DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 185-2023

Project Name:	**Fidelity Hotel**
Project Address:	**1900 East 6th Street, Cleveland. OH 44114**
Developer:	1900 East 6th Street, LLC and/or designee
Project Manager:	Conrad Metz
Ward/Councilperson:	3-Kerry McCormack
City Assistance:	Non-School TIF

Project Summary and Discussion

1900 East 6th Street, LLC and/or designee, ("Developer") plans to redevelop the Fidelity (Baker) Building, located at 1900 E. 6th Street, into an approximate 100-room independent boutique hotel. The property will be managed by New Waterloo, a lifestyle operator. It will have amenities such as a club room and sports bar, and intends to be "tucked away smallness" in the downtown of a big city. The building will encompass 63,020 square feet. The proposed project will serve as a community and economic development hub. The hotel will be positioned as the leading independent hotel in the city that will support intentional efforts to spur further development and redevelopment activity. The project has the support of Ward 3's councilman and the local CDC, Downtown Cleveland Alliance.

The building is currently vacant. The area is fairly desolate with little activity since COVID. The developer's plan is to re-activate and energize the area. The developer, NuovoRE, is a real estate company focused on the rehabilitation and redevelopment of historic buildings into one-of-a-kind properties that provide permanently meaningful social and community impact. The firm takes a unique approach to each property based on the character, culture, location, and community's needs. They have a holistic approach to how they measure success, which is driven by their ability to directly, and indirectly, increase local economic benefits.

In order to assist with the project financing, the Developer has requested the City impose a 5709.41, 30-Year, Non-School TIF. The City has had the Developer's numbers and gap verified by an outside underwriter. The state and federal HTC's have been approved. The TIF will support debt service related to the project and assist with the commercial redevelopment at 1900 East 6th Street, Cleveland. OH 44114 ("Project Site"). The project will create approximately 105 new full-time W-2 jobs at the Project Site with an approximate first year payroll of $1,877,500.

The total project investment is expected to exceed approximately $64.3 million.

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 1900 East 6th

Street, 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.

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Economic Impact

- Creation of approximately 105 new full time jobs in the City of Cleveland.
- Project estimates $46,938 in annual City tax revenue generated from 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