

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

Project Name: Cleveland Whiskey
Project Address: 601 Stones Levee, Cleveland. OH 44113
Developer: Vispiri Flats, LLC and/or designee
Project Manager: Robin Brown
Ward/Councilperson: 3-Kerry McCormack
City Assistance: Non-School TIF

Project Summary and Discussion

Vispiri Flats, LLC and/or designee, (“Developer”) is proposing to redevelop the Consolidated Fruit Auction Company Building at 601 Stones Levee Rd. in Flats South into their new headquarters. Their new building will include office space, a distillery, distribution space and a tasting room/restaurant. The Developer has requested the City impose a 5709.41, 30-Year, Non-School TIF. The TIF will support debt service related to the project and assist with the development of the distillery. The project will create and/or cause to create approximately 26 new W-2 jobs at the Project Site with an approximate payroll of \$1,220,000 and retain/cause to retain approximately 16 jobs.

Cleveland Whiskey has won more than 60 medals at competitions around the world including twenty-two gold and double gold awards. Since 2013, the company’s growth has been synonymous with Cleveland’s resurgence, helping spread the City’s brand of grit and innovation to new markets. In 2013, Cleveland Whiskey launched its product for consumer sales and has expanded its production into seasonal and several variations and premium quality products. They have also introduced products including wood blocks for smoking on the grill, t-shirts and decorative barrel tops.

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 Vispiri Flats, LLC or its designee. This TIF agreement will be up to 30 years in length. The City will declare certain improvements with respect to the project to be a public purpose and exempt 100% of the improvements from real property taxes.

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 approximately 26 new full time jobs in the City of Cleveland
- Retention of approximately 16 full time jobs in the City of Cleveland
- Project estimates \$30,500 in new annual City tax revenue generated from residents and new employees

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