

**DEPARTMENT OF ECONOMIC DEVELOPMENT  
SUMMARY FOR THE LEGISLATIVE FILE  
ORDINANCE NO: 1029-2023**

**Project Name:** Erieview Tower, Galleria and Parking Garage  
**Project Site:** 1301 E 9<sup>th</sup> Street/100 Erieview Street, Cleveland, Ohio 44114  
**Developer:** Erieview Holdings, LLC, and/or designee  
**Project Manager:** Robin Brown  
**Ward/Councilperson:** 3 -McCormack  
**City Assistance:** Non-School TIF

**Project Summary and Discussion**

Built in 1964 and renovated in 1987, Erieview Tower (the "Tower") is a 40-story, 810,000 SF office tower located in Downtown Cleveland. At 529 feet, the Tower is the 4th tallest building in Cleveland and the 9th tallest in the state of Ohio. In 2017, the building was approved for addition to the National Register of Historic Places, a designation that makes the building eligible for federal historic tax credits.

The Tower was acquired by James Kassouf (the "Developer") in 2018 from a former lender for \$17.7 Million (\$22/SF), and refinanced in 2020. At the time of the acquisition, the tower was more than 50% vacant. The Developer also owns the adjacent Erieview Galleria (the "Galleria")-a 133,600 square foot glass enclosed, two-story open air shopping center. The redevelopment of the Tower and Galleria (the "Project") is expected to cost an estimated \$217 Million.

As conceived, the Project will involve a mixed-use redevelopment of Erieview Tower and Galleria with:

- Approximately 227 luxury apartments (subject to change), branded by W Residences
- An approximately 210-key luxury hotel, branded and managed by W Hotels
- Improvements to approximately 300,000 square feet of existing Class-A office space, and
- Approximately 500+ indoor parking spaces
- Galleria could include fine dining, a new food court, indoor sports and entertainment spaces, and a second floor renovated ballroom for special events.

The Developer has entered into a contract with Marriott International to develop the project as a W Hotel and W Residences property that is expected to feature a spa, restaurant, rooftop bar, refreshed lobby entrance with access to both the Residences and Hotel that will have a living room concept feel with a bar and cafe.

**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 Erievue Holdings, 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**

- Total Retained and Attracted Jobs:

Year 1	Year 2	Year 3	Year 4	Year 5
1,462	1,504	1,545	1,586	1,627

- Estimated \$9,118,401 in City income tax revenue from Hotel, Galleria, construction workers and building staff in 15 years and \$22,383,052 in 30 years.
- Estimated \$20,130,911 in new annual City income tax revenue from Office Tenants in 15 years and \$50,614,332 in 30 years.
- Estimated \$6,098,019 City Bed Tax Revenues in 15 years and \$15,599,684 in 30 years.
- Estimated \$2,452,593 City Parking Tax Revenues in 15 years and \$6,104,685 in 30 years.

**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