

**DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 1354-18**

Project Name: 750 Huron Hotel Redevelopment
Project Address: 750 Huron Road, Cleveland, OH 44115
Developer: 750 Huron LLC
Project Manager: Cassie Slansky
Ward/Councilperson: 3-Kerry McCormack
City Assistance: Non-School TIF

Project Summary and Discussion

750 Huron LLC, or designee, ("Developer") is proposing the redevelopment of a Hilton Canopy hotel, located at 750 Huron Road, Cleveland, OH 44115 ("Project Site"). 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 and assist with the redevelopment of the hotel. The project will create and/or cause to create 50 new W-2 jobs at the Project Site with an approximate payroll of \$1,700,000. TIF proceeds are estimated to generate approximately \$1,938,163.

750 Huron LLC is wholly owned by Todd Interests, a real estate investment firm that acquires and develops different types of real estate on a nationwide basis. Todd Interests has significant experience with creative historic redevelopment projects. These projects range from the adaptive re-use of high-rise/mid-rise office buildings, to single family subdivisions and commercial/retail developments in the suburbs. Their newest project is the 750 Huron Road building which they plan to purchase in November, 2018.

The 750 Huron Road building was built in 1927 as the Ohio Bell Building. Today, the property serves as the telecommunications hub of Northeast Ohio. 750 Huron LLC is planning a historic renovation project to bring the property to full occupancy while maintaining its historic character. The building will be renovated into a 180-room Hilton Canopy Hotel. The hotel rooms will have views of Downtown and progressive field, and will provide high quality amenities to travelers. AT&T will remain a tenant in the building, consolidating to floors 2-8 and 22-24.

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 750 Huron 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, parcels 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 those parcels and making payments in lieu of taxes (PILOTs) 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 piece of legislation will allow the City of Cleveland to enter into the chain of title for the parcels that are to be included in the TIF. A second piece of legislation will be required by Cleveland City Council for approval of the TIF Agreement.

Economic Impact

- Creation of 50 jobs in the City of Cleveland
- Project estimates \$42,500 in new annual City tax revenue generated from residents and 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