

Shore-to-Core- to-Shore **TIF District**

A plan to invest in critical public infrastructure across the city, funded by growth in Cleveland's core.



CITY OF CLEVELAND
Mayor Justin M. Bibb



Shore-to- Core-to-Shore TIF District *Overview*

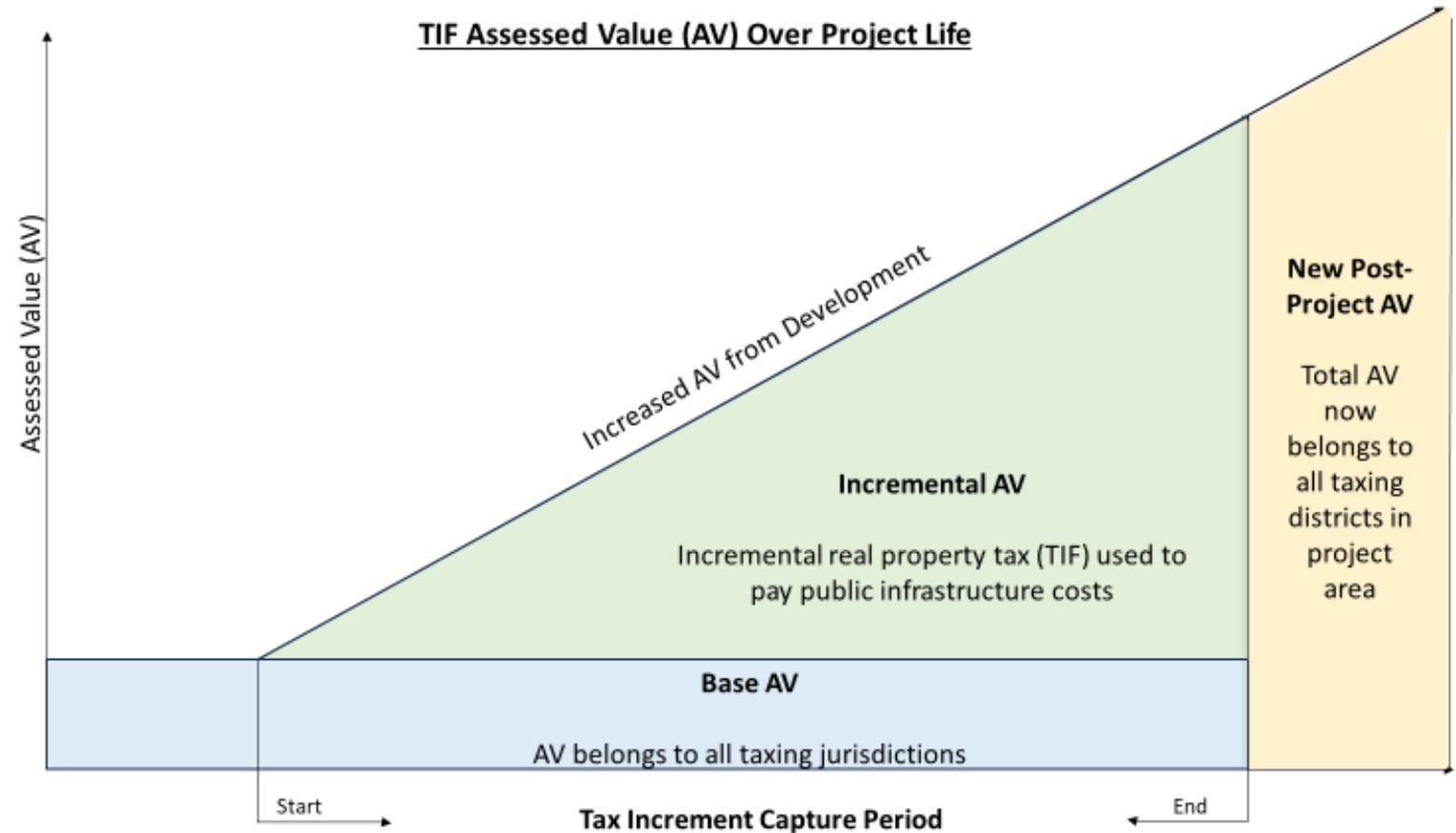
Shore-to-Core-to-Shore TIF District

- One part of a broader city-wide economic and community development strategy
- Without major public infrastructure improvements, property values within the District are unlikely to increase
 - With a TIF District, other taxing entities still receive every penny from property taxes today as they would without a TIF District
 - A successful TIF District will grow the pie – more funding for other taxing entities and for neighborhoods
- No funding is coming out of general fund
- Not raising taxes
- Opportunity to leverage TIF Proceeds for state and federal funding

What is a Tax Increment Financing (TIF) District?

A TIF (tax increment financing) district is a designated area where new taxes generated by an increase in property values contribute to a public improvement fund

How it works:





Shore-to-Core-to-Shore TIF District

Key Context

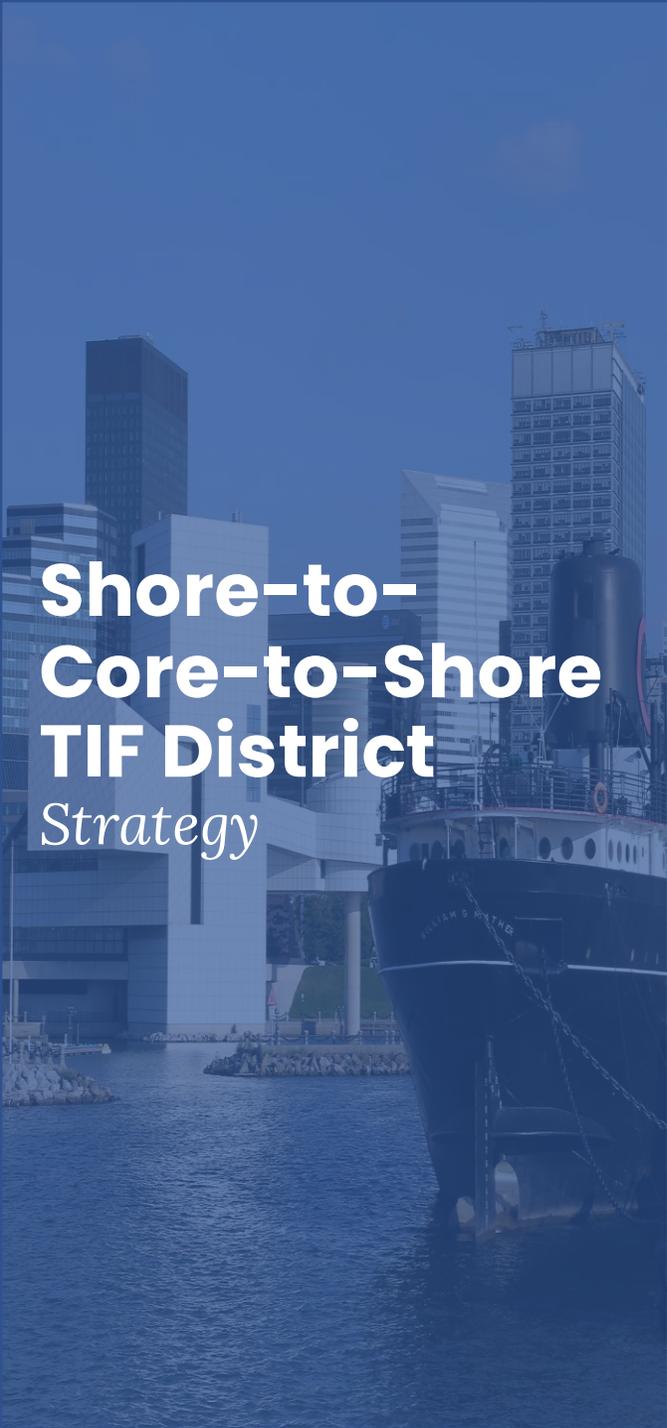
In the past, the City of Cleveland has utilized Project (.41) TIFs to fund specific, targeted projects in a confined area, such as a new grocery store or hotel.

The Shore-to-Core-to-Shore TIF District varies from past uses of TIFs in the City of Cleveland because it...

Captures property tax growth from a broad geographic area

Generates revenue that can fund *multiple* public infrastructure investments

Permits the City to use revenue strategically throughout the City to build public infrastructure



Shore-to- Core-to-Shore TIF District Strategy

Shore-to-Core-to-Shore TIF District

Step 1: Establish the TIF District

Step 2: City council authorizes use of TIF revenues, e.g., debt issuance by third party, secured by TIF District revenues

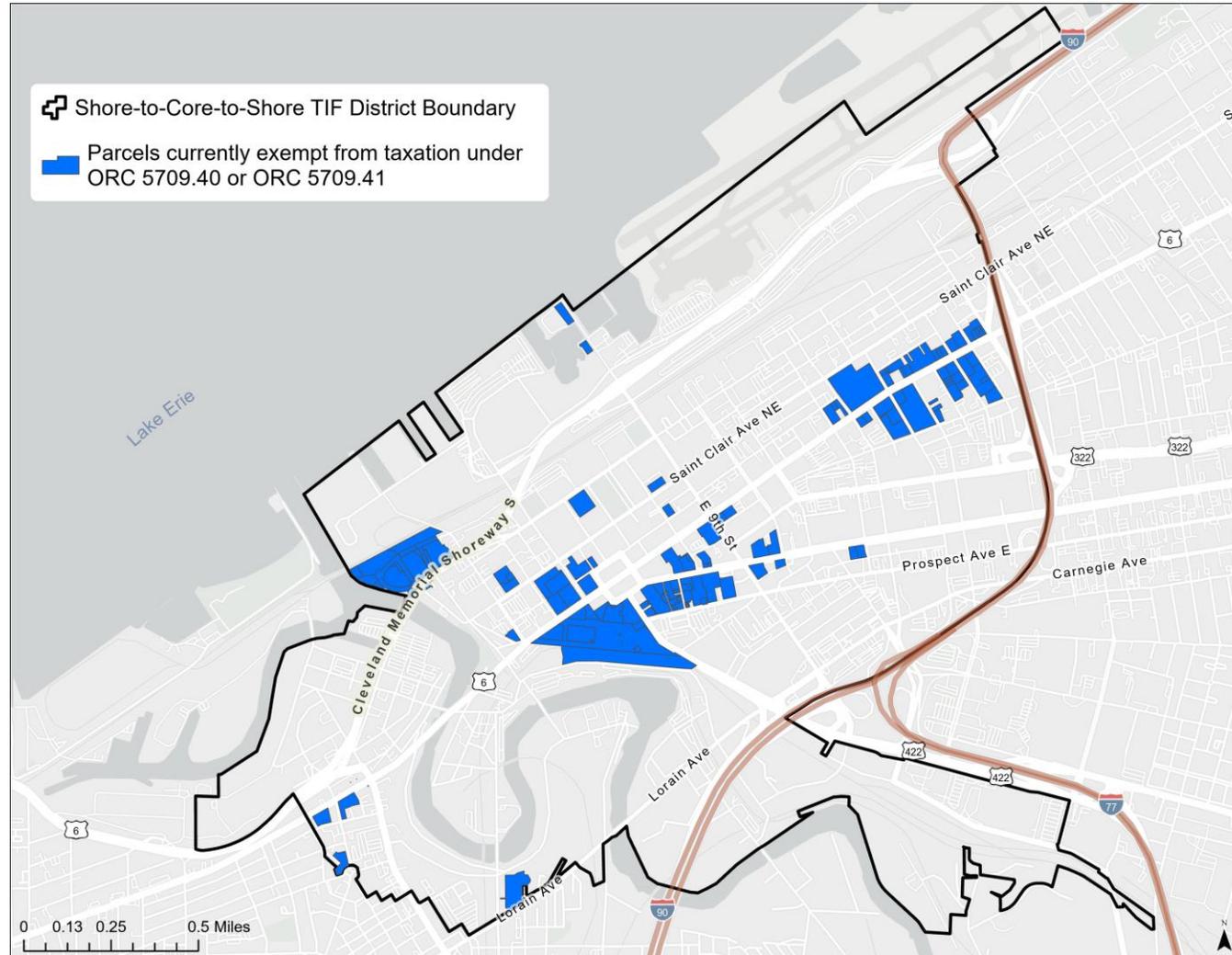
Step 3: Distribute debt proceeds and other TIF revenues to fund major public improvements

Step 4: Fully fund Shore-to-Core-to-Shore major public improvements

Step 5: Use excess TIF revenue (i.e., cash flow after debt service + other expenditures necessary to complete public improvements within the District) for public improvements throughout the City

Shore-to-Core-to-Shore TIF District

Establishing the TIF District



The Shore to Core to Shore District accounts for:

- 18% of the assessed property value in the City of Cleveland
- 3.5% of the assessed property value for all of Cuyahoga County

RIVERFRONT

Cuyahoga Riverfront Improvements Include

- 12 Acres of public space
- Multimodal transportation and recreation
- 2,000 mixed income residential units
- 1.4 Million SF of office, retail, & entertainment uses
- New Cuyahoga River bulkheads
- New Cuyahoga River boardwalk
- Cleveland Cavaliers practice facility
- Cleveland Clinic peak performance center

\$400 MILLION IN PUBLIC INVESTMENT

\$3.1 BILLION IN PRIVATE INVESTMENT

\$5.6 BILLION IN ECONOMIC IMPACT*

*Construction Only



LAKEFRONT

Cleveland Lakefront Projects Include

- 16 Acres of public space
- Multimodal transportation and recreation
- 1,300 mixed income residential units
- 3 Million SF of office, retail, & entertainment uses
- Rock & Roll Hall of Fame expansion
- Cleveland Browns Stadium renovation
- North Coast Connector land bridge
- Memorial Shoreway Boulevard conversion
- Multi-modal transit hub serving Amtrak, Greyhound, and Cleveland RTA (light rail)

\$706 MILLION IN PUBLIC INVESTMENT

\$1.3 BILLION IN PRIVATE INVESTMENT**

\$7.7 BILLION IN ECONOMIC IMPACT*

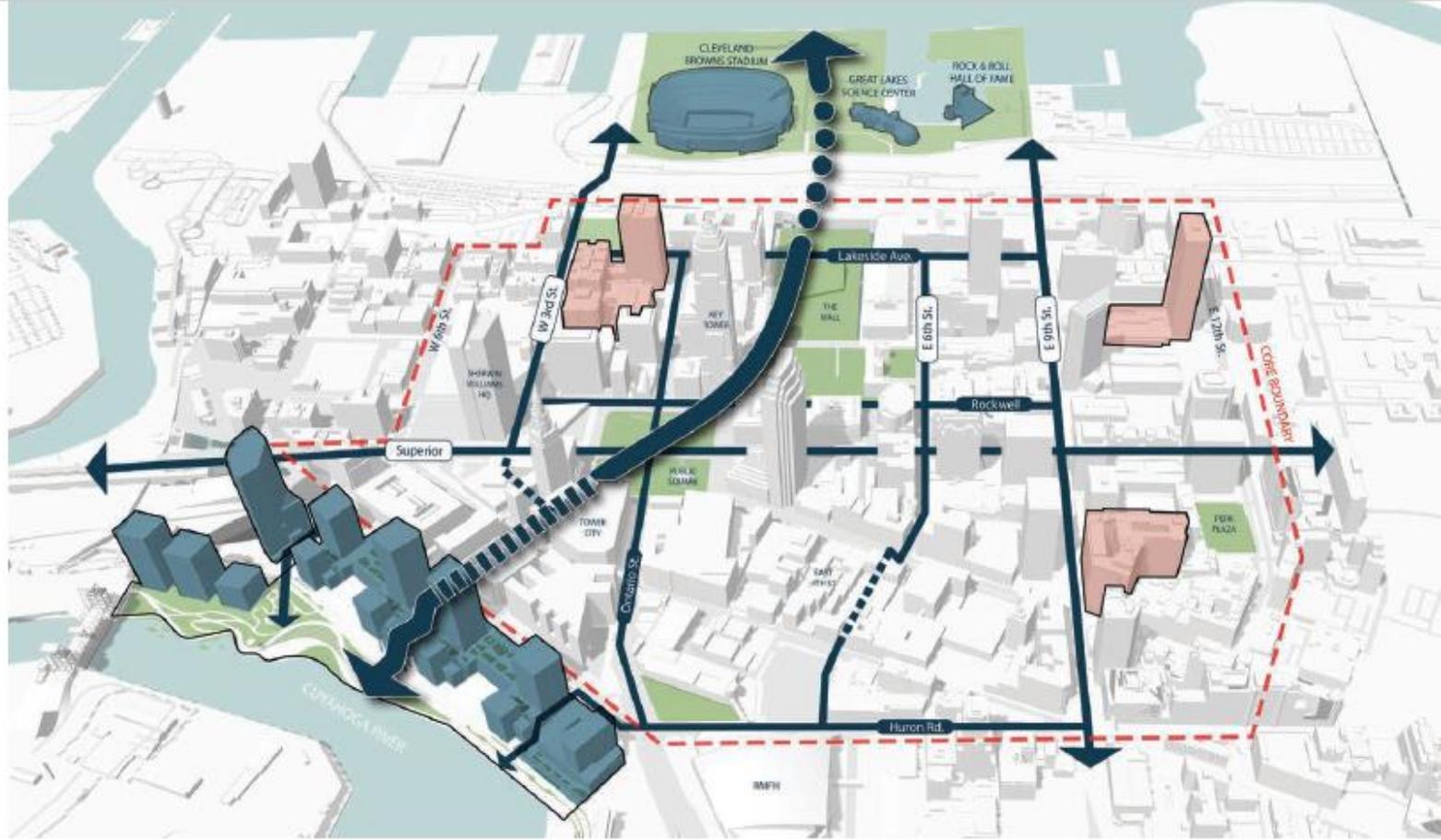
*Construction Only **Not Including Stadium



CORE

Core Projects Include

- Connecting the lakefront and riverfront
- Multimodal transportation network improvements
- Improved transit amenities
- Mill and fill roadways
- Pedestrian sidewalks, hardscape, landscape, street trees, and lighting



\$140 MILLION IN PUBLIC INVESTMENT

\$1.08 BILLION IN PRIVATE INVESTMENT

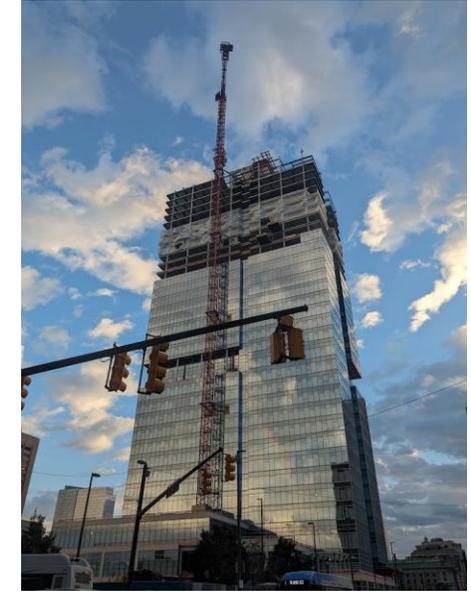
\$2.07 BILLION IN ECONOMIC IMPACT*

*Construction Only



Shore-to-Core-to-Shore TIF District

*Benefits of proposed
public improvements*





Shore-to-Core-to-Shore TIF District

Anticipated
Appreciation

Currently, Cleveland sees about 3% annual increase in property value in the Shore-to-Core-to-Shore TIF District. Major public and private investments in Detroit increased Downtown property values by 20%

We know public investments in infrastructure increases property values:

**Detroit Shoreway
Detroit Road
W 58th to W 65th**

Total Land Market Value
of parcel set:

2010 - \$1,433,640

2022 - \$2,962,000

Total appreciation:
106.6% (8.2% annually)

**Opportunity Corridor
E 105th
Cedar to Quebec**

Total Land Market Value
of parcel set:

2010 - \$330,800

2022 - \$3,939,500

Total appreciation:
1,090.9% (83.9% annually)

**Euclid Corridor
Chester Ave
E 55th to E 71st**

Total Land Market
Value of parcel set:

2010 - \$3,090,100

2022 - \$17,801,400

Total appreciation:
476.1% (34% annually)



Shore-to-Core-to-Shore TIF District

Using the TIF for project financing

Financing Public Improvements

- Based on these assumptions, the Shore-to-Core-to-Shore TIF district could produce \$3.3 billion - \$7.6 billion over 42 years at 3.5% - 5.5% annual growth, respectively
- One scenario for project financing:
 - Port or other third-party issues bonds
 - Bonds sized to 1.30 debt service coverage based on current market rates
 - Bonds are issued every three years
 - Property values within the TIF district increase at 3.5% annually

Issuance Year	Bond Proceeds
2024	\$29,341,000
2027	\$52,317,000
2030	\$56,559,000
2033	\$98,120,000
2036	\$103,883,000
2039	\$107,276,000
2042	\$110,689,000
TOTAL:	\$558,185,000



Shore-to-Core-to-Shore TIF District

*Using the TIF for
project financing*

Debt Service and Neighborhood Investments

- This is *one* possible example of debt issuances and cash available after debt service.

	Projected Aggregate TIF Amount	Debt Service Obligation (1.30x)	Cash after debt service
TOTAL	\$3,385,712,533	(\$1,953,101,133)	\$1,432,611,400

FACTORS THAT EFFECT THIS MODEL:

- Interest rates
- Sources of funds and their requirements
- Length of the loan(s)
- Required pre-payment of debt
- Construction costs
- Scope of projects
- Construction timing
- Performance of the TIF District
- Political changes
- Future project TIFs

Debt Service and Neighborhood Investments – 3.5% Increase

5 year increment	Projected Market Value of the TIF District	Projected Aggregate TIF Amount	Debt Service Obligation (1.30x)	Cash after debt service
2030	\$4,030,751,014	\$30,137,215	(\$24,574,889)	\$5,562,326
2035	\$5,599,291,909	\$80,671,441	(\$71,842,573)	\$8,828,868
2040	\$7,281,305,265	\$161,752,857	(\$145,816,857)	\$15,936,000
2045	\$8,958,922,143	\$251,425,772	(\$239,846,075)	\$11,579,697
2050	\$11,025,208,558	\$365,096,011	(\$292,536,482)	\$72,559,529
2055	\$13,810,235,962	\$503,409,870	(\$324,455,065)	\$178,954,805
2060	\$16,402,228,130	\$695,979,664	(\$350,634,618)	\$345,345,046
2065	\$19,480,701,732	\$1,297,239,703	(\$503,394,574)	\$793,845,129
	TOTAL	\$3,385,712,533	(\$1,953,101,133)	\$1,432,611,400

This is *one* possible example of debt issuances and cash available after debt service

Shore-to-Core-to-Shore TIF District

Alternatives to TIF

If Shore-to-Core-to-Shore TIF is not adopted:

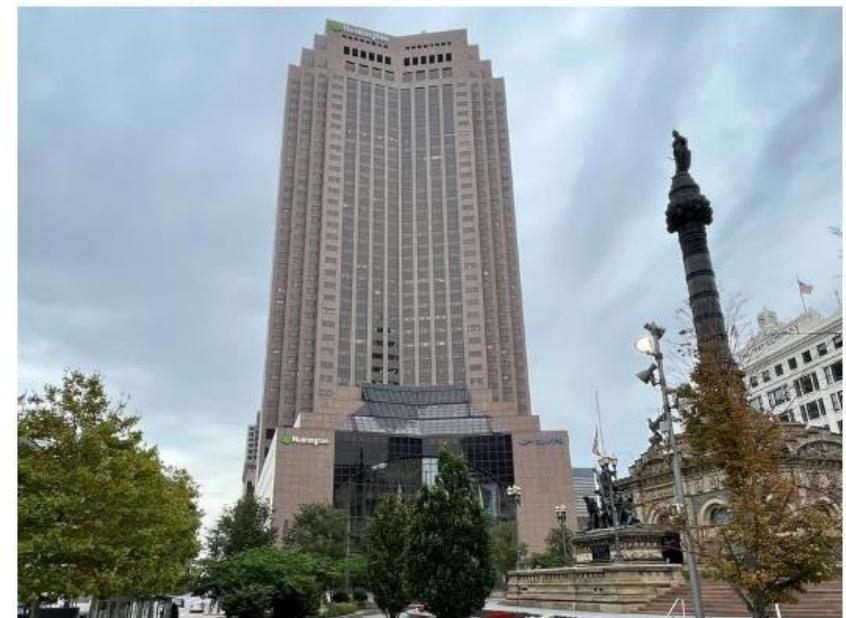
- Properties may or may not appreciate
- Any appreciation goes to the regular taxing entities
- City would be back to the drawing board to pay for public infrastructure improvements
- Core unlikely to see major increases in value because no new investments spurring growth

September 12, 2023 12:11 PM

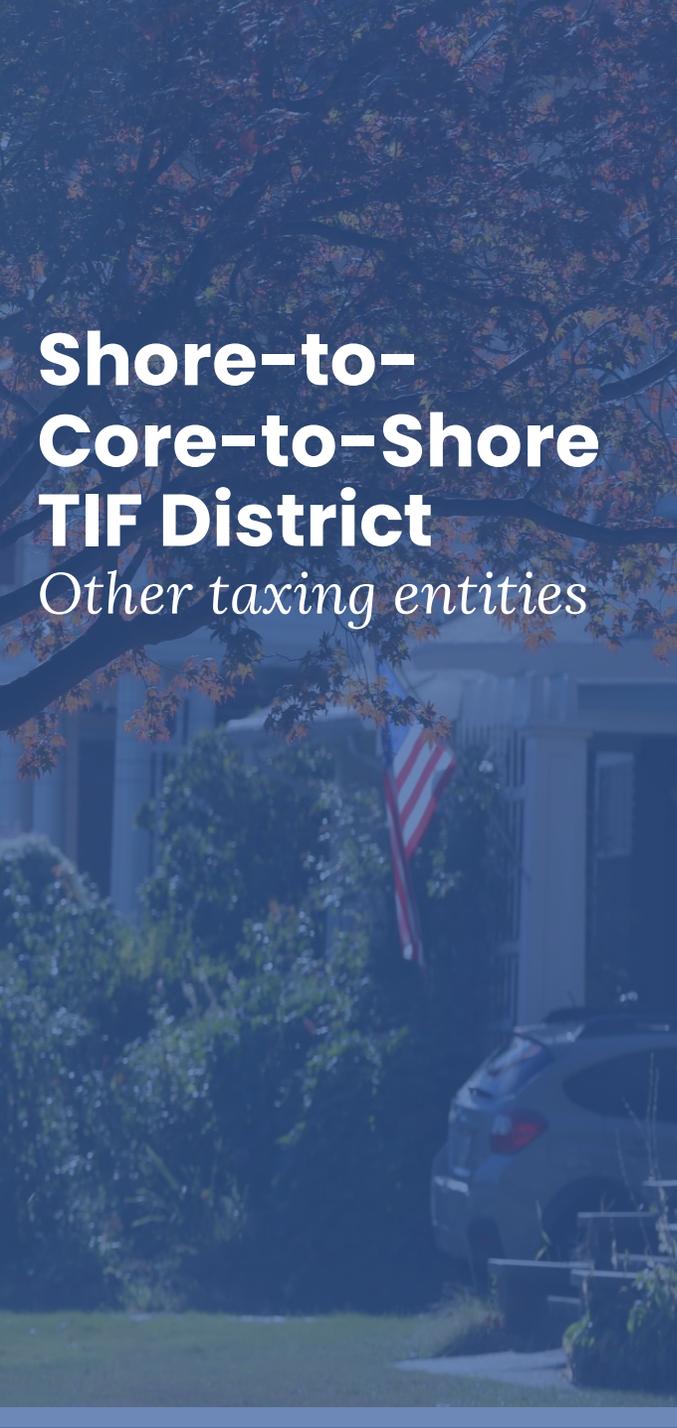
200 Public Square goes up for sale

STAN BULLARD [🐦](#) [in](#) [f](#) [✉](#)

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Stan Bullard
The 45-story office building towers over the east side of Public Square. The skyscraper and attached parking garage last traded for \$187 million in 2018.



Shore-to- Core-to-Shore TIF District

Other taxing entities

Impact on CMSD, county, and other taxing entities

- No taxing entity will receive a penny less from property taxes than they do today due to the TIF District
- CMSD will continue to receive the amount of property tax payments that would have been payable to the school district if there were no TIF
- No loss of future revenue from general property value appreciation for current voted levies.
- No impact on existing bond debt issued by other taxing jurisdictions
- millage adjusts to the current amount of proceeds

***“We believe what is best for our city will be best for Cleveland Public Library.
- Cleveland Public Library CEO Felton Thomas Jr.***

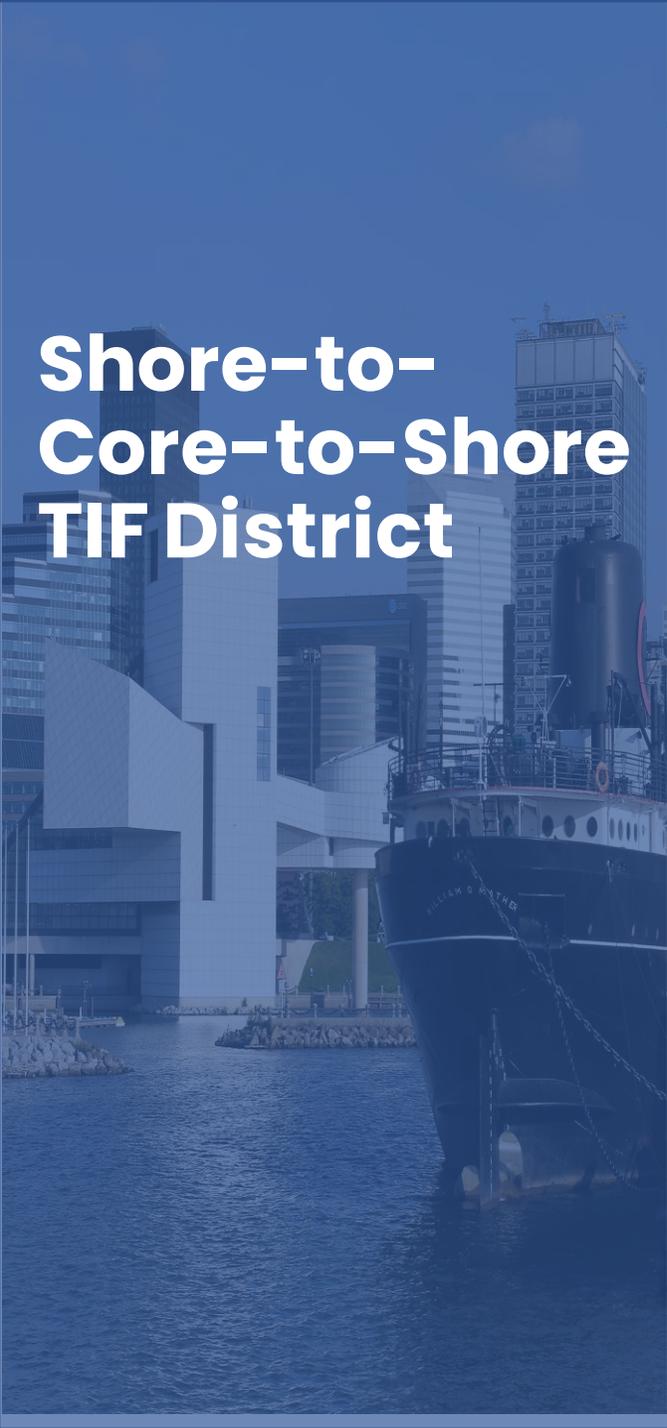


Shore-to- Core-to-Shore TIF District

*Equitable
development*

Shore-to-Core-to-Shore is a comprehensive, equitable development strategy

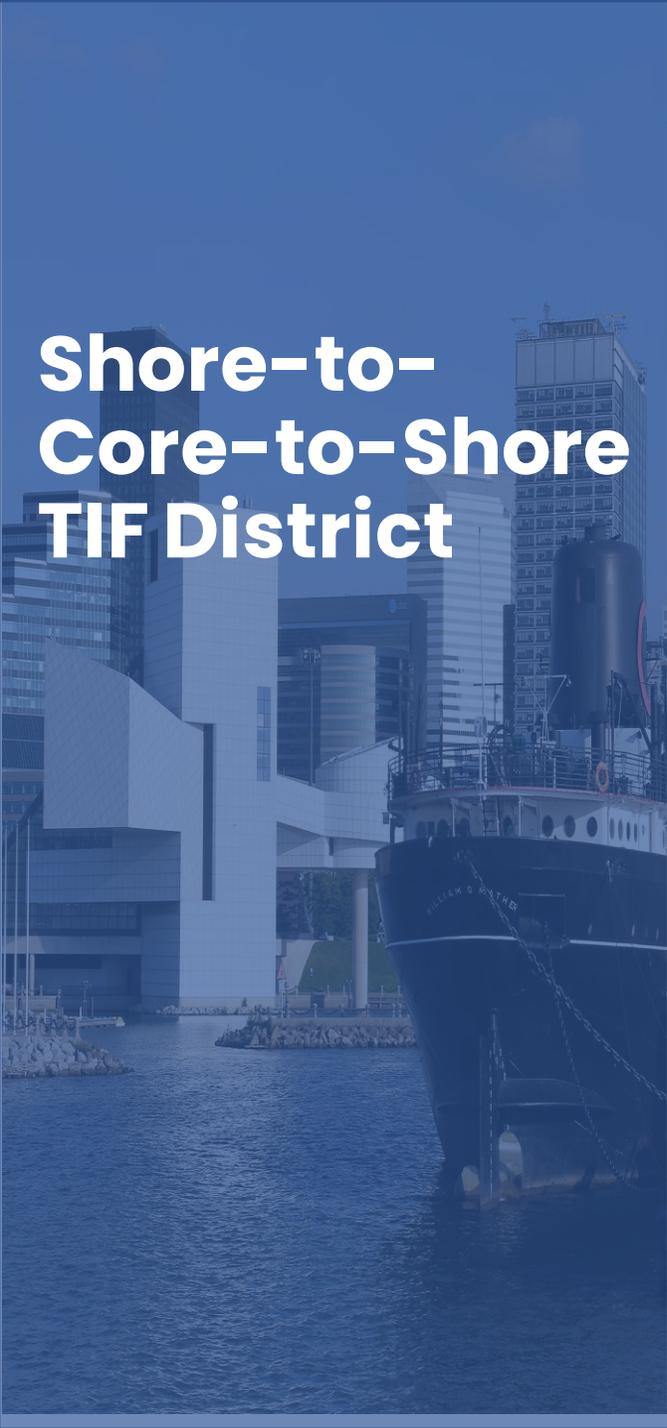
- City Council maintains legislative oversight of how and with whom Shore-to-Core-to-Shore TIF revenues are spent
- Project-specific community benefits agreement(s) in conformance with City Council's Community Benefits Agreement ordinance
 - e.g. Bedrock's commitment to a Neighborhood Investment Fund
- Collaboration with Build Environment Workforce Development



Shore-to- Core-to-Shore TIF District

What this legislation does not do:

- Does not impact any existing TIFs
- Does not raise taxes
- Does not prohibit the City and a private developer from later agreeing on a TIF and removing that property from the TIF district
- **Does not allocate any future revenue from the Shore-to-Core-to-Shore TIF District and does not spend any City money**
- Does not cost the City, County, or any other taxing entity any dollars out-of-pocket
- Does not finance private development
- Will not be used for any sports stadium or arena



Shore-to- Core-to-Shore TIF District

What this legislation does do:

- Creates the Shore-to-Core-to-Shore TIF District
- Defines the geography of the district
- Sets the base value of property in the district – taxes on increases above that value will come to the City for 30 years
- Enables, subject to future legislation authorizing any spending, spending TIF proceeds on public improvements anywhere in the City of Cleveland



Shore-to- Core-to-Shore TIF District

Next Steps

Next steps

- Ongoing engagement with City Council regarding Lakefront, project plans, and funding
- .41 Project TIF legislation, financing agreement, and community benefits agreement between City of Cleveland and Bedrock regarding public investments necessary for riverfront redevelopment in development.
- Further development of "core" plans
- April 2024 submission to Department of Transportation and ongoing discussions with other federal and state agencies about funding opportunities
- First bond issuance as soon as Q3 2024