

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

**Project Name:** Centennial  
**Project Address:** 925 Euclid Avenue, Cleveland, OH 44115  
**Developer:** Millennia Housing Development, Ltd., or Designee  
**Project Manager:** Dan Kennedy  
**Ward/Councilperson:** 3-Kerry McCormack  
**City Assistance:** HUD 108/Non-School TIF

**Project Summary and Discussion**

Millennia purchased the former Huntington Building from an out-of-region company in 2018. The building, originally the Union Trust Building, has 1.3 million square feet, almost all of which is currently vacant and in need of rehabilitation. When completed in 1924, this historic property was the second largest building in the world in terms of square footage, with more than 30 acres (12 hectares) of floor space. It was home to the world's largest bank lobby of the era, which today remains among the largest in the world. The lobby features enormous marble Corinthian columns, barrel vaulted ceilings, and colorful murals.

Millennia is proposing to renovate the building predominantly for housing. They are proposing to attack the project in two phases, totaling nearly \$450,000,000 in total development. Currently, they are in the process of constructing the capital stack for Phase I of the project. Phase I will include renovation of the core & shell, retail (approx. 30,000 SF), a small amount of boutique office space (approx. 95,000 SF), and 480 units of one- or two-bedroom affordable/workforce housing (312 units at 50% AMI, 56 units at 60% AMI, 112 units at 80% AMI). The future second phase will add an additional 380 units of housing, similarly priced.

The building is a prominent feature on a major street corner. Re-activating it can have a substantial impact on downtown. The developer is under time pressure to begin work, with a significant amount of capital trapped in the building and pressure from the State to deploy the Catalytic Historic Tax Credit (awarded to previous development proposal in 2015).

## Phase I Sources & Uses

<b>SOURCES</b>		<b>USES</b>	
Equity	\$30,912,213	Acquisition (Apportioned)	\$30,000,000
First Mortgage	\$42,970,000	Construction	\$139,959,852
LIHTC	\$60,785,439	Commercial T.I.	\$5,000,000
Federal Hist. TC	\$49,008,372	A&E	\$6,137,525
State Hist. TC	\$20,750,000	Costs & Fees	\$16,991,516
TMUD (or Equity)	\$20,026,523	Owner Cost	\$47,442,218
FHLB Pittsburgh	\$750,000		
FHLB Cincinnati	\$750,000		
Cleveland HUD 108	\$15,000,000		
County Request	\$5,000,000		
Deferred Dev. Fee	\$12,625,014		
<b>TOTAL</b>	<b>\$263,577,563</b>	<b>TOTAL</b>	<b>\$263,577,563</b>

In order to move the project forward, Millennia has requested a \$15,000,000 HUD 108 loan from the City of Cleveland. In addition, they will also be seeking residential tax abatement and be looking to avail themselves of a non-school TIF that was already prepared for the project.

The estimated value of the non-school TIF is approximately \$1,300,000 annually, with an estimated total financeable present value of just over \$15,000,000.

### **Terms of the HUD 108 Loan**

Interest Rate: 90-Day LIBOR +75 basis points (currently ~ 1%)  
Term: 10 years interest only, then amortized over a 10-year term  
Debt Reserve: \$1,000,000 to be established at closing. \$500,000 of the debt reserve may be released toward a principal prepayment of no less than \$5,000,000 during the interest only period.  
TIF Reserve: TIF proceeds will be dedicated to repayment of the HUD 108 Loan until the loan is fully repaid  
Collateral: City to take a subordinate mortgage position on the property  
Guaranty: Personal Guaranty from Frank Sinito

### **Community Benefits**

- Project is subject to MBE/FBE/CSB
- Project is subject to David-Bacon Prevailing Wages
- Project is subject to Fannie Lewis Law
- Project will execute Workforce Development Agreement