

DEPARTMENT OF ECONOMIC DEVELOPMENT  
SUMMARY FOR THE LEGISLATIVE FILE  
ORDINANCE NO: 325-2019

**Project Name:** Tappan Building Development  
**Project Address:** 2703 Scranton Road, Cleveland, OH 44113  
**Developer:** Sustainable Community Associates, LTD. or Designee  
**Project Manager:** Dan Kennedy  
**Ward/Councilperson:** 3-Kerry McCormack  
**City Assistance:** Non-School TIF

**Project Summary and Discussion**

Sustainable Community Associates, LTD or designee, ("Developer") is proposing a mixed use development located at 2703 Scranton Road, Cleveland, OH 44113 ("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 development of 95 market rate apartments, approximately 2,148 square feet of retail space, and parking for residents. The project will create and/or cause to create 8 new full-time jobs at the Project Site with an approximate payroll of \$400,000.

The new \$22M building will be located across the street from the recently restored, Wagner Awning Building. The first floor will feature a bakery, gym, lounge, and amenity spaces. At 4 stories and 95 unites, the building is designed to balance Wagner Awning and anchor a southern gateway into Tremont. The units will primarily be studios and smaller 1-bedrooms, complementing the larger 1-bedroom units at Wagner Awning, which are fully leased. Because the lending is partially structured as an opportunity zone investment, they are able to include a work-force housing component to the project. This has the net effect of keeping 60% of the units at rents \$250-300 below competing developments in Ohio City.

The site is a 1.7 acre former gas station. Once complete, the project will fill in a major vacancy in the center of the historic Scranton Road Corridor that links Metro Hospital's expanding campus to the new developments on the Scranton Peninsula in the Flats.

**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 Tappan Building, 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. The TIF will be immediately effective on the residential after the expiration of the 15-year, 100% tax abatement.

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 district. A second piece of legislation will be required by Cleveland City Council for approval of the TIF Agreement.

#### Economic Impact

- Creation of 8 jobs in the City of Cleveland
- Project estimates \$10,000 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