

**DEPARTMENT OF ECONOMIC DEVELOPMENT  
SUMMARY FOR THE LEGISLATIVE FILE  
ORDINANCE NO: 1449-18**

**Project Name:** Statler Arms Building Redevelopment  
**Project Address:** 1127 Euclid Avenue, Cleveland, OH 44115 and  
1111 Hickory Court, Cleveland, OH 44114  
**Developer:** Statler Cleveland Holding, LLC or Designee  
**Project Manager:** Cassie Slansky  
**Ward/Councilperson:** 3-Kerry McCormack  
**City Assistance:** Non-School TIF

**Project Summary and Discussion**

Statler Cleveland Holding, LLC or designee, ("Developer") is proposing a mixed use redevelopment located at 1127 Euclid Avenue, Cleveland, OH 44115 and 1111 Hickory Court, Cleveland OH 44114 ("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 approximately 297 market rate apartments, approximately 7,740 square feet of retail space, and parking for residents. The project will create and/or cause to create 26 new full-time jobs at the Project Site with an approximate payroll of \$850,000 and retain/cause to retain 6 jobs.

Statler Cleveland Holding, LLC is an affiliate of Millennium Housing Development, Ltd. Established in 1995, Millennium Housing Development, Ltd. (MHD) is a Cleveland-based real estate development company. MHD's team of professionals acquire, recapitalize, and redevelop both existing and newly acquired assets, utilizing a variety of financing tools. MHD has extensive history developing Low-Income Housing Tax Credit and market rate projects. They recently completed the Garfield, a mixed-use housing redevelopment of the historic Garfield building at 1965 East 6th Street in Downtown Cleveland. Their newest project is the Statler Arms building, which they purchased in January 2018.

The Statler Arms building is one of the oldest residential buildings in Downtown Cleveland. The building opened in 1912 as Hotel Statler along Cleveland's storied main street, at the intersection of East 12<sup>th</sup> and Euclid. The building functioned as the Statler Tower, an office building, from approximately 1971 through 2001, when it was converted into an apartment building. The projects location in Playhouse Square along the Euclid Avenue transit corridor makes it a prime opportunity for renovated apartment units. The total project investment is expected to exceed \$56 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 Statler

Cleveland Holding, 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.

#### **Economic Impact**

- Creation of 26 jobs in the City of Cleveland
- Project estimates \$21,250 in new annual City tax revenue generated from residents and new employees
- The project will generate \$333,750 annual residency taxes and once stabilized, the project is expected to generate \$242,042.69 in annual property taxes for the School District upon expiration of the residential tax abatement

#### **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