

DEPARTMENT OF ECONOMIC DEVELOPMENT

**SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 556-2021**

<u>Project Name:</u>	Cross Country Mortgage Services
<u>Project Address:</u>	Superior Avenue and East 22 nd Street
<u>Developer:</u>	CC Superior Holding LLC, or designee
<u>Project Manager:</u>	Robin Brown
<u>Ward/Councilperson:</u>	7– Basheer Jones
<u>City Assistance:</u>	30 year Non-school TIF

Project Summary

Cross Country Mortgage (CCM) was founded sixteen years ago by Ron Leonhardt and has quickly grown to be one of the nation’s largest home mortgage lenders. They have been located in the Cleveland suburbs, but have spent the last few years looking for a larger facility to handle their rapidly growing business.

The CCM team identified property on Superior Avenue and East 22nd Street (“Project Site”) in Cleveland and has spent the last several years negotiating and acquiring different pieces of property to consolidate the property. With the property acquired, they plan to create a multi-phased, mixed-use campus that will feature the company’s new headquarters as well as a housing development. The project will involve the historic rehabilitation of multiple buildings as well as new construction.

CCM proposes to invest approximately \$37,500,000 in the development of its headquarters and an additional \$18,000,000 in a multi-family development around the project site.

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 CC Superior 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.

- The 41 TIF will cover PPNs 102-25-001, 102-25-002, 102-25-003, 102-25-004, 102-25-016, 102-25-017, 102-25-018, 102-25-032, 102-25-043, 102-25-025, 102-25-026, 102-25-027, 102-25-028, 102-25-029, 102-25-030, 102-25-031.

Economic Impact

- Attraction of a growing company with over 400 jobs today
- Over \$50,000,000 in construction, with associated construction jobs.
- Development & elimination of several long-term vacant buildings
- Mixed-use housing and commercial development
- The project is expected to generate \$508,529 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