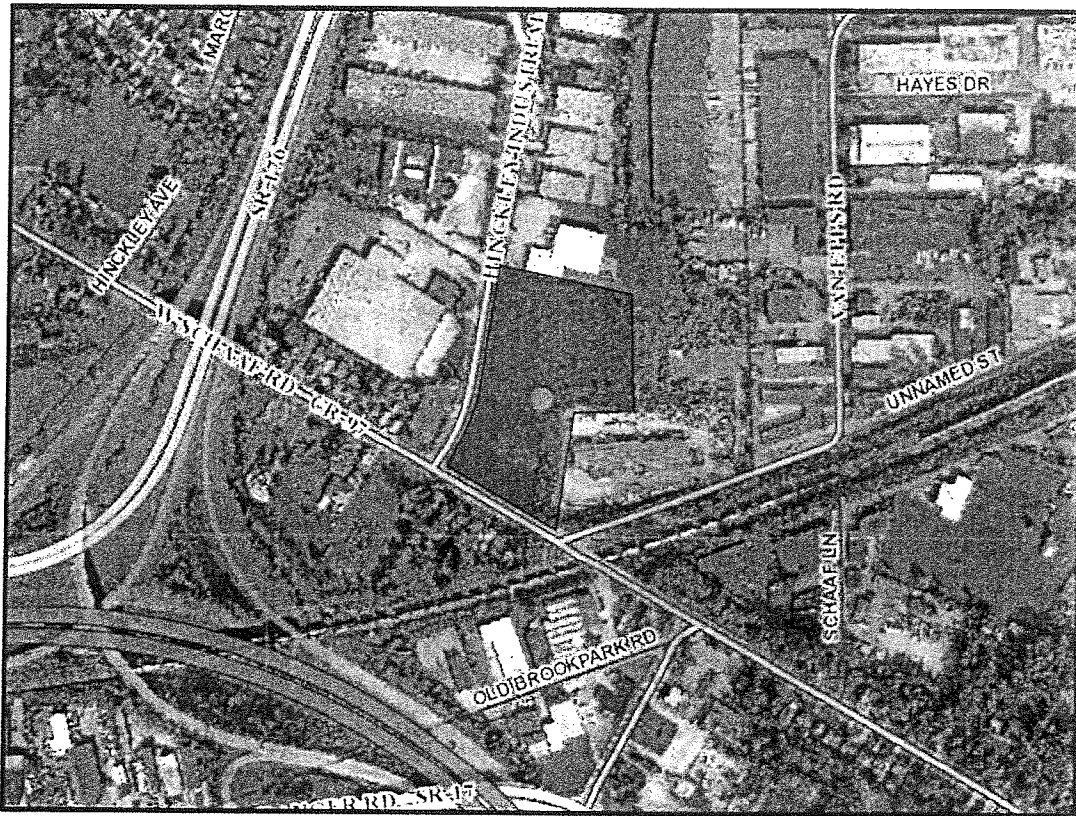


DEPARTMENT OF ECONOMIC DEVELOPMENT

SUMMARY FOR THE LEGISLATIVE FILE

ORDINANCE NO: 713-2019

Project Name: Strike Force
Recipient: Jennings Freeway Industrial Park, an Ohio general partnership, and/or designee
Project Manager: Richard Barga
Ward/Councilperson: 12 - Brancatelli
City Assistance: \$500,000 UDAG forgivable loan
Project Site: Hinckley Industrial Parkway & Schaaf Rd.



Company Background

The Ray Fogg Building Methods, Inc. began their first real estate developments in the late 1960s. Since that time, Fogg has developed numerous industrial and business parks, flex properties, industrial facilities, office buildings, retail properties and recreational facilities. Fogg has become known for its real estate development and leasing as well as for its work as a design/builder of conventional industrial, office and retail facilities. Today Ray Fogg offers a full range of services to its customers including design-build construction, engineering, real estate development, leasing, property management, real estate investment, land development and asset management.

Project Summary

In 2017, the Federal government approached regional law enforcement authorities with the opportunity to develop a Strike Force. Strike Force is an effort to coordinate law enforcement efforts to better combat organized crime, especially focused on drug trafficking. Participants in the Strike Force include federal organizations (FBI, Homeland Security, U.S. Marshals, Border Patrol, IRS) and local organizations (County Sheriff, Cleveland Police, other suburban police forces). The Strike Force project will be housed in a build-to-suit building located in the Jennings Freeway Industrial Park off Schaff Rd. The property is the only remaining undeveloped parcel in the industrial park. The parcel has significant grading and site development challenges that are not ideal for an industrial user, but workable for a build-to-suit office-type tenant like Strike Force.

The development team anticipates 143 members of Strike Force employed at the site, with an income of \$14.3 Million. 118 of those would be relocated from other Cleveland offices, while 25 would be new to the City. If the program proves successful, there is the potential for additional job creation. The building anticipates growth in the various entities and can accommodate up to 79 additional employees, which are expected to come to the project site over the next 5-10 years. While the development will be occupied by the government, it will be developed privately and thus taxable.

The incentive is required in order to write down the costs of a custom-build, single-use building to a rent that is fixed by government procurement requirements.

Proposed City Assistance

- \$500,000 UDAG forgivable loan

Economic Impact

- Project estimates the retention of 118 full time equivalent jobs, with payroll estimate at \$11,800,000.
- Estimated job creation of 25 full time equivalent jobs
- Additional annual for new jobs is \$2.5 M.
- Estimated additional annual City income tax \$62,500

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 Davis-Bacon prevailing wage requirements