



AGENDA
CUYAHOGA COUNTY ECONOMIC DEVELOPMENT & PLANNING
COMMITTEE MEETING
MONDAY, APRIL 14, 2025
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS
C. ELLEN CONNALLY COUNCIL CHAMBERS – 4TH FLOOR
3:00 PM

Committee Members:

Patrick Kelly, Chair – District 1

Meredith M. Turner, Vice Chair – District 9

Dale Miller – District 2

Michael J. Gallagher – District 5

Sunny M. Simon - District 11

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT**
- 4. APPROVAL OF MINUTES FROM THE MARCH 18, 2025 MEETING**
- 5. MATTERS REFERRED TO COMMITTEE**

- a) R2025-0143: A Resolution amending Resolution No. R2023-0372 dated 12/5/2023, which authorized an economic development loan to Neighborhood Health Care, Inc. dba Neighborhood Family Practice in the amount not-to-exceed \$700,000.00 for the renovation of 13027 Lorain Avenue, Cleveland to provide various medical, dental and pharmacy services to people of all ages, regardless of their ability to pay, by extending the resolution sunset date from twelve months (12) to 12/31/2025, to allow the project to close; and declaring the necessity that this Resolution become immediately effective.

- b) R2025-0144: A Resolution authorizing an Economic Development Loan in the amount not-to-exceed \$2,000,000.00 to Bridgeworks, LLC or its designee, to assist with funding project costs of a place-based, mixed-used development project located at the Northeast corner of West 25th Street and Detroit Avenue at 2429 Superior Viaduct in the City of Cleveland, which will include construction of 219 units of housing, reactivating space near public investments; authorizing the County Executive and/or the Director of Development to execute all documents consistent with said loan and this Resolution; and declaring the necessity that this Resolution become immediately effective.
- c) R2025-0145: A Resolution authorizing a Grant Incentive Agreement with Canon Healthcare USA, Inc., in the amount not-to-exceed \$1,471,526.02 to establish their headquarters at 10500 Cedar Avenue, Cleveland for the period 5/13/2025 – 5/12/2035; authorizing the County Executive to execute Agreement No. 5320 and all other documents consistent with said award and this Resolution; and declaring the necessity that this Resolution become immediately effective.
- d) R2025-0146: A Resolution authorizing an Economic Development Loan in the amount not-to-exceed \$920,800.00 to Catanese Classic Seafood, Inc. or its designee, to create productive reuse of 41,469 square feet of space in the former Cleveland Foodbank facility located at 15500 S. Waterloo Road, in the City of Cleveland; authorizing the County Executive and/or the Director of Development to execute all documents consistent with said loan and this Resolution; and declaring the necessity that this Resolution become immediately effective.

6. MISCELLANEOUS BUSINESS

7. ADJOURNMENT

**Complimentary parking for the public is available in the attached garage at 900 Prospect. A skywalk extends from the garage to provide additional entry to the Council Chambers from the 5th floor parking level of the garage. Please see the Clerk to obtain a complimentary parking pass.*

***Council Chambers is equipped with a hearing assistance system. If needed, please see the Clerk to obtain a receiver.*



MINUTES

CUYAHOGA COUNTY ECONOMIC DEVELOPMENT & PLANNING
COMMITTEE MEETING
TUESDAY, MARCH 18, 2025
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS
C. ELLEN CONNALLY COUNCIL CHAMBERS – 4TH FLOOR
3:00 PM

1. CALL TO ORDER

Chairman Kelly called the meeting to order at 3:05 p.m.

2. ROLL CALL

Mr. Kelly asked Assistant Deputy Clerk Georgakopoulos to call the roll. Committee members Kelly, Turner, Miller, Gallagher and Simon were in attendance and a quorum was determined.

3. PUBLIC COMMENT

Mr. Terry Coyne addressed the Committee members regarding Resolution No. R2025-0044.

4. APPROVAL OF MINUTES FROM THE MARCH 11, 2025 MEETING

A motion was made by Mr. Miller, seconded by Mr. Gallagher and approved by unanimous vote to approve the minutes from the March 11, 2025 meeting.

5. MATTERS REFERRED TO COMMITTEE

- a) R2025-0044: A Resolution authorizing the County Executive to sign a petition in support of continuing the Downtown Cleveland Improvement District; requesting that certain County properties be included in the District; and declaring the necessity that this Resolution become immediately effective.

Mr. Greg Huth, Assistant Law Director, Senior Counsel, Department of Law; Mr. Michael Deemer, President and Chief Executive Officer for Downtown Cleveland; Mr. Trevor McAleer, Legislative Budget Advisor for Council; and Ms. Debbie Berry, Chief of Integrated Development for the Executive's Office, addressed the Committee regarding Resolution No. R2025-0044. Discussion ensued.

Committee members asked questions of Mr. Huth, Mr. Deemer, Mr. McAleer and Ms. Berry pertaining to the item, which they answered accordingly.

On a motion by Mr. Miller with a second by Ms. Turner, Resolution No. R2025-0044 was considered and approved by unanimous vote to be referred to the full Council agenda with a recommendation for passage under second reading suspension of the rules.

6. MISCELLANEOUS BUSINESS

There was no miscellaneous business.

7. ADJOURNMENT

With no further business to discuss, Chairman Kelly adjourned the meeting at 3:22 p.m., without objection.

County Council of Cuyahoga County, Ohio

Resolution No. R2025-0143

Sponsored by: County Executive Ronayne/Department of Development	A Resolution amending Resolution No. R2023-0372 dated 12/5/2023, which approved an economic development loan to Neighborhood Health Care, Inc. dba Neighborhood Family Practice in the amount not-to-exceed \$700,000.00 for the renovation of 13027 Lorain Avenue, Cleveland to provide various medical, dental and pharmacy services to people of all ages, regardless of their ability to pay, be extending the resolution sunset date from twelve months (12) to December 31, 2025 to allow the project to close; and declaring the necessity that this Resolution become immediately effective.
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WHEREAS, the County Executive/Department of Development recommends an amendment to Resolution No. R2023-0372 dated 12/5/2023, which approved an economic development loan to Neighborhood Health Care, Inc. dba Neighborhood Family Practice in the amount not-to-exceed \$700,000.00 for the renovation of 13027 Lorain Avenue, Cleveland to provide various medical, dental and pharmacy services to people of all ages, regardless of their ability to pay, be extending the resolution sunset date from twelve months (12) to December 31, 2025 to allow the project to close; and

WHEREAS, the primary goal of this loan is to assist in funding project costs to relocate their facility at 11709 Lorain Avenue to 13027 Lorian Avenue to allow for expansion of services and a bigger facility; and

WHEREAS, this project is anticipated to create 13 new jobs; and

WHEREAS, the total cost of the project is approximately \$2,104,628.00 of which the County will loan \$700,000.00 with a term of 11 years at an interest rate of 3.0%, interest only for the first year, the remaining 10 years will be fully-amortizing principal and interest payment; and

WHEREAS, the project is funded 100% Economic Development Fund; and

WHEREAS, it is necessary that this Resolution become immediately effective in order that critical serviced provided by Cuyahoga County can continue.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL
OF CUYAHOGA COUNTY, OHIO:**

SECTION 1. That the Cuyahoga County Council hereby authorizes an amendment to Resolution No. R2023-0372 dated 12/5/2023, which authorized an economic development loan to Neighborhood Health Care, Inc. dba Neighborhood Family Practice in the amount not-to-exceed \$700,000.00 for the renovation of 13027 Lorain Avenue, Cleveland to provide various medical, dental and pharmacy services to people of all ages, regardless of their ability to pay, be extending the resolution sunset date from twelve months (12) to December 31, 2025 to allow the project to close.

SECTION 2. That the County Executive and/or the Director of Development are authorized to execute all documents consistent with said loan and this Resolution.

SECTION 3. It is necessary that this Resolution become immediately effective for the usual daily operation of the County; the preservation of public peace, health or safety in the County; and any additional reasons set forth in the preamble. Provided that this Resolution receives the affirmative vote of at least eight members of Council, it shall take effect and be in force immediately upon the earliest occurrence of any of the following: (1) its approval by the County Executive through signature, (2) the expiration of the time during which it may be disapproved by the County Executive under Section 3.10(6) of the Cuyahoga County Charter, or (3) its passage by at least eight members of Council after disapproval pursuant to Section 3.10(7) of the Cuyahoga County Charter. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

SECTION 4. It is found and determined that all formal actions of this Council relating to the adoption of this Resolution were adopted in an open meeting of the Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

On a motion by _____, seconded by _____, the foregoing Resolution was duly adopted.

Yeas:

Nays:

County Council President

Date

County Executive

Date

Clerk of Council

Date

First Reading/Referred to Committee: April 8, 2025

Committee(s) Assigned: Economic Development & Planning

Journal _____
_____, 20____

MISC. TRANSACTION - BRIEFING MEMO

TITLE	Neighborhood HealthCare, inc. dba Neighborhood Family Practice	
DEPARTMENT OR AGENCY NAME		
REQUESTED ACTION	☒ Amendment to Approval (BOC or Council) ☐ Other action; please describe	
DESCRIPTION/ EXPLANATION OF REQUEST:	Amendment to Council Resolution R2023-0372 to amend sunset date to December 31, 2025, to allow project to close.	
CURRENT/HISTORICAL INFORMATION	DATE BOC APPROVED/ COUNCIL'S JOURNAL DATE	APPROVAL NO.
ORIGINAL (O)	12/5/23	R2023-0372
AMENDMENT (A)		

County Council of Cuyahoga County, Ohio

Resolution No. R2025-0144

Sponsored by: County Executive Ronayne/Department of Development	A Resolution authorizing an Economic Development Loan in an amount not-to-exceed \$2,000,000.00 to Bridgeworks, LLC or its designee, to assist with funding project costs of a place-based, mixed used development project located at the Northeast corner of West 25 th Street and Detroit Avenue at 2429 Superior Viaduct in the City of Cleveland, which will include construction of 219 units of housing, reactivating space near public investments; authorizing the County Executive and/or the Director of Development to execute all documents consistent with said loan and this Resolution; and declaring the necessity that this Resolution become immediately effective.
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WHEREAS, the County Executive/Department of Development recommends an Economic Development Loan in an amount not-to-exceed \$2,000,000.00 to Bridgeworks, LLC or its designee, to assist with funding project costs of a place-based, mixed used development project located at the Northeast corner of West 25th Street and Detroit Avenue at 2429 Superior Viaduct in the City of Cleveland, which will include construction of 219 units of housing, reactivating space near public investments; and

WHEREAS, the primary goal of this loan is to assist in funding project costs of a mixed-used development in the City of Cleveland; and

WHEREAS, this project is anticipated to create 10 new jobs, 219 units of housing and reactivate space near public investments; and

WHEREAS, the County will loan \$2,000,000.00 with a term of 17 years at an interest rate of 4.50%, interest only payments for the first two years, followed by 15-year term with monthly principal and interest payments based on a 25-year amortization schedule; and

WHEREAS, the funding for this project is 100% Economic Development Fund; and

WHEREAS, it is necessary that this Resolution become immediately effective in order that critical services provided by Cuyahoga County can continue.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:

SECTION 1. That the Cuyahoga County Council hereby authorizes an Economic Development Loan in an amount not-to-exceed \$2,000,000.00 to Bridgeworks, LLC or its designee, to assist with funding project costs of a place-based, mixed used development project located at the Northeast corner of West 25th Street and Detroit Avenue at 2429 Superior Viaduct in the City of Cleveland, which will include construction of 219 units of housing, reactivating space near public investments.

SECTION 2. That the County Executive and/or the Director of Development are authorized to execute all documents consistent with said loan and this Resolution.

SECTION 3. That this Resolution shall sunset twelve (12) months after County Council approval should the authorized action have not occurred by that date. In the event this Resolution sunsets prior to the authorized action taking place, the Director of Development shall notify the Clerk of Council in writing. The Clerk of Council shall record the sunseting of this Resolution in the Council's journal.

SECTION 4. It is necessary that this Resolution become immediately effective for the usual daily operation of the County; the preservation of public peace, health or safety in the County; and any additional reasons set forth in the preamble. Provided that this Resolution receives the affirmative vote of at least eight members of Council, it shall take effect and be in force immediately upon the earliest occurrence of any of the following: (1) its approval by the County Executive through signature, (2) the expiration of the time during which it may be disapproved by the County Executive under Section 3.10(6) of the Cuyahoga County Charter, or (3) its passage by at least eight members of Council after disapproval pursuant to Section 3.10(7) of the Cuyahoga County Charter. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

SECTION 5. It is found and determined that all formal actions of this Council relating to the adoption of this Resolution were adopted in an open meeting of the Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

On a motion by _____, seconded by _____, the foregoing Resolution was duly adopted.

Yeas:

Nays:

County Council President

Date

County Executive

Date

Clerk of Council

Date

First Reading/Referred to Committee: April 8, 2025

Committee(s) Assigned: Economic Development & Planning

Journal _____
_____, 20____

ECONOMIC DEVELOPMENT LOAN TRANSACTIONS

Title	2025 – Department of Development; Bridgeworks, LLC or designee; Economic Development Loan; Portfol Loan No. 332-03-01
Department or Agency Name	Department of Development
Requested Action	☒ Contract ☐ Agreement ☐ Other (please specify):

Original (O)/ Amendment (A-#)	Contract No. (If PO, list PO#)	Vendor Name	Time Period	Amount	Date BOC Approved/ Council's Journal Date	Approval No.
O	Pending	Bridgeworks, LLC or Designee	17 Years	\$2,000,000	Pending	Pending

Loan Description and Terms.

Department of Development is seeking approval of an Economic Development Loan to Bridgeworks, LLC (Developer), a newly created entity principally owned by Michael Panzica, Graham Veysey, Marika Shioiri-Clark, and Apple Seed Investment Partners, LLC. The entity has been created to facilitate the development of the Northeast corner of West 25th Street and Detroit Avenue at 2429 Superior Viaduct, Cleveland, Ohio.

Loan Amount: not to exceed \$2,000,000

Loan Terms: 2 years interest-only followed by 15 years P&I based on a 25-year amortization at 4.5% interest.

Loan Security: A subordinate mortgage and assignment of leases and rents, personal guaranties from Michael Panzica, Graham Veysey, Marika Shioiri-Clark, the respective guarantors' respective revocable trusts, and corporate guarantees from M. Panzica Development LLC, Grammar Properties, LLC, and Apple Seed Investment Partners, LLC.

Project Purpose/Goals, Outcomes(List 3):

Construction of 219 units of housing, reactivating space near public investments, and creation of new jobs

Loan proceeds may be used for real estate acquisition, construction, furniture, fixtures, equipment, and soft costs related to the project at 2429 Superior Viaduct, Cleveland, Ohio.

Number of Jobs created: 10

Number of Jobs retained: 0

If a County Council item, are you requesting passage of the item without 3 readings. ☐ Yes ☒ No

In the boxes below, list Borrower/Vendor, Name, Street Address, City, State and Zip Code. Beside each vendor/contractor, etc. provide owner, executive director, other (specify)

Vendor Name and address:	Owner, executive director, other (specify):
Bridgeworks, LLC 1455 W. 29th Street Cleveland, OH 44113	Michael Panzica, Graham Veysey, Marika Shioiri-Clark
Vendor Council District: 6	Project Council District: 7
If applicable provide the full address or list the municipality(ies) impacted by the project.	2429 Superior Viaduct, Cleveland, Ohio.

NON-COMPETITIVE PROCUREMENT - X

Provide a short summary for not using competitive bid process.

Economic Development Loan

- ☐ Exemption
- ☐ Alternative Procurement Process
- ☐ Contract Amendment (*list original procurement*)
- ☒ Other Procurement Method, please describe:
Loan

FUNDING SOURCE: i.e. General Fund, Health and Human Services Levy Funds, Community Development Block Grant (*No acronyms i.e. HHS Levy, CDBG, etc.). Include % if more than one source.*

Economic Development Fund

Is funding for this included in the approved budget? ☒ Yes ☐ No (if "no" please explain):

Payment Schedule: ☒ Invoiced ☐ Monthly ☐ Quarterly ☐ One-time ☒ Other (please explain):
Reimbursement for costs

Provide status of project.

Is contract late ☒ No ☐ Yes, In the fields below provide reason for late and timeline of late submission

Reason:

Timeline:

Project/Procurement Start Date
(date your team started working on this item):

Date documents were requested from vendor:

Date of insurance approval from risk manager:

Date Department of Law approved Contract:

Date item was entered and released in Infor:

Detail any issues that arose during processing in Infor, such as the item being disapproved and requiring correction:

If late, have services begun? ☐ No ☐ Yes (if yes, please explain)

Have payments be made? ☐ No ☐ Yes (if yes, please explain)



MEMORANDUM

To: Cuyahoga County Council

From: Cuyahoga County Department of Development

Date: March 14, 2025

Subject: CCCIC-Recommended Loan Terms for Bridgeworks Project

Overview

The Cuyahoga County Community Improvement Corporation (CCCIC) has reviewed and recommended approval of an economic development loan for the Bridgeworks project, a mixed-use development by borrowing entity, Bridgeworks, LLC. The Department of Development (DOD) concurs with CCCIC's recommendation and submits the following summary of the approved loan terms for Council's consideration.

Project Description

Bridgeworks is a mixed-use real estate project located at 2429 Superior Viaduct in Cleveland, Ohio (Council District 7 – Yvonne M. Conwell). The project includes 219 residential units (with 70 designated as affordable housing at 100% AMI), 1,200 square feet of commercial office space, and a 199-space parking garage.

The project is expected to create 10 new jobs with an annual payroll of approximately \$375,000. It will catalyze economic activity in the West 25th Street and Detroit Avenue corridors and leverage transit-oriented development.

Rationale for County Participation

- **Job Creation:** The project will generate a minimum of 10 full-time jobs.
- **Economic Impact:** Supports neighborhood revitalization, enhances transit connectivity, and increases property tax revenue.
- **Community Benefits:** Provides affordable housing and transforms an underutilized property into a community asset.

Project Sources and Uses

Sources	Amount	%	Uses	Amount	%
First Merchants Bank	\$20,800,000	24.9%	Real Estate Purchase	\$ 4,150,000	5.0%
PACE Loan	\$30,575,000	36.6%	Architectural / Design	\$ 1,407,688	1.7%
Cuyahoga County	\$ 2,000,000	2.4%	Site Work & Infrastructure	\$ 2,369,548	2.8%
EB-5 Equity	\$15,200,000	18.2%	Structural & Building Envelope	\$ 23,142,700	27.7%
County Brownfield Match Forgivable Loan	\$ 42,465	0.1%	Mechanical, Electrical & Plumbing	\$ 13,272,114	15.9%
ODOD Brownfield Grant	\$ 223,500	0.3%	Interiors & Finishes	\$ 10,477,320	12.5%
Developer Equity	\$14,692,534	17.6%	General Conditions, Insurance, Project Management & Other Construction Costs	\$ 8,249,019	9.9%
			Contingencies	\$ 2,548,982	3.1%
			Furniture, Fixtures & Equipment	\$ 575,000	0.7%
			Commercial Tenant Improvements	\$ 60,000	0.1%
			Construction Interest / Lease Reserve	\$ 6,000,000	7.2%
			Soft Costs	\$ 7,971,128	9.5%
			Deferred Developer Fee	\$ 3,310,000	4.0%
Total	\$83,533,499	100%		\$83,533,499	100%

CCCIC-Recommended Loan Terms

Loan Component	Details
Principals of Recipient	Michael Panzica, Graham Veysey, Marika Shioiri-Clark, and Julia, Grace, and Joseph Juster
Loan-to-Value Ratio	60.2% (Based on \$88.6MM stabilized appraisal value)
Character & Amount of Assistance	\$2,000,000 loan (No forgiveness)
Purpose of Assistance	Financing for mixed-use real estate development, including residential, commercial, and public space improvements
Source of County Funding	Cuyahoga County Economic Development Loan Program
Interest Rate	4.50% Fixed
Term Length & Repayment	15-year term, two years of interest-only payments, followed by monthly principal and interest payments based on a 25-year amortization
Security Position & Collateral	2nd mortgage lien position subordinated to First Merchants Bank; personal guarantees from Michael Panzica, Graham Veysey, Marika Shioiri-Clark, and their respective revocable trusts, corporate guarantee of Apple Seed Investment Partners, LLC
Debt Service Coverage Ratio & Other Covenants	1.20x DSCR (tested annually), County loan funds will be disbursed only after all equity, including EB-5, shown in the sources and uses has been fully deployed
Expenses & Fees to County	1.0% commitment fee (\$20,000)

The Department of Development finds the Bridgeworks loan to be an acceptable risk given its projected cash flows, collateral security, and experienced development team. The loan will help facilitate a transformational development in a key urban corridor. We respectfully submit this memorandum and request Council's approval of the recommended loan terms.

Attachments: CCCIC Write-Up

For further information, please contact:
Matthew Keri
Senior Development Finance Analyst
Cuyahoga County Department of Development
(216) 443-6216
mkeri@cuyahogacounty.gov



Cuyahoga County Community Improvement Corporation (CCCIC)

Economic Development Loan PRESENTATION PACKAGE

Bridgeworks GRAMMER Properties and M. Panzica Development



Matthew Keri
Senior Development Finance Analyst
(216) 443-6216
mkeri@cuyahogacounty.gov
March 13, 2025

SITUATION OVERVIEW

CCCIC Review Date:	March 13, 2025
Sponsor/Developer:	GRAMMER Properties and M. Panzica Development (Michael Panzica and Graham Veysey)
Project:	Bridgeworks
Type:	Real Estate, Mixed-Use
Address:	2429 West Superior Avenue Cleveland, Ohio 44113
Council District:	District 7 – Yvonne M. Conwell
DOD Program:	Place-Based / Mixed-Use Loan
Funding Partners:	First Merchants Bank (Senior Lender) Nuveen Green Capital (PACE Lender) Ohio Department of Development (Grant) MidAmerican Global Ventures (Preferred Equity Investor)
ED Benefits:	Project is expected to create 10 new jobs with an annual payroll of approximately \$375,000.
Rationale for County Participation:	<u>Jobs Created:</u> Project will create a minimum of 10 new full-time jobs in Cuyahoga County. <u>Economic Impact:</u> the Project will help catalyze the West 25th Street and Detroit Avenue corridors in Cleveland, further leveraging the County's existing investments and existing transit connections to promote transit-oriented development. <u>Community Impact:</u> the Project will redevelop an underutilized property and return it to a more productive use as a community asset. The Project includes 70 units set aside as affordable for those making 100% or less of AMI.
DOD Recommendation:	The Department of Development believes that the Project represents an acceptable risk for the County. The cash-flows are projected to cover all debt service, and the loan is collateralized by real estate within the County's requirements. Additionally, the Sponsor has experience completing and operating successful new construction developments. Providing this financial assistance will leverage additional investment, create jobs and increase taxes for our community. The DOD, therefore, recommends approval of the Cuyahoga County Economic Development Loan.
CCCIC Policy Exceptions:	<u>Job Creation:</u> The program typically requires that borrowers create a minimum of 1 job for every \$50,000 lent to the Project. This Project will create 1 job for every \$200,000 lent to the Project. <u>Interest Rate:</u> The program typically requires an interest rate of 5.50%. This loan will carry an interest rate of 4.50%. <u>Amortization:</u> The program typically requires an amortization schedule of 15 years. This loan will be amortized on a 25-year schedule.

PROJECT DETAILS

Sponsor/Developer:	Graham Veysey, a Cleveland native, has been instrumental in revitalizing the city's Ohio City neighborhood. In 2011, he and his wife, Marika Shioiri-Clark, purchased and restored a vacant firehouse, transforming it into a vibrant community hub that attracted several commercial retail tenants. This project helped spark the development of "Hingetown," a once-neglected area that now thrives with art installations, retail spaces, and residential units. Their notable projects include the Church+State development, a \$60 million mixed-use complex offering 158 apartments and retail space. Michael Panzica has over 15 years of experience in commercial real estate, structuring acquisitions and developments totaling more than \$500 million. In 2020, Panzica founded M. Panzica Development, focusing on urban infill projects. Panzica is also developing a 186-unit residential project in Columbus's Weinland Park neighborhood, reflecting his commitment to urban revitalization.
Project Team:	Contractor: Geis Property Manager: MPD Management (Michael Panzica) Architect: Geis Consultants: Project Management Consultants (PMC)
Description:	The Bridgeworks Project is an urban redevelopment effort focused on building a new construction mixed-use building while repurposing the lower level of the historic Detroit-Superior Bridge, which spans the Cuyahoga River. Originally built in 1918 as a streetcar passage and closed since 1954, the lower level is being adapted into a public space for markets, performances, and art installations. The Project will preserve the bridge's historic structure while improving pedestrian and cyclist access on the upper deck to better connect downtown Cleveland and Ohio City. Furthermore, the transit-oriented development sits along several existing transit lines including the numbers 22, 25, 26, 45, 51, and 71 bus lines. The development will feature 219 apartment units (70 affordable at 100% AMI) and 1,200 square feet of ground-floor retail. It aims to spur economic activity by drawing visitors and supporting nearby businesses, while bringing a highly-visible vacant property back to productive use and enhancing connections to trails, the new Irishtown Bend park, and transit. By reactivating the long-unused space, Bridgeworks will serve as a functional link between neighborhoods and a nod to Cleveland's past.
Components:	219 Apartments 1,200 SF of Commercial Office 199 Parking Space Garage
Risks & Mitigants	<u>Construction Risk:</u> Both principals have significant experience completing new construction projects. They have developed the nearby Church+State project and their general contractor, Geis, is highly experienced building projects in Cleveland. <u>Leasing/Operational Risk:</u> Both principals have significant experience owning and operating real estate projects. The proposed leasing rates are at the highest end of the market, but are reportedly being achieved at Church+State. <u>Repayment Risk:</u> the proposed loan is adequately secured with personal recourse to the Project's principals, Michael Panzica, Graham Veysey, Marika Shioiri-Clark, and the corporate guarantees of M. Panzica Development LLC, Grammar Properties, LLC, and Apple Seed Investment Partners, LLC. Based on a take-out analysis the total capital stack including the senior loan, PACE, EB-5, and the proposed County loan can be refinanced via an estimated \$70MM Agency loan.

PROJECT SOURCES/USES

Sources	Amount	%	Uses	Amount	%
First Merchants Bank	\$20,800,000	24.9%	Real Estate Purchase	\$ 4,150,000	5.0%
PACE Loan	\$30,575,000	36.6%	Architectural / Design	\$ 1,407,688	1.7%
Cuyahoga County	\$ 2,000,000	2.4%	Site Work & Infrastructure	\$ 2,369,548	2.8%
EB-5 Equity	\$15,200,000	18.2%	Structural & Building Envelope	\$ 23,142,700	27.7%
County Brownfield Match Forgivable Loan	\$ 42,465	0.1%	Mechanical, Electrical & Plumbing	\$ 13,272,114	15.9%
ODOB Brownfield Grant	\$ 223,500	0.3%	Interiors & Finishes	\$ 10,477,320	12.5%
Deferred Developer Fee	\$ 3,310,000	4.0%	General Conditions, Insurance, Project Management & Other Construction Costs	\$ 8,249,019	9.9%
Developer Cash Equity	\$11,382,534	13.6%	Contingencies	\$ 2,548,982	3.1%
			Furniture, Fixtures & Equipment	\$ 575,000	0.7%
			Commercial Tenant Improvements	\$ 60,000	0.1%
			Construction Interest / Lease Reserve	\$ 6,000,000	7.2%
			Soft Costs	\$ 7,971,128	9.5%
			Deferred Developer Fee	\$ 3,310,000	4.0%
Total	\$83,533,499	100%		\$83,533,499	100%

- First Merchants Bank (Senior Lender) will provide a \$20,800,000 loan.
- Nuveen Green Capital will provide PACE financing of \$30.5MM repaid via annual property assessments of \$3MM.
- MidAmerican Global Ventures (EB-5) will make a \$15,200,000 equity investment into the Project. They will have a preferred equity position. The equity will carry a preferred return of 8%, with all equity returned to the investor at the end of a 4-year term with two optional 1-year renewals. Interest will be due quarterly on deployed EB-5 capital. There is no real estate mortgage or secured position in real estate for the investment. The equity cannot be accelerated or control / encumber the borrowing entity in any way.
- The Project has received grant funding of \$223,500 from Ohio Department of Development for Brownfield Remediation. Clawback provisions are in place only for funds improperly disbursed by the program. Program funds are disbursed on a reimbursement basis.
- Sponsor will contribute total equity of \$14,692,534 (17.6% of total costs) consisting of \$11,382,534 of cash and \$3,310,000 of deferred developer fee. Adding the \$223,500 in grants, this increases to 17.9% of total costs.
- The Project's \$6,000,000 interest reserve is sufficient to cover anticipated interest on deployed capital from both debt and EB-5 equity sources prior to stabilization.

SUMMARY OF CUYAHOGA COUNTY TERMS

Borrower:	Bridgeworks, LLC or its designee will be a newly created entity principally owned by M. Panzica Development LLC, Grammar Properties, LLC, and Apple Seed Investment Partners, LLC, which are principally owned by Michael Panzica, Graham Veysey and Marika Shioiri-Clark, and Julia, Grace, and Joseph Juster respectively.
Guarantor(s):	Michael Panzica, Graham Veysey, Marika Shioiri-Clark, M. Panzica Development LLC, Grammar Properties, LLC, and Apple Seed Investment Partners, LLC – 100% construction completion and 100% repayment guarantee
Loan Amount:	\$2,000,000
Commitment Fee:	1.0% of the loan amount
Interest Rate:	4.50% Fixed
Term:	15 Years
Repayment:	Two years of interest only payments followed by a 15-year term with monthly principal and interest payments based on a 25-year amortization
Collateral:	2 nd mortgage lien position subordinated to First Merchants Bank or designee
Covenants:	Project: 1.20x DSCR, tested annually, County loan funds will be disbursed only after all equity, including EB-5, shown in the sources and uses has been fully deployed.
Other:	TBD

County Council of Cuyahoga County, Ohio

Resolution No. R2025-0145

Sponsored by: County Executive Ronayne/Department of Development	A Resolution authorizing a Grant Incentive Agreement with Canon Healthcare USA, Inc., in the amount not-to-exceed \$1,471,526.02 to establish their headquarters at 10500 Cedar Avenue, Cleveland, Ohio for the period 5/13/2025 – 5/12/2035; authorizing the County Executive to execute Agreement No. 5320 and all other documents consistent with said award and this Resolution and declaring the necessity that this Resolution become immediately effective.
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WHEREAS, the County Executive/Department of Development recommends a Grant Incentive Agreement with Canon Healthcare USA, Inc., in the amount not-to-exceed \$1,471,526.02 to establish their headquarters at 10500 Cedar Avenue, Cleveland, Ohio for the period 5/13/2025 – 5/12/2035; and

WHEREAS, the primary goal of this project is to establish their headquarters at 10500 Cedar Avenue, Cleveland, Ohio; and

WHEREAS, this project is anticipated to create 50 new jobs with a potential for 100 additional jobs within Cuyahoga County; and

WHEREAS, the funding for this project is 100% Economic Development Fund; and

WHEREAS, it is necessary that this Resolution become immediately effective in order that critical services provided by Cuyahoga County can continue.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:

SECTION 1. That the Cuyahoga County Council hereby authorizes a Grant Incentive Agreement with Canon Healthcare USA, Inc., in the amount not-to-exceed \$1,471,526.02 to establish their headquarters at 10500 Cedar Avenue, Cleveland, Ohio for the period 5/13/2025 – 5/12/2035.

SECTION 2. That the County Executive and/or the Director of Development are authorized to execute all documents consistent with said loan and this Resolution. To the extent that any exemptions are necessary under the County

Code and contracting procedures, they shall be deemed approved by the adoption of this Resolution.

SECTION 3. That this Resolution shall sunset twelve (12) months after County Council approval should the authorized action have not occurred by that date. In the event this Resolution sunsets prior to the authorized action taking place, the Director of Development shall notify the Clerk of Council in writing. The Clerk of Council shall record the sunseting of this Resolution in the Council's journal.

SECTION 4. It is necessary that this Resolution become immediately effective for the usual daily operation of the County; the preservation of public peace, health or safety in the County; and any additional reasons set forth in the preamble. Provided that this Resolution receives the affirmative vote of at least eight members of Council, it shall take effect and be in force immediately upon the earliest occurrence of any of the following: (1) its approval by the County Executive through signature, (2) the expiration of the time during which it may be disapproved by the County Executive under Section 3.10(6) of the Cuyahoga County Charter, or (3) its passage by at least eight members of Council after disapproval pursuant to Section 3.10(7) of the Cuyahoga County Charter. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

SECTION 5. It is found and determined that all formal actions of this Council relating to the adoption of this Resolution were adopted in an open meeting of the Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

On a motion by _____, seconded by _____, the foregoing Resolution was duly adopted.

Yeas:

Nays:

County Council President

Date

County Executive

Date

Clerk of Council

Date

First Reading/Referred to Committee: April 8, 2025

Committee(s) Assigned: Economic Development & Planning

Journal _____
_____, 20__

PURCHASE-RELATED TRANSACTIONS

Title	CM5320/ Development/ Canon Healthcare USA, Inc./ Incentive Agreement/ May 13, 2025 – May 13, 2035
Department or Agency Name	Department of Development
Requested Action	☐ Contract ☒ Agreement ☐ Lease ☐ Amendment ☐ Revenue Generating ☐ Purchase Order ☐ Other (please specify):

Original (O)/ Amendment (A-#)	Contract No. (If PO, list PO#)	Vendor Name	Time Period	Amount	Date BOC/Council Approved	Approval No.
O	5320	Canon Healthcare USA, Inc.	5/13/2025 – 5/13/2035	\$1,471,526.02	Pending	Pending

Service/Item Description (include quantity if applicable).

Cuyahoga County Department of Development is providing an incentive in the form of a grant in an amount up to \$1,471,526.02 to Canon Healthcare USA, Inc. to establish their headquarters at 10500 Cedar Avenue, Cleveland Ohio. Canon will create 50 new jobs at this location with a potential for 100 additional jobs within Cuyahoga County.

Indicate whether: ☒ **New service/purchase** ☐ **Existing service/purchase** ☐ **Replacement for an existing service/purchase** (provide details in Service/Item Description section above)

For purchases of furniture, computers, vehicles: ☐ **Additional** ☐ **Replacement**
Age of items being replaced: **How will replaced items be disposed of?**

Project Goals, Outcomes or Purpose (list 3):

1. Putting a vacant building back to productive use
2. Establishing Cleveland as the headquarters for Canon Health Care USA
3. Creating new high paying jobs in Cuyahoga County

In the boxes below, list Vendor/Contractor, etc. Name, Street Address, City, State and Zip Code. Beside each vendor/contractor, etc. provide owner, executive director, other (specify)

Vendor Name and address:	Owner, executive director, other (specify):
Canon Healthcare USA, Inc. 777 Beta Drive, Suite A Mayfield Village, OH 44143	Hisashi Tachizaki President
Vendor Council District: 6	Project Council District: 7

If applicable provide the full address or list the municipality(ies) impacted by the project.	10500 Cedar Avenue Cleveland, OH 44106

COMPETITIVE PROCUREMENT	NON-COMPETITIVE PROCUREMENT
RQ# _____ (Insert RQ# for formal/informal items, as applicable) ☐ RFB ☐ RFP ☐ RFQ ☐ Informal ☐ Formal Closing Date: _____	Provide a short summary for not using competitive bid process. Grant agreements are specific to the parties involved, therefore an Exemption is necessary to execute the contract. *See Justification for additional information.
The total value of the solicitation:	☒ Exemption
Number of Solicitations (sent/received) /	☐ State Contract, list STS number and expiration date ☐ Government Coop (Joint Purchasing Program/GSA), list number and expiration date
Participation/Goals (%): () DBE () SBE () MBE () WBE. Were goals met by awarded vendor per DEI tab sheet review? ☐ Yes ☐ No, please explain. If no, has this gone to the Administrative Reconsideration Panel? If so, what was the outcome?	☐ Sole Source ☐ Public Notice posted by Department of Purchasing. Enter # of additional responses received from posting ().
Recommended Vendor was low bidder: ☐ Yes ☐ No, please explain:	☐ Government Purchase ☐ Alternative Procurement Process
How did pricing compare among bids received?	☐ Contract Amendment - (list original procurement) ☐ Other Procurement Method, please describe:

Is Purchase/Services technology related ☐ Yes ☒ No. If yes, complete section below:	
☐ Check if item on IT Standard List of approved purchase.	If item is not on IT Standard List state date of TAC approval:
Is the item ERP related? ☐ No ☐ Yes, answer the below questions.	
Are the purchases compatible with the new ERP system? ☐ Yes ☐ No, please explain.	
FUNDING SOURCE: Please provide the complete, proper name of each funding source (No acronyms). Include % for each funding source listed. 100% Economic Development Fund	
Is funding for this included in the approved budget? ☒ Yes ☐ No (if "no" please explain):	

List all Accounting Unit(s) upon which funds will be drawn and amounts if more than one accounting unit.

DV220110 / 55120 / DEVECD001

Payment Schedule: ☒ Invoiced ☐ Monthly ☐ Quarterly ☐ One-time ☐ Other (please explain):

Provide status of project.

Is contract/purchase late ☒ No ☐ Yes, In the fields below provide reason for late and timeline of late submission

Reason:

Timeline

Project/Procurement Start Date (date your team started working on this item):

Date documents were requested from vendor:

Date of insurance approval from risk manager:

Date Department of Law approved Contract:

Detail any issues that arose during processing in Infor, such as the item being disapproved and requiring correction:

If late, have services begun? ☐ No ☐ Yes (if yes, please explain)

Have payments been made? ☐ No ☐ Yes (if yes, please explain)

HISTORY (see instructions):

Prior Original (O) and subsequent Amendments (A-#)	Contract No. (If PO, list PO#)	Vendor Name	Time Period	Amount	Date BOC/Council Approved	Approval No.

Department of Purchasing – Required Documents Checklist

Upload as “word” document in OnBase Document Management

Infor/Lawson RQ# (if applicable):	N/A
Infor/Lawson PO # Code (if applicable):	EXMT
CM Contract#	5320

Late Submittal Required:	Yes ☐	No ☒
Why is the contract being submitted late?		
What is being done to prevent this from reoccurring?		

TAC or CTO Required or Authorized IT Standard	Yes ☐	No ☒
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OTHER THAN FULL AND OPEN COMPETITION				
Exemptions (Contract)				
Reviewed by Purchasing				
			Department Initials	Purchasing
Briefing Memo			LB	GM
Justification Form			LB	GM
IG#	Pending		LB	Needs to be uploaded, GM
Annual Non-Competitive Bid Contract Statement <i>(Not required if item was competitively bid. Form is also not required if going to BOC or Council for approval)</i>		Date:	N/A	N/A
N/A	Date:	3/20/2025	LB	GM
Auditor's Findings	Date:	3/20/2025	LB	GM
Vendor's Submission			N/A	N/A
Independent Contractor (I.C.) Form	Date:	3/20/2025	LB	GM
Cover - Master contracts only			N/A	N/A
Contract Evaluation – if required provide most recent CM history on contract history table (see pg 2)			N/A	N/A
TAC/CTO Approval or IT Standards (if required attach and identify relevant page #s or meeting approval number)			N/A	N/A
Checklist Verification			LB	GM

Other documentation may be required depending upon your specific item

Glossary of Terms at: <https://intranet.cuyahoga.cc/policies-procedures/procurement-information>

Reviewed by Law	
	Department Initials
Agreement/Contract and Exhibits	LB document attached, GM
Matrix Law Screen shot	LB approved by law email for further processing, GM
COI	N/A
Workers' Compensation Insurance	LB document attached, GM

Department of Purchasing – Required Documents Checklist

CONTRACT SPENDING PLAN

Time Period	Accounting Unit	Account Number	Activity Code	Dollar Amount
05/13/2025 – 12/31/2025	DV220110	55120	DEVECD001	\$0.00
01/01/2026 – 12/31/2026	DV220110	55120	DEVECD001	\$500,000.00
01/01/2027 – 12/31/2027	DV220110	55120	DEVECD001	\$971,526.02
			TOTAL	\$1,471,526.02

CONTRACT HISTORY (see Contract Evaluation, if applicable/ to be completed by Department)

CE/AG# (if applicable)					
Infor/Lawson PO# and PO Code (if applicable)					
Lawson RQ# (if applicable)					
CM Contract#					
	Original Amount	Amendment Amount (if applicable)	Original Time Period/Amended End Date	BOC/ Resolution Approval Date	BOC/ Resolution Approval #
Original Amount	\$				
Prior Amendment Amounts (list separately) (A-#)		\$			
		\$			
		\$			
Pending Amendment		\$			
Total Amendments		\$			
Total Contract Amount		\$			

PURCHASING USE ONLY

Prior Resolutions:	N/A
CM#:	5320
Vendor Name:	Canon Healthcare USA, Inc.
Time Period:	05/13/2025 – 05/13/2035
Amount:	\$1,471,526.02
History/CE:	N/A
EL:	OK
Purchasing Notes:	The Department of Development is requesting approval of an Agreement with Canon Healthcare USA, Inc. to provide an incentive in the form of a grant in an amount up to \$1,471,526.02 to establish their headquarters at 10500 Cedar Avenue, Cleveland Ohio. The time period for this contract is

Department of Purchasing – Required Documents Checklist

	from 05/13/2025 – 05/13/2035. Funding: 100% Economic Development Fund. No encumbrance for this year, lines need to be added.
Purchasing Agents Initials and date of approval	GM, 03/20/2025

County Council of Cuyahoga County, Ohio

Resolution No. R2025-0146

Sponsored by: **County Executive Ronayne/Department of Development**

A Resolution authorizing an Economic Development Loan in an amount not-to-exceed \$920,800.00 to Catanese Classic Seafoods, Inc. or its designee, to create productive reuse of 41,469 square feet of space in the former Cleveland Foodbank facility to be located at 15500 S. Waterloo Road, in the City of Cleveland; authorizing the County Executive and/or the Director of Development to execute all documents consistent with said loan and this Resolution; and declaring the necessity that this Resolution become immediately effective.

WHEREAS, the County Executive/Department of Development recommends an Economic Development Loan in an amount not-to-exceed \$920,800.00 to Catanese Classic Seafoods, Inc. or designee, to create productive reuse of 41,469 square feet of space in the former Cleveland Foodbank facility to be located at 15500 S. Waterloo Road, in the City of Cleveland; and

WHEREAS, the primary goal of this loan is for construction, equipment costs, moving expenses, signage and soft costs related to the project at 15500 S. Waterloo Road, Cleveland, OH 44110; and

WHEREAS, this project is anticipated to retain 115 new jobs and create 7 new jobs; and

WHEREAS, the County will loan \$920,800.00 with a term of 10 years at an interest rate of 3%; and

WHEREAS, the funding for this project is 100% Economic Development Fund; and

WHEREAS, it is necessary that this Resolution become immediately effective in order that critical services provided by Cuyahoga County can continue.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:

SECTION 1. That the Cuyahoga County Council hereby authorizes an Economic Development Loan in an amount not-to-exceed \$920,800.00 to Catanese Classic Seafoods, Inc. or designee, to create productive reuse of 41,469 square feet of space in the former Cleveland Foodbank facility to be located at 1500 S. Waterloo Road, in the City of Cleveland.

SECTION 2. That the County Executive and/or the Director of Development are authorized to execute all documents consistent with said loan and this Resolution.

SECTION 3. That this Resolution shall sunset twelve (12) months after County Council approval should the authorized action have not occurred by that date. In the event this Resolution sunsets prior to the authorized action taking place, the Director of Development shall notify the Clerk of Council in writing. The Clerk of Council shall record the sunseting of this Resolution in the Council's journal.

SECTION 4. It is necessary that this Resolution become immediately effective for the usual daily operation of the County; the preservation of public peace, health or safety in the County; and any additional reasons set forth in the preamble. Provided that this Resolution receives the affirmative vote of at least eight members of Council, it shall take effect and be in force immediately upon the earliest occurrence of any of the following: (1) its approval by the County Executive through signature, (2) the expiration of the time during which it may be disapproved by the County Executive under Section 3.10(6) of the Cuyahoga County Charter, or (3) its passage by at least eight members of Council after disapproval pursuant to Section 3.10(7) of the Cuyahoga County Charter. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

SECTION 5. It is found and determined that all formal actions of this Council relating to the adoption of this Resolution were adopted in an open meeting of the Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

On a motion by _____, seconded by _____, the foregoing Resolution was duly adopted.

Yeas:

Nays:

County Council President

Date

County Executive

Date

Clerk of Council

Date

First Reading/Referred to Committee: April 8, 2025

Committee(s) Assigned: Economic Development & Planning

Journal _____
_____, 20____

ECONOMIC DEVELOPMENT LOAN TRANSACTIONS

Title	2025 – Department of Development; Project Crossbow or designee; Economic Development Loan; Portfol Loan No. 385
Department or Agency Name	Department of Development
Requested Action	☒ Contract ☐ Agreement ☐ Other (please specify):

Original (O)/ Amendment (A-#)	Contract No. (If PO, list PO#)	Vendor Name	Time Period	Amount	Date BOC Approved/ Council's Journal Date	Approval No.
O	Pending	Catanese Classic Seafoods, Inc. or Designee	10 Years	\$920,800	Pending	Pending

Loan Description and Terms.

Department of Development is seeking approval of an Economic Development Loan to Catanese Classic Seafoods, Inc. (business), a business that has been around since 1982 owned by Jim and John Catanese. The business has identified the old Cleveland Foodbank site at 15500 S. Waterloo Road, Cleveland, OH 44110, suitable for relocation after the purchase of their current facility by The Cleveland Metroparks.

Loan Amount: not to exceed \$920,800

Loan Terms: 10 years at 3% interest

Loan Security: The UCC lien shall consist of a subordinate lien on the equipment and personal guarantee from John Catanese.

Project Purpose/Goals, Outcomes(List 3):

Productive reuse of 41,469 square foot of space in the former Cleveland Foodbank facility, and creation of new jobs within the County.

Loan proceeds may be used for construction, equipment costs, moving expenses, signage, and soft costs related to the project at 15500 S. Waterloo Road, Cleveland, OH 44110

Number of Jobs created: 7

Number of Jobs retained: 115

If a County Council item, are you requesting passage of the item without 3 readings. ☐ Yes ☒ No

In the boxes below, list Borrower/Vendor, Name, Street Address, City, State and Zip Code. Beside each vendor/contractor, etc. provide owner, executive director, other (specify)

Vendor Name and address:	Owner, executive director, other (specify):
Catanese Classic Seafoods, Inc.	Jim Catanese

Rev. 7/24/23

1600 Merwin Ave. Cleveland, OH 44113	John Catanese
Vendor Council District: 7	Project Council District: 10
If applicable provide the full address or list the municipality(ies) impacted by the project.	15500 S. Waterloo Road, Cleveland, Ohio 44110 Parcel 11604006

NON-COMPETITIVE PROCUREMENT - X
Provide a short summary for not using competitive bid process.
Economic Development Loan
☐ Exemption
☐ Alternative Procurement Process
☐ Contract Amendment (<i>list original procurement</i>)
☐ Other Procurement Method, please describe: Loan

FUNDING SOURCE: i.e. General Fund, Health and Human Services Levy Funds, Community Development Block Grant (<i>No acronyms i.e. HHS Levy, CDBG, etc.</i>). Include % if more than one source.
Economic Development Fund
Is funding for this included in the approved budget? ☒ Yes ☐ No (if "no" please explain):
Payment Schedule: ☐ Invoiced ☐ Monthly ☐ Quarterly ☐ One-time ☒ Other (please explain): Reimbursement for costs

Provide status of project.	
Is contract late ☒ No ☐ Yes, In the fields below provide reason for late and timeline of late submission	
Reason:	
Timeline:	
Project/Procurement Start Date (date your team started working on this item):	
Date documents were requested from vendor:	
Date of insurance approval from risk manager:	
Date Department of Law approved Contract:	
Date item was entered and released in Infor:	
Detail any issues that arose during processing in Infor, such as the item being disapproved and requiring correction:	
If late, have services begun? ☐ No ☐ Yes (if yes, please explain)	
Have payments be made? ☐ No ☐ Yes (if yes, please explain)	

HISTORY (see instructions):
N/A



Cuyahoga County Community Improvement Corporation (CCCIC)

**Economic Development Loan
PRESENTATION PACKAGE**

**Catanese Classics Seafood, Inc.
Catanese Classics Seafood Relocation**



Aaron Kinney
Senior Development Finance Analyst
(216) 348-4847
akinney@cuyahogacounty.gov
March 13, 2024

SITUATION OVERVIEW

CCCIC Review Date:	March 13, 2025
Sponsor/Developer:	Catanese Classics Seafood, Inc.
Project:	Catanese Classics Seafood Relocation
Type:	Business Growth
Address:	15500 S. Waterloo Road, Cleveland, Ohio 44110 Parcel 11604006
Council District:	District 10 – Michael J. Houser Sr.
DOD Program:	Business Growth and Attraction Loan
Funding Partners:	Chase Bank (Senior Lender) City of Cleveland Cuyahoga County
ED Benefits:	This project is expected to create 7 new to the County full time jobs with a payroll of approximately \$274,000 annually over the next 5 years. The current 115 jobs with a payroll of \$6.5million annually will be transitioning over to the new facility. 122 total employees with a payroll totaling \$6,774,000 will work out of the facility by 2029.
Rationale for County Participation:	<u>Jobs Created:</u> Project will create a minimum of 7 new full-time jobs in Cuyahoga County. The current 115 jobs with a payroll of \$6.5million annually will be transitioning over to the new facility. <u>Economic Impact:</u> Productive reuse of 41,469 square foot of space in the former Cleveland Foodbank facility. <u>Community Impact:</u> Project will help the Cleveland Metroparks and the public to have better access to Cuyahoga River.
DOD Recommendation:	The Department of Development believes that the Project represents an acceptable risk for the County. The County's loan will have a lien on all equipment. The cash-flows should cover all debt, and the loan is collateralized with a personal guaranty from John Catanese CEO. DOD, therefore, recommends approval of the Cuyahoga County Economic Development Loan.
CCCIC Policy Exceptions:	<u>Job Creation:</u> County usually requires one job per \$35,000 in loan funds for business loans. This project is creating 1 new job per \$131,500 in loan funds. <u>Interest Rate:</u> The current interest rate for County loans is 5.5% but this loan is being offered at 3%.

PROJECT DETAILS

Operating Company:	Jim and John Catanese have been owners/operators of the Catanese Classic brand since 1982. In 2004, with the help of an investor, they expanded their business into their current location in the Flats, creating Catanese Classics Seafood. The Cleveland Metroparks approached the company to purchase their property which would allow the community to have greater access to the Cuyahoga River. Owners indicated that to stay in the City of Cleveland and Cuyahoga County, they will need some form of incentives to reduce the cost of improvements at the new facility. The refrigeration/freezer real estate market is incredibly limited overall. There is only one option in Cleveland which is suitable, the former Foodbank site. The Catanese brand is known for providing the best available products across their various businesses. With three warehouses in Cleveland and one in Columbus, they sell seafood, meats and specialty items to restaurants, country clubs, hotels, grocery stores and retailers throughout Ohio. Their seafood is all certified, sustainable and features the freshest and finest finfish, shellfish and specialties including spices and cheeses around the world. Flown in daily and hand cut, all meats are harvested in a manner that protects the species and its environment for the future and refrigerated in the company's HACCP certified facility. They practice the three components of sustainability: social responsibility, environmental stewardship, and traceability.
Project Team:	Business Owner: John Catanese and Jim Catanese Consultant: Tracey Nichols
Description:	Not long ago, the Cleveland Metroparks approached the company to purchase their property which would allow the community to have greater access to the Cuyahoga River. Catanese Classics Seafood is committed to the community, but finding freezer and refrigerated space is extremely difficult in our region. Their commitment to the City of Cleveland and the surrounding community led them to make a deal with the Metroparks and they have been searching for a new location ever since. The current building has the equipment, appropriate drainage and ventilation and adequate office space needed. It also had a low real estate tax burden and was centrally located to customers, which include many restaurants. They have looked at new build offers, however the cost and the tax burden, even with partial abatement, was far greater than current rent and costs. The City of Cleveland location is a building that was formerly used by the Foodbank. When the Foodbank moved, they subleased parts of their large warehouse to various non-profits. There are 41,469 sf left to the structure including refrigerator, freezer and some office space. To make the relocation work, some financial assistance is needed to retain the \$6.5 million payroll and 115 jobs
Components:	115 FT Employees 7 new to the County FT positions 41,469 sq ft of space 9.057 acres including parking
Risks & Mitigants	<u>Construction Risk:</u> The amount of construction is limited to tenant build out of space. <u>Operational Risk:</u> The company is a well-established business with existing customers and connections. <u>Repayment Risk:</u> The proposed loan is adequately secured with personal recourse to the principal owner and CEO

Commented [A51]: I moved this paragraph here from the project description section.

PROJECT SOURCES/USES

Sources	Amount	%	Uses	Amount	%
Chase Bank Loan	\$1,000,000	43.4%	Construction Costs	\$1,975,000	85.8%
Cuyahoga County Loan	\$920,800	40.0%	Equipment Costs	\$227,000	9.9%
City of Cleveland Grant	\$50,000	2.2%	Moving Costs	\$50,000	2.2%
Owner Equity	\$331,200	14.4%	Sign Costs	\$50,000	2.2%
		0.0%			0.0%
		0.0%			0.0%
Total Sources	\$2,302,000	100%	Total Uses	\$2,302,000	100%

- Total project cost is estimated to be \$2,302,000
- Chase Bank will provide a \$1MM Business loan with a 10-year term at an interest of 9.26%
- The City of Cleveland has committed \$50,000 in grant funding.
- The Guarantor will contribute total equity of \$331,200 (14.4% of total costs), consisting of 100% cash

SUMMARY OF COUNTY TERMS

Borrower:	Catanese Classics Seafood, Inc.
Guarantor(s):	John Catanese, CEO
Loan Amount:	\$920,800
Commitment Fee:	1.0% of the loan amount
Interest Rate:	3.00% Fixed
Term:	10 Years
Repayment:	Principal will be fully amortized over 120 months and payments of routine principal and accrued (\$8,891) and unpaid interest shall be due monthly.
Collateral:	The UCC lien shall consist of a Subordinate lien on the equipment
Covenants:	None
Other:	