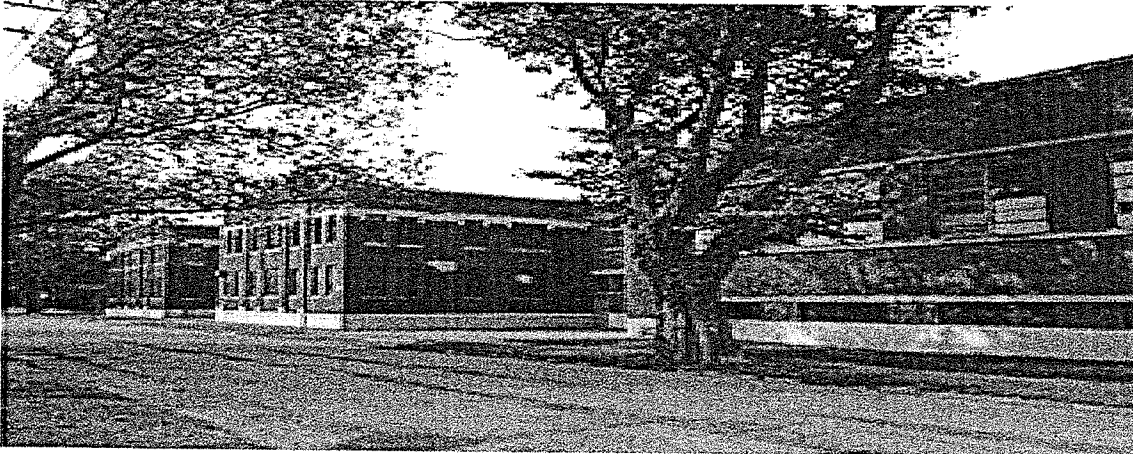


DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 1013-2024

Project Name: 1030 East 62nd Redevelopment
Project Address: 1030 East 62nd Street, Cleveland. OH 44103
Developer: 1030 East 62nd LLC and/or designee
Project Manager: Robin Brown
Ward/Councilperson: 10 – Anthony Hairston
City Assistance: Non-School TIF



Project Summary

Candy Mashmoor, a female minority entrepreneur with 20 plus years of experience has made a multi-million dollar enterprise where she had the privilege to work with six of the top 10 retailers in the world. She travels the world working alongside artisans reviving centuries-old art forms in a sustainable way. In June 2019, Candy created YaYa & Co, a brand based on truly organic, natural and sustainable textiles. YaYa & Co. currently operates out of 8,000 sq. ft. warehouse and a 6,000 sq. ft. showroom space located at 3635 Perkins Ave, Cleveland, OH 44114. Candy formed 1030 East 62nd LLC to acquire and redevelop the building located at 1030 E. 62nd Street, Cleveland, Ohio 44103.

1030 East 62nd LLC (“Borrower”) purchased the 68,000 square foot structure from the Land Bank in 2022. The three buildings linked together sits on 6 parcels located at 1030 E. 62nd Street just off St. Clair in the heart of the old industrial section of the neighborhood. (“Project Site”). The building is a Cleveland Landmark known as the American Gas Association Appliance Testing Laboratory (AGA) which witnessed the most disastrous fire in Cleveland’s history.

Improvements to the property’s three buildings (North, South, and Main) will take place now through 2025. Candy Mashmoor’s plans for the entire property is to make it a destination known as a “Center for Design.” The North Building will be renovated specifically to house a light local manufacturer, Humongous Fan, to lease the single floor 20,000 sq. ft. space. The South Building will be renovated to expand the owner’s

showroom and warehouse for her most successful brand YaYa & Co which has been operating since June 2019 selling handmade online home textiles and accessories. The Main Building is approximately 21,442 sq. ft. will be renovated for Co-working/classroom space which will work specifically with minority women entrepreneurs to have a space for networking. There will be a drop in day care center on premises to facilitate their journey. The classrooms will be used to teach local high school students home design, social media, photography, and set/window design with possibilities for jobs and/or entrepreneurship. The second floor will be a showroom to the trade where designers will come to purchase exclusive designs of home furnishings and furniture. 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. The project will create and/or cause to create approximately 50 new W-2 jobs at the Project Site with an approximate payroll of \$1,560,000. The total project investment is expected to exceed \$1.8 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 1030 East 62nd 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, the parcel 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 that parcel and making payments in lieu of taxes (PILOTs) equal to the taxes that would have been paid for that parcel 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 parcel that is 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 50 new full time jobs in the City of Cleveland
- Project estimates \$39,000 in new 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