

**DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 1233-2022**

Project Name: Driftwood Mixed-Use Development Project
Project Address: 1111 Fairfield Avenue, Cleveland. OH 44113
Developer: 1209 Fairfield, LLC and/or designee
Project Manager: Kevin Schmotzer
Ward/Councilperson: 3-Kerry McCormack
City Assistance: Non-School TIF

Project Summary and Discussion

1209 Fairfield, LLC and/or designee, (“Developer”) is proposing a mixed-use residential apartment project located at 1111 Fairfield Avenue, Cleveland, OH 44113 (“Project Site”) in the Tremont Neighborhood. 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 as an incentive to partially offset \$1.1 million of site preparation costs including but not limited to environmental & geotechnical costs; acquisition & demolition of two dilapidated homes including relocation costs. The project will include approximately 102 residential apartment units and one commercial space. Total project costs are estimated at \$35,456,000.

Proposed City Assistance

- This ordinance will authorize the Director of Economic Development to enter into a 30-year non-school Tax Increment Finance (TIF) agreement with 1209 Fairfield, LLC and / or its designee. The City will have declared certain improvements with respect to the project to be a public purpose and exempt 100% of the improvements from real property taxes.
- The Developer agrees to make certain improvements to the parcel and make payments in lieu of taxes (PILOTs) equal to the taxes that would have been paid for the parcels but for the TIF. A portion of the PILOTs will be paid to the Cleveland Metropolitan School District in the amount the District would have otherwise received but for the TIF by the County (“District Payments”). The balance of the PILOTS will be utilized to fund eligible project costs and project debt. The developer will be responsible for any shortfall of the PILOT payments for the project costs.
- The TIF will become effective on the commercial portion of the property upon project completion throughout the 30-year term and will also become effective on the residential portion after the expiration of the 15-year 100% tax abatement.

Economic Impact

- Creation of approximately 5 new full time W-2 jobs in the City of Cleveland;
- Retention of approximately 0 full time jobs in the City of Cleveland;
- Project estimates \$6,250 in new annual City income tax revenue.

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