

DEPARTMENT OF ECONOMIC DEVELOPMENT

SUMMARY FOR THE LEGISLATIVE FILE

ORDINANCE NO: 978-2019

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 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: The Boys and Girls Club of Cleveland, Inlet Dance Theatre (a professional dance touring company), Rincon Criollo (a popular Cleveland restaurant serving Latin fare), Cleveland Film Company, LatinUS (a startup theater company that performs in Spanish), Polis Woodworking, Don Frey’s artist studio, and Rycon Construction. Gina Dejesus, one of the three victims of Ariel Castro, will also rent space in the Astrup Building for the Cleveland Center for Missing, Abducted, Exploited Children and Adults – the non-profit she and her family have established to assist other families in need.

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

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 2937 W 25, LLC or its designee. This TIF agreement will be up to 30 years in length.

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

- Creation of 65 jobs in the City of Cleveland
- 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

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