

**DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 1234-2022**

Project Name: Scranton Peninsula / Carter Road Residential Apartment Project
Project Address: 1951- 1961 Carter Road, Cleveland. OH 44113
Developer: Peninsula MFH Owner, LLC and/or designee
Project Manager: Kevin Schmotzer
Ward/Councilperson: 3-Kerry McCormack
City Assistance: Non-School TIF

Project Summary and Discussion

Peninsula MFH Owner, LLC and/or designee, (“Developer”) is proposing a residential apartment project located at 1951, 1953, 1955, 1957, 1959 and 1961 Carter Road, Cleveland, OH 44113 (“Project Site”) along the Scranton-Peninsula in the former industrial Flats. 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 \$5.4 million of site preparation costs including but not limited to environmental & geotechnical costs to convert former industrial property to a residential use. The project will include approximately 316 residential apartment units. Upon completion, it will create and/or cause to create five new W-2 jobs at the Project Site with an approximate payroll of \$250,000 and retain/cause to retain approximately zero W-2 jobs. Total project costs are estimated at \$94,939,000.

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 Peninsula MFH Owner, 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 parcel 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 PILOT payments for project costs.

- The TIF will 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 zero (“0”) full time W-2 jobs in the City of Cleveland

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