

DEPARTMENT OF ECONOMIC DEVELOPMENT

SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: _____

Project Name: 121 Larchmere
Recipient: First Interstate Properties Ltd, or designee
Project Site: 12201 Larchmere Blvd, Cleveland, OH 44120
Project Manager: Richard Barga
Ward/Councilperson: 6 - Griffin
City Assistance: \$430,000

Project Site



Company Background

First Interstate Properties, Ltd. ("Borrower") is a real estate development and management company located in Lyndhurst, Ohio. Mitchell Schneider, founder and President of First Interstate, is an attorney and previously practiced real estate law at a mid-sized Cleveland firm. Since formation in 1989, First Interstate has developed more than four million square feet of commercial space. The firm has concentrated all of its activity in the Northeastern Ohio market and its business plan contemplates that it will continue to do so.

Most recently First Interstate properties has developed One University Circle, a 20-story high-rise located in the university circle neighborhood of Cleveland's East side. One University Circle is the first high rise apartment building built in Cleveland since the 1970's; most deliveries in the market have been office conversions or new low-rise construction. One University Circle delivered 276 residential units and boasts 4,000 square feet of retail space.

Project Summary

The proposed site is at the corner of Larchmere and East 121st street. The vacant Life Skills building currently sits on the site. The abandoned building has previously been used as a convenient store and academic building. Borrower was approached to potentially redevelop the site after initial discussions about the redevelopment for a discount store and concerns that that type of use would take a step backward that would take many, many years to overcome if ever. Borrower's ability to have the property result in a community backed new multi-family development in-lieu of a discount store is what is needed in Larchmere to continue its revitalization.

Once completed, the project will have 88 units on a 4 story mid-rise building. First Interstate has also secured the commitment of a professional service firm to anchor over 6,000 SF of office space, providing 20 employees. This office space will be located at street level facing Larchmere. These new residents and employees will help activate the street and provide more purchasing power for the retail on Larchmere.

The non-school TIF will help write down the almost 30% equity investment to make this project happen.

Proposed City Assistance

- \$430,000 Vacant Property Initiative loan

Economic Impact

- 88 new residential units generating \$17,600 annual income tax.
- Borrower will create and/or cause to create 20 new W-2 jobs at the Project Site with an approximate payroll of \$1,500,000.

City Requirements

- Subject to Chapter 187
- Subject to Chapter 188
- Subject to a Workforce Development Agreement
- Subject to a Community benefits Agreement