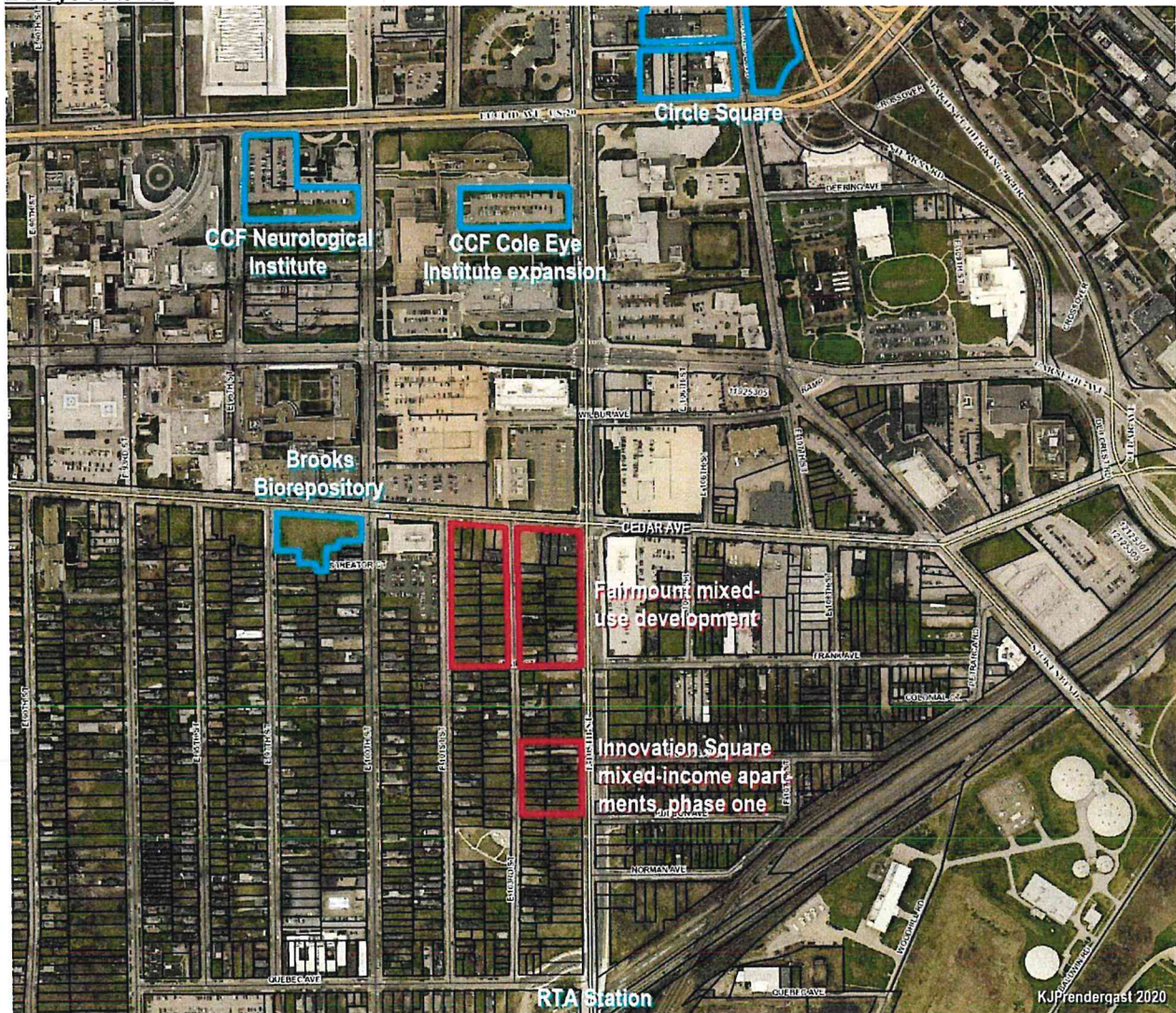
DEPARTMENT OF ECONOMIC DEVELOPMENT

SUMMARY FOR THE LEGISLATIVE FILE

ORDINANCE NO: _____

Project Name: Fairfax Mixed Use Project
Project Address: E. 105th St/Cedar Avenue, Cleveland, OH 44106
Developer: Fairmount Properties, LLC or designee
Project Manager: Robin Brown
Ward/Councilperson: 6– Blaine Griffin
City Assistance: 30 year Non-school TIF

Project Site



Project Summary

Fairmount Properties, LLC or designee, (“Developer”) is proposing a mixed use development located at E. 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 a 40,000 SF Meijer Grocery Store, approximately 150,778 SF of residential space including 90 market rate one-bedroom units, 90 micro+ units, 6 standard micro-units, 10 two-bedroom units, 200 parking garage spaces and 125 surface-level spaces for Meijer (“Project”)

This would be Meijer’s first urban store in Ohio, bringing an amenity to the Cleveland Clinic/Fairfax neighborhood and providing a higher quality option to residents of that community. The 196 units will be purpose-built to fill an unmet demand for incoming residents, nurses, and medical students, all of whom the Cleveland Clinic believes can benefit from a walkable housing option combined with a major amenity such as the grocery store. Total project investment is expected to exceed approximately \$57 million. The project will create and/or cause to create 40 new W-2 jobs at the Project Site with an approximate payroll of \$1,372,000.

Since 1998 Fairmount Properties, LLC has grown to be a well-respected industry leaser 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

- This ordinance will authorize the Director of Economic Development to enter into a 30-year non-school Tax Increment Finance (TIF) agreement with Fairmount Properties, 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:121-18-011,012,013,014,015,016,017,018,019,020, 021,022,023,024,048,049,050,051,052,053,054,055,056
- The TIF will be immediately effective on the residential after the expiration of the 15-year, 100% tax abatement.

Economic Impact

- Creation of 40 new full time jobs in the City of

- Project estimates \$1,372,000 in new annual City tax revenue from new employees.
- The project will generate \$99,531 annual residency taxes and once stabilized, the project is expected to generate \$445,464 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