

**DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: _____**

Project Name: Hotel Cleveland
Project Address: 24 Public Square, Cleveland, OH 44113
Developer: Skyline Investments Inc. and/or designee
Project Manager: Cassie Slansky
Ward/Councilperson: 3-Kerry McCormack
City Assistance: Non-School TIF

Project Summary and Discussion

Skyline Investments Inc. and/or designee, (“Developer”) is proposing a redevelopment project located at 24 Public Square, 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 building renovations. The project will create and/or cause to create 166 new W-2 jobs at the Project Site with an approximate payroll of \$6,000,000 and retain/cause to retain 69 jobs.

Skyline Investments Inc. is a Toronto, Canada-based company that specializes in real estate investments with a focus on hotels and resorts. Skyline started as one of Ontario’s top Developers in hospitality properties, prior to expanding into the United States, most notably Ohio. They currently own the Hyatt Regency Hotel and Renaissance Hotel, both located in Cleveland.

Skyline purchased the Renaissance Cleveland Hotel in 2015 and has plans to fully renovate and rebrand the Hotel. The 15 story building was built in 1918 and is approximately 870,000 square feet. The building includes 34 conference rooms, a banquet kitchen, lobby/reception, 491 guest rooms, over 13,000 square feet of retail space, and 300 parking spaces. The hotel will be rebranded to the Autograph Collection by Marriot to re-establish the hotel as a destination and increase the usage of the ballroom and event spaces. The project has been awarded federal historic tax credits which will be purchased by Sherwin Williams. The total project investment is expected to exceed \$56 million.

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 Skyline Investments Inc. 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.

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 166 new full time jobs in the City of Cleveland
- Retention of 69 full time jobs in the City of Cleveland
- Project estimates \$150,000 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