

# Ordinance No.1539-2019

Council Member(s) McCormack, Brancatelli  
and Kelley  
(by departmental request)

## AN EMERGENCY ORDINANCE

Authorizing the Mayor and the Commissioner of Purchases and Supplies to acquire and re-convey properties presently owned by Harbor Bay Real Estate Advisors, or its designee, located at the corner of West 25<sup>th</sup> Street and Lorain Avenue for the purpose of entering into the chain-of-title prior to the adoption of tax increment financing legislation authorized under Section 5709.41 of the Revised Code.

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WHEREAS, this ordinance constitutes an emergency measure providing for the usual daily operation of a municipal department; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That notwithstanding and as an exception to the provisions of Chapter 181 and 183 of the Codified Ordinances of Cleveland, Ohio, 1976, the Mayor and the Commissioner of Purchases and Supplies are authorized to acquire from and re-convey to, Harbor Bay Real Estate Advisors, or its designee, for a nominal consideration of one dollar and other valuable consideration determined to be fair market value, the following property for the purpose of entering into the chain-of-title prior to the adoption of tax increment financing legislation authorized under Section 5709.41 of the Revised Code and more fully described as follows:

### **Lot 1**

Situated in the City of Cleveland, County of Cuyahoga, State of Ohio, and being part of original Brooklyn Township Lot Number 69, being part of a parcel conveyed to Ohio City Legacy LLC as recorded in AFN 201901150661 as shown on the Assembly Plat as recorded in Plat Volume 243, Page 85, also being part of a parcel of land as shown on the partial vacation of Gehring Ave. as recorded in Plat Volume \_\_\_\_\_, Page \_\_\_\_\_ being further bounded and described as follows:

Beginning at a drill hole set at the intersection of the south right of way line of Lorain Avenue (102 feet wide) and the east right of way line of West 25<sup>th</sup> Street (82.50 feet wide), said drill hole being the **POINT OF BEGINNING** of the parcel of land hereinafter described:

1. Thence on the south right of way line of said Lorain Avenue, N 58° 34' 57" E for a distance of 353.26 feet to a drill hole set on the west right of way line of Gehring Avenue (52 feet wide);
2. Thence on the west right of way line of said Gehring Avenue, S 31° 25' 03" E for a distance of 4.73 feet to a drill hole set;
3. Thence on the west right of way line of said Gehring Avenue, S 0° 37' 09" E for a distance of 449.70 feet to a rebar set;
4. Thence on a new division line, S 58° 16' 39" W for a distance of 120.92 feet to a rebar set on the east right of way line of said West 25<sup>th</sup> Street;

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5. Thence on the east right of way line of said West 25<sup>th</sup> Street, N 31° 43' 21" W for a distance of 391.67 feet to the Point of Beginning, containing 2.1417 acres (93,290 sq.ft.) of land, more or less, and subject to all easements, restrictions and covenants of record. The above description prepared by Steven L. Mullaney, P.S. 7900 of Glaus, Pyle, Schomer, Burns & DeHaven, Inc., dba GPD Group, and based on a field survey made in January of 2019.

All bearings referred to herein, are relative to grid north of the Ohio State Plane Coordinate System, North Zone, NAD83 (2011), as determined from GNSS measurements tied to the Ohio Department of Transportation's VRS system.

All rebar set are 5/8 inch diameter by 30 inch long rebar with cap marked "GPD"

Section 2. That the Director of Economic Development is authorized to execute on behalf of the City of Cleveland all necessary documents to acquire and to convey the properties and to employ and to cause Harbor Bay Real Estate Advisors, or its designee, to pay all fees for title companies, surveys, escrows, appraisers, environmental audits, and all other costs necessary for the acquisition and sale of the properties.

Section 3. That this Council finds the conveyances are in compliance with Section 5709.41(B)(1) of the Revised Code and the proposed improvements constitute and are declared a public purpose under said section and the subject property is located in a blighted area of an impacted City as required by Section 5709.41 of the Revised Code.

Section 4. That the conveyance shall be made by official deed prepared by the Director of Law and executed by the Mayor and the Commissioner of Purchases and Supplies on behalf of the City of Cleveland.

Section 5. That this ordinance is declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

SMA:nl  
12-2-19  
FOR: Director Ebersole

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**READ FIRST TIME on December 2, 2019**

**and referred to DIRECTORS of Economic Development, Finance; Law; COMMITTEES on Development Planning and Sustainability, Finance**

**REPORTS**

\_\_\_\_\_  
**CITY CLERK**

**READ SECOND TIME**

by the council \_\_\_\_\_

\_\_\_\_\_  
**CITY CLERK**

**READ THIRD TIME**

by the council \_\_\_\_\_

\_\_\_\_\_  
**PRESIDENT**

\_\_\_\_\_  
**CITY CLERK**

\_\_\_\_\_  
**APPROVED**

\_\_\_\_\_  
**MAYOR**

Recorded Vol. \_\_\_\_\_ Page \_\_\_\_\_

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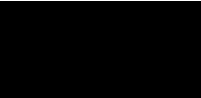
**REPORT  
after second Reading**

**PASSAGE RECOMMENDED BY  
COMMITTEE ON  
DEVELOPMENT, PLANNING AND  
SUSTAINABILITY**

FILED WITH COMMITTEE


**PASSAGE RECOMMENDED BY  
COMMITTEE ON  
FINANCE**

FILED WITH COMMITTEE

<b>Sources</b>	<b>\$\$</b>
Ohio City Legacy LLC - OZ Equity	\$ 30,068,819.00
Construction Loan (FNB-O)	\$ 90,455,807.00
ODSA	\$ 10,792,000.00
City ED Loan	\$ 2,000,000.00
<b>TOTAL</b>	<b>\$ 133,316,626.00</b>

<b>Uses</b>	<b>\$\$</b>
Land	\$ 10,147,000.00
Hard Costs	\$ 100,076,208.00
Soft Costs	\$ 17,846,509.00
Deferred Development Fee	\$ 5,246,909.00
<b>TOTAL</b>	<b>\$ 133,316,626.00</b>

DEPARTMENT OF ECONOMIC DEVELOPMENT  
SUMMARY FOR THE LEGISLATIVE FILE  
ORDINANCE NO: \_\_\_\_\_

**Project Name:** Market Square  
**Recipient:** Harbor Bay Real Estate Advisors, and/or Designee  
**Project Site:** Corner of West 25th Street and Lorain Avenue  
**Project Manager:** Richard Barga  
**Ward/Councilperson:** 3 - McCormack



**Company Background**

Harbor Bay Real Estate Advisors is a leading real estate development and investment firm, renowned for its relationship-focused, honest approach in creating valuable real estate. Harbor Bay is based on a foundation of great people, high energy and sound discipline. At its core, Harbor Bay strives to build superior communities through well-developed, well-positioned, well-managed real estate. Above all, Harbor Bay prides itself on consistently exhibiting a partnership approach when working with its clients and customers in the evaluation and optimization of real estate.

Harbor Bay & its family affiliates have been around since 1856, comprising multiple generations of real estate development, investment and management. Together, they have developed in excess of two billion dollars in real estate across a broad range of product types including multi-family, industrial, office, retail, student & senior living. Harbor Bay's trademark is transformational developments with high impacts to communities.

### **Project Summary**

Harbor Bay, through its subsidiary Ohio City Legacy LLC is planning a \$135 million apartment-and-office complex in Ohio City's Market Square. The Cleveland property was purchased for \$5.85 million, sold to Chicago-based developer Harbor Bay Real Estate Advisors. The Project will encompass an eight (8) story building comprising of approximately 480,000 total square feet, including 293 residential apartments, 40,000 square feet of retail, event space, and one acre of green space (the "Market Square Project"). A future phase is also considered with a speculative office use. The location on the corner of W. 25th Street and Lorain Avenue is steps from the iconic West Side Market and the Red Line Rapid station. The one-story plaza that is currently there will be razed. The 11 tenants have all already agreed to buyouts and many are looking to relocate their businesses within Ohio City. The project is using the Port Authority's Capital Lease program for construction cost savings and thus will be subject to the Port's Prevailing Wage requirement.

The Market Square Project will be predominately constructed using mass timber. Mass timber is the construction of a building using either solid or engineered wood, such as cross-laminated timber, nail-laminated timber, glue-laminated timber, etc., for the primary load-bearing structures. The use of mass timber is a new construction method in the State of Ohio. However, mass timber has been widely used throughout the world, most notably in Canada, Europe and Australia.

In addition to the use of mass timber, the Market Square Project will utilize sustainable and energy efficient materials, equipment, and design processes, including but not limited to, LEED or comparable green building certification, interior and exterior LED lighting, energy-efficient HVAC systems, and low flow flush and flow fixtures. It is estimated that the Market Square Project will lead to the creation of 735 direct construction jobs with over \$46 million in payroll.

### **Proposed City Assistance**

Beyond the construction financing, the City is being asked to assist with a 30 year non-school TIF to pay debt service for the project.

### **Economic Impact**

- Approximately 300 residential units
- Anticipated over 700 construction jobs
- 10 new FTE (\$208,000 estimated new payroll)

## **City Requirements**

- Chpt 187 – MBE/FBE/CBS
- Chpt 188 – Fannie Lewis Law
- Workforce Development Agreement









RITZI

RITZI  
wells PHARMACY

WEST BENEVOLENT



# SITE PLAN

Market Square

10/17/2019



HARBOR BAY  
REAL ESTATE ADVISORS