

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

Project Name: 55 Public Square Redevelopment
Project Address: 55 Public Square, Cleveland. OH 44113
Developer: KD 55 Public Square LLC and/or designee
Project Manager: Cassie Slansky
Ward/Councilperson: 3-Kerry McCormack
City Assistance: Non-School TIF

Project Summary and Discussion

KD 55 Public Square LLC and/or designee, (“Developer”) is proposing a mixed use redevelopment located at 55 Public Square, Cleveland. OH 44113 (“Project Site”). In order to assist with the project financing, 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 redevelopment of approximately 205 apartment units, 136,000 square feet of office space, 15,000 square feet of first floor commercial space, and parking for residents. The project will create and/or cause to create approximately 30 new W-2 jobs at the Project Site with an approximate payroll of \$1,000,000 and retain/cause to retain approximately 232 jobs.

KD 55 Public Square LLC is a single purpose entity controlled by the K&D Group. Established in 1984, K&D is one of the largest, private multi-family property manager and developer in Northeast Ohio. They are well known for their work in Cleveland which includes Terminal Tower, Residences at Leader, Residences at Halle, Reserve Square, Residences at Hanna, and Residences at 1717.

K&D’s newest project is the redevelopment of the historic 55 Public Square building, which they purchased in February, 2021. Existing tenants will continue to occupy the office space and majority of the commercial space will be occupied by a new restaurant, bar, coffee shop, and bank. The total project investment is expected to exceed approximately \$94 million.

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 KD 55 Public Square 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 30 new full time jobs in the City of Cleveland
- Retention of approximately 232 full time jobs in the City of Cleveland
- Project estimates \$115,125 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