

**DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 1040-2022**

Project Name: Scranton Peninsula / Carter Road Residential Apartment Project
Project Address: 1951 Carter Road, Cleveland, OH 44113
Developer: Peninsula MFH Owner, LLC and/or designee
Project Manager: Kevin Schmotzer
Ward/Councilperson: 3-Kerry McCormack
City Assistance: Non-School TIF

Project Summary and Discussion

Peninsula MFH Owner, LLC and/or designee, (“Developer”) is proposing a residential apartment project located at 1951, 1953, 1955, 1957, 1959 and 1961 Carter Road, Cleveland, OH 44113 (“Project Site”) along the Scranton-Peninsula in the former industrial Flats. 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 as an incentive to partially offset \$5.4 million of site preparation costs including but not limited to environmental & geotechnical costs to convert former industrial property to a residential use. The project will include approximately 316 residential apartment units. Upon completion, it will create and/or cause to create five new W-2 jobs at the Project Site with an approximate payroll of \$250,000 and retain/cause to retain approximately zero W-2 jobs. Total project costs are estimated at \$94,939,000.

The project upon completion will complement the Great Lakes Brewing Company’s HQ site. A road will be built along the south border of the development site will be shared with the development of Great Lakes Brewery. The development team, the NRP group, envisions this project will catalyze additional development in the Thunderbird neighborhood. In 2021, BrewDog, a locally owned brewery and restaurant, opened in an abandoned building on 3-acres of former industrial land and an abandoned rail spur at 1956 Carter Road. The development of the BrewDog site was a first former heavy industrial site that was developed along this section of the Scranton Peninsula.

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 Peninsula MFH Owner, 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. Cleveland City Council will require a second piece of legislation for approval of the TIF Agreement.

Economic Impact

- Creation of approximately 5 new full time W-2 jobs in the City of Cleveland;
- Retention of approximately 0 full time jobs in the City of Cleveland;
- Project estimates \$6,250 in new annual City income tax revenue.

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