

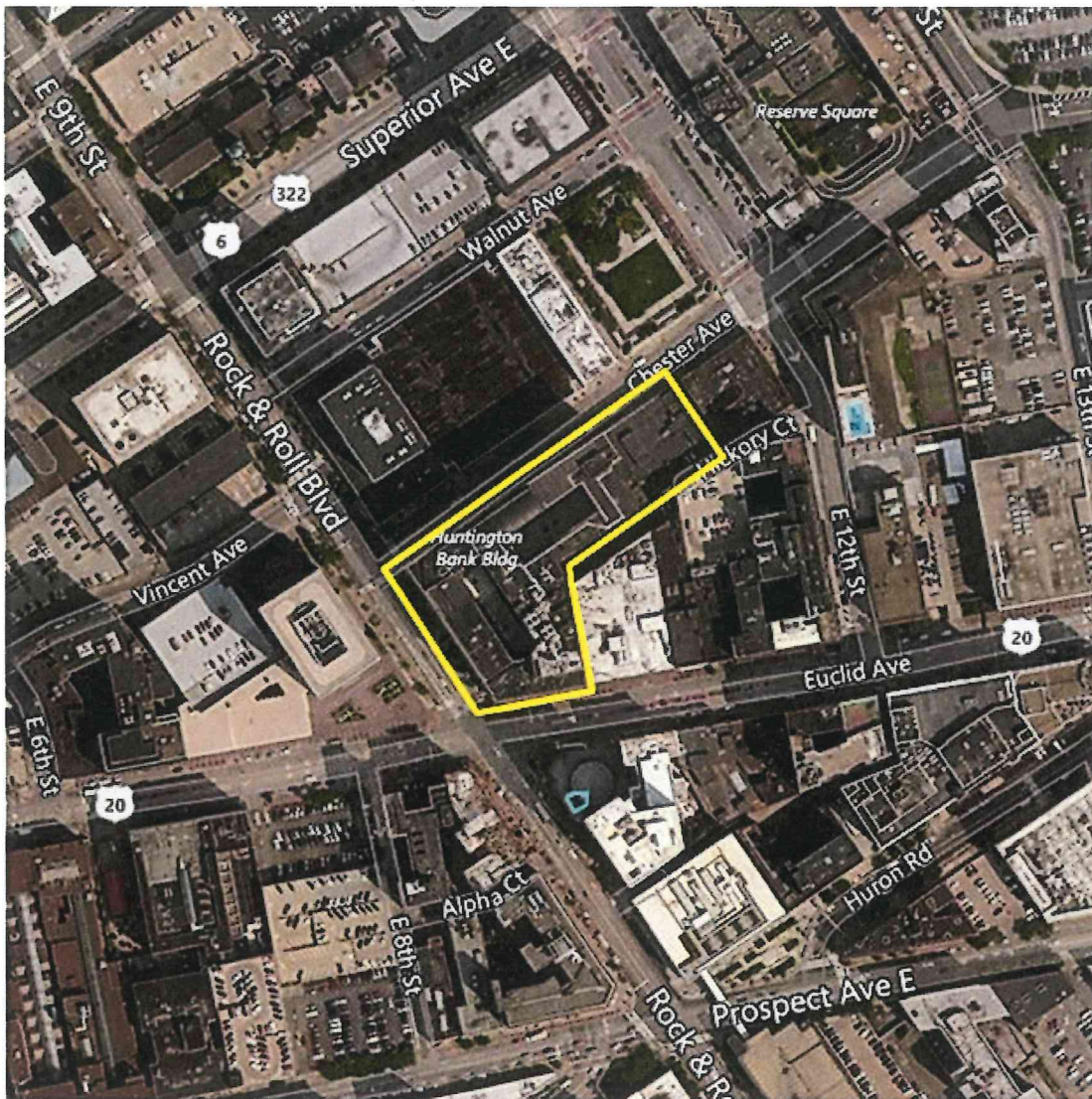
DEPARTMENT OF ECONOMIC DEVELOPMENT

SUMMARY FOR THE LEGISLATIVE FILE

ORDINANCE NO: 1413-16

Project Type: Real Estate
Project Name: 925 Euclid
Project Address: 925 Euclid Ave
Developer: Hudson Holdings, LLC
Project Manager: Richard Barga
Ward/Councilperson: 3 – McCormack
City Assistance: Non-school TIF

Project Site:



Project Summary and Discussion

Hudson Holdings LLC (principals Avi Greenbaum and Steve Michael) are proposing an approximately \$308 million mixed-use project, HH Cleveland Huntington LP ("Project"). Hudson Holdings plans to revitalize the Huntington Building, with a mixed use redevelopment, encompassing retail, office, hotel and an apartment/condo product.

The project is located at the corner of East 9th Street and Euclid Avenue, one of the most prominent and central intersections in downtown Cleveland. Originally the Union Trust Building, and more recently the Huntington Building, the Project has 1.3 million square feet and of that, 92% is currently vacant and in need of rehabilitation.

With approval, the plans for the redevelopment of the building include:

- 580 apartments
- 400,000 square feet of office space
- 200,000 square feet of banquet and retail space
- 60,000 square feet of incubator offices
- 93 live/work affordable micro-apartments to complement the incubator office space
- 274-room hotel

Developer

Hudson Holdings is deeply invested in commercial markets throughout the United States. Headquartered in Delray Beach, FL, the company has a longstanding reputation as master planners, long-term investors, environmental stewards, and best-in-class managers of real estate. The principals of Hudson Holdings, Andrew Greenbaum and Steve Michael, have bought and built over 4,000 residential units as well as over 3 million square feet of commercial space that includes numerous dining and hospitality projects.

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 925 Euclid redevelopment for the purpose of entering into a non-school Tax Increment Finance (TIF) agreement with Hudson Holdings, LLC or its designee. These TIF funds will be used to primarily finance construction for workforce housing and incubator space. 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, parcels acquired and re-conveyed to the developer will be "TIFed" under section 5709.41 of the Ohio Revised Code in consideration for the developer agreeing to make certain improvements to those parcels, and agreeing to make payments in lieu of taxes (PILOT) equal to the taxes that would have been paid for those parcels 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 second piece of legislation is required by Cleveland City Council for approval of the TIF Agreement. The first piece to allow the City to enter in to the chain of title was approved on June 6th, 2016.

Economic Impact

- 450 FTE (\$29,000,000 annual salaries)
- 1000 estimated construction jobs (payroll estimated \$93 Million)
- \$1,057,069 City Income tax generated from estimated residents; additional \$580,000 from new employees
- Once stabilized, the project is expected to generate approximately \$1.65 million in property taxes for the School District annually and \$1.63 million in parking, income, and residence taxes for the City and.
- Over the 30-year term of the TIF, the project is expected to generate approximately \$49.5 Million in property taxes for the School District, and \$49 Million in parking, income, and residence taxes for the City.

City Requirements

- The project is subject to Fannie M Lewis Cleveland Residential Employment Law
- The project is subject to MBE/FBE/CSB
- The project is subject to a Workforce Development Agreement for all new jobs
- The project has signed a Community Benefits Agreement



Connecting Cleveland 2020 Citywide Plan Development Opportunities BY DISTRICT






Scroll Down for Project Descriptions

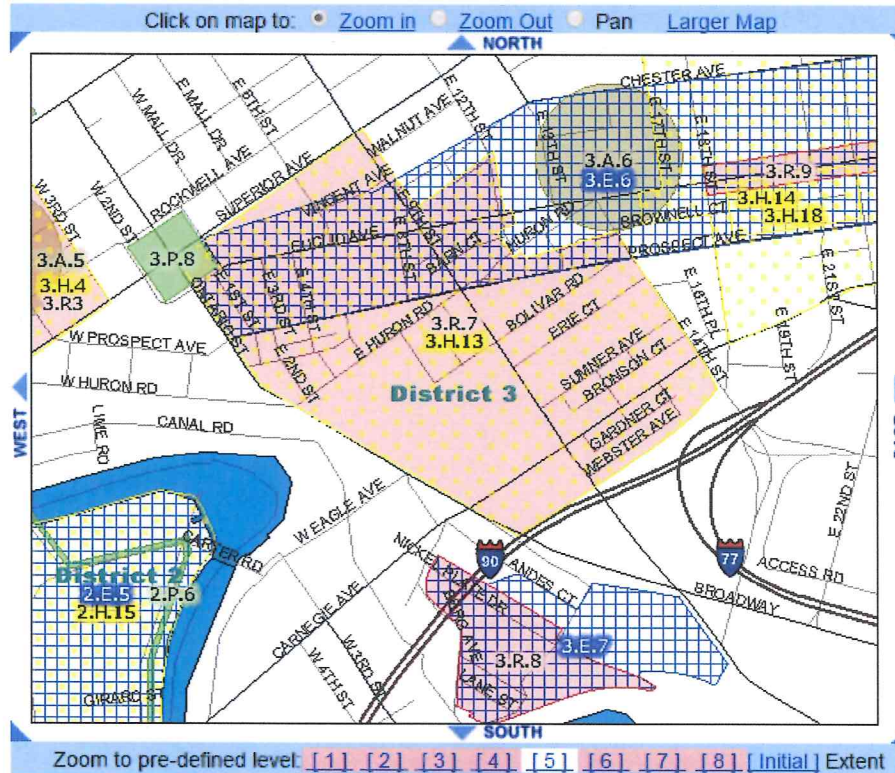
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MAP LEGEND

DEVELOPMENT OPPORTUNITIES

By Type

-  Arts and Culture
-  Economic Development
-  Housing
-  Recreation
-  Retail
-  Schools



Development Opportunities Project Lists for District 3

			and Homer Avenues)	
Housing	3	3.H.13	Historic Gateway Neighborhood (north and east of Gateway Sports Complex in Downtown Cleveland)	re-develop surface parking lots and convert vacant buildings to multistory, mixed-use developments
Housing	3	3.H.18	College Town District Block Development Plan (Euclid & Prospect Avenues between East 18th and East 22nd Streets)	opportunity for mixed-use development converting upper floors to market-rate housing with support retail at street level