

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

Recipient: Erieview Holdings LLC, Erieview Tower Residential LLC, Erieview Galleria LLC, Erieview Tower LLC, and/or designee
Project Manager: Robin Brown
Ward/Councilperson: 3/ McCormack
City Assistance: 10-year, 75% Enterprise Zone Commercial Tax Abatement
Project Site: 100 Erieview Tower/1301 E 9th Street, Cleveland, Ohio 44114

Project Summary

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 133,663 square foot glass enclosed, two-story open air shopping center-which will be redeveloped into a Market Hall concept. The redevelopment of the Tower, Galleria and Parking Garage (the "Project") is expected to cost an estimated \$231 Million.

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

- Approximately 227 apartments (subject to change), branded by W Residences. Approximately 30 additional rental apartments.
- 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
- Approximately 500+ indoor parking spaces
- The Galleria will 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

- 10 year, 75% Enterprise Zone Commercial Tax Abatement

Economic Impact

- Creation of approximately 604 W-2 jobs with an approximate payroll of \$70,404,026 and approximately \$1,760,100 in new annual City tax revenue.
- Retention of approximately 658 W-2 jobs with an approximate payroll of \$97,585,970 to the City of Cleveland.

City Requirements

- Project is subject to a Workforce Development Agreement
- Project is subject to a Community Benefits Agreement