

**DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 1210-2019**

Project Name: Astrup Awning Company Building Redevelopment
Recipient: 2937 W 25, LLC and/or designee
Project Site: 2937 West 25th Street, 44113
Project Manager: Dan Kennedy
Ward/Councilperson: 14 - Santana
City Assistance: Non-School Tax-Increment Financing

Project Summary

2937 W 25, LLC and/or Designee (“Developer”) is renovating the former Astrup Awning Company Building into a community-focused arts and maker space. The Astrup Awning Company project is a new mixed-use development planned along the W. 25th Street Corridor in the Clark-Fulton neighborhood at 2937 W. 25th Street, Cleveland, OH 44113 (“Project Site”). The building will be filled with multiple non-profit and office tenants anchored by the Cleveland Museum of Art, and will be rounded out with affordable maker spaces for artists and small creative businesses. The property consists of four interconnected buildings totaling 80,000 square feet over 3 floors.

This high-visibility project will be incredibly catalytic for the Clark-Fulton neighborhood of Cleveland, a long-distressed part of the city that has not seen anything near the levels of reinvestment that its adjacent neighbors - Ohio City and Tremont - have seen. Other anticipated tenants across the city have enthusiastically signed up to collocate with the Cleveland Museum of Art and become a part of the synergy of this new creative hub, including: Inlet Dance Theatre, LatinUs Theater Company, The Boys & Girls Club, and the Cleveland Center for Missing, Abducted, Exploited Children and Adults.

2937 W 25th will become a community focal point, creating over 65 jobs for local residents, investing about \$13.5M to reinvigorate this vacant industrial complex, and providing important youth development, workforce development, and access to the arts for the local community. The Developer is requesting to enter into a Tax Incremental Financing Agreement to supplement costs associated with the Astrup Awning Company Building, an approximately \$13.5M redevelopment of the 80,000 SF historic complex.

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 2937 W 25, LLC or its designee. 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 developer agrees to make certain improvements to those parcels and make 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 PILOTs will be paid to the Cleveland Municipal School District in the amount the District would have otherwise received but for the TIF by the County. The Developer will be responsible for any shortfall of PILOT payments for project costs.

Economic Impact

- Creation of 65 jobs in the City of Cleveland (estimated \$2,600,000 annual salaries)
- Project estimates \$65,000 in new annual City tax revenue generated from residents and new employees
- Project will generate \$133,221 in annual property taxes for the School District
- Over the 30-year term of the TIF, the project estimates \$4 Million in property taxes generated for the School District and \$9 Million in income resident taxes for the City

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