

DEPARTMENT OF ECONOMIC DEVELOPMENT

SUMMARY FOR THE LEGISLATIVE FILE

ORDINANCE NO: 322-2019

Recipient: Bear Diversified Properties LLC and/or designee
Project Manager: Cassie Slansky
Ward/Councilperson: 12 / Brancatelli
City Assistance: Enterprise Zone Tax Abatement (10 year/60%)
Project Site: 5900-6000 Harvard Avenue, Cleveland, Ohio 44105

Company Background

Bear Diversified Properties LLC is the real estate holding company for Northern Stamping Inc. Northern Stamping Inc. was established in 1989 and in the mid-1990s, they evolved from a simple stamping plant serving the automotive industry into a design, engineering, and manufacturing firm. This was after General Motors awarded Northern Stamping Inc. with a series of redesigned stamps and complex welding assemblies on its new pickup trucks and sports utility vehicles.

Northern Stamping Inc. currently operates two separate plants in Valley View and Cuyahoga Heights. Between these two locations, they have approximately 219 full time employees with a total payroll of \$11,200,000 and both of these plants will remain operating in the mentioned cities. With increasing demands from one of their largest customers, General Motors, they are quickly outgrowing their current space and have decided to expand into the City of Cleveland. In December of 2018, they purchased 5900-6000 Harvard Avenue. This property consists of two buildings totaling approximately 227,000 square feet. The buildings have been over 65 percent vacant over a decade and Northern Stamping plans to make substantial improvements to the property. Some of these improvements include new docks, lighting, roofing, HVAC, fencing, and office/storage space. They have a lease agreement with the previous owner, Binkowsky Dougherty Distribution who will lease 62,292 square feet of space. Northern Stamping will occupy the remainder of the building, working 3 separate shifts.

In order to assist with the project financing, the Company has requested the City impose a 10-Year, 60% Tax Abatement. The Tax Abatement will support Bear Diversified Properties LLC and assist with renovations at 5900-6000 Harvard Road, Cleveland, Ohio 44105 ("Project Site").

Proposed City Assistance

- City will provide a 10 year/60% Enterprise Zone Tax Abatement

Economic Impact

- Creation of 28 full-time equivalent jobs, with an annual payroll of \$1,386,308

The project is expected to generate \$346,577 in income tax and \$379,673 in property tax revenues over the term of the abatement.

City Requirements

- Project is subject to Chapter 187: MBE/FBE/CSB requirements
- Project is subject to Chapter 188: Fannie Lewis Cleveland Resident Employment Law
- Project is subject to a Workforce Development Agreement
- Project is subject to a Community Benefits Agreement