



AGENDA
CUYAHOGA COUNTY COMMUNITY DEVELOPMENT
COMMITTEE MEETING
TUESDAY, NOVEMBER 22, 2016
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS
C. ELLEN CONNALLY COUNCIL CHAMBERS – 4TH FLOOR
9:00 AM

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT RELATED TO THE AGENDA**
- 4. APPROVAL OF MINUTES FROM THE OCTOBER 4, 2016 MEETING**
- 5. MATTERS REFERRED TO COMMITTEE**
 - a) R2016-0218: A Resolution authorizing an Economic Development Fund Redevelopment and Modernization Loan in the amount not-to-exceed \$2,500,000.00 to Detroit Shoreway Community Development Organization for the benefit of a project located at 11801-11825 Lorain Avenue in the City of Cleveland; authorizing the County Executive and/or 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. OTHER PUBLIC COMMENT**
- 8. 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 COMMUNITY DEVELOPMENT
COMMITTEE MEETING
TUESDAY, OCTOBER 4, 2016
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS
C. ELLEN CONNALLY COUNCIL CHAMBERS – 4TH FLOOR
1:00 PM**

1. CALL TO ORDER

Chairman Hairston called the meeting to order at 1:04 p.m.

2. ROLL CALL

Mr. Hairston asked Assistant Deputy Clerk Culek to call the roll. Committee members Hairston, Jones, Brady, Simon and Gallagher were in attendance and a quorum was determined. Councilmembers Miller, Conwell and Brown were also in attendance.

3. PUBLIC COMMENT RELATED TO THE AGENDA

The following individuals addressed the Committee regarding Resolution No. R2016-0185, a Resolution authorizing a contract with Tax Ease Ohio, LLC, as purchaser and servicer, in the amount not-to-exceed \$50,000,000.00 for the sale of tax lien certificates:

- a) Mr. Michael Polensek, Cleveland City Councilman**
- b) Ms. Colleen Majeski**

4. APPROVAL OF MINUTES FROM THE MAY 31, 2016 MEETING

A motion was made by Mr. Hairston, seconded by Mr. Jones and approved by unanimous vote to approve the minutes from the May 31, 2016 meeting.

5. MATTERS REFERRED TO COMMITTEE

- a) R2016-0185: A Resolution authorizing a contract with Tax Ease Ohio, LLC, as purchaser and servicer, in the amount not-to-exceed \$50,000,000.00 for the sale of tax lien certificates; authorizing the County Executive to execute the contract and all other documents consistent with this Resolution; and declaring the necessity that this Resolution become immediately effective.

Mr. Christopher Murray, County Treasurer, and Ms. Dawn Hoosier, Representative for Tax Ease Ohio, addressed the Committee regarding Resolution No. R2016-0185. Discussion ensued.

Committee members and Councilmembers asked questions of Mr. Murray and Ms. Hoosier pertaining to the item, which they answered accordingly.

On a motion by Mr. Jones with a second by Ms. Simon, Resolution No. R2016-0185 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. OTHER PUBLIC COMMENT

No public comments were given.

8. ADJOURNMENT

With no further business to discuss, Chairman Hairston adjourned the meeting at 2:36 p.m., without objection.

County Council of Cuyahoga County, Ohio

Resolution No. R2016-0218

Sponsored by: County Executive Budish/Department of Development	A Resolution authorizing an Economic Development Fund Redevelopment and Modernization Loan in the amount not-to-exceed \$2,500,000.00 to Detroit Shoreway Community Development Organization for the benefit of a project located at 11801-11825 Lorain Avenue in the City of Cleveland; authorizing the County Executive and/or 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 has recommended an Economic Development Fund Redevelopment and Modernization Loan in the amount not-to-exceed \$2,500,000.00 to Detroit Shoreway Community Development Organization for the benefit of a project located at 11801-11825 Lorain Avenue in the City of Cleveland; and

WHEREAS, the primary goals of this project are to redevelop and restore 25,160 square feet of space in order to create a Variety Theater Complex along Lorain Avenue from West 110th Street to West 123rd Street in the City of Cleveland, Council District 3; and

WHEREAS, upon completion, this project is anticipated to create one hundred and ten (110) permanent employment positions in two (2) years; and

WHEREAS, the total cost of this project is \$13,600,000.00 of which the County will loan \$2,500,000.00 with a term of twenty (20) years at an interest rate of two percent (2%); and

WHEREAS, the proposed funding source for the loan is the Cuyahoga County Job Creation Fund; and

WHEREAS, the project will be subject to the following, as applicable, and without limitation: the County's SBE Policy, adopted October 29, 2009; execution of a Workforce Development Agreement; submission of annual job creation/retention reporting; and payment of prevailing wages for that portion of the project funded by the County loan authorized herein; 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 authorizes an Economic Development Fund Redevelopment and Modernization Loan in the amount not-to-exceed \$2,500,000.00 to Detroit Shoreway Community Development Organization for the benefit of a project located at 11801-11825 Lorain Avenue in the City of Cleveland.

SECTION 2. That the County Executive and/or 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: November 15, 2016
Committee(s) Assigned: Community Development

Journal _____
_____, 20__

Department of Development

Economic Development Fund

Project Summary

November 9, 2016

Project:	Variety Theatre
Borrower:	Detroit Shoreway Community Development Organization or Westtown Community Development Corp. or Designee
Loan Type:	Job Creation Fund
Loan Amount Requested:	\$2,500,000
District:	3 –Dan Brady Councilman

Business and History:

Westtown Community Development Corporation (WCDC) and Detroit Shoreway Community Development Organization are the non-profit community development corporations for Cleveland's Ward 11. Their mission is to promote neighborhood revitalization and long-term stability through the development and implementation of public benefit programs, including residential and commercial rehabilitation, along with neighborhood planning and community engagement.

As part of their plan to successfully redevelop the neighborhood, WCDC created the Lorain Avenue Master Plan. A main facet of the plan focuses on the reuse and restoration of buildings along Lorain Avenue from W.110 Street to W.123 Street in order to preserve the unique character and history of the neighborhood, with the catalytic centerpiece of the plan being the redevelopment of the Variety Theatre as a mixed use facility.

Uses	
Acquisition	\$20,000
Hard Construction -- Building	\$9,500,000
Acquisition -- Parking	\$230,000
Hard Construction & Soft Costs – Parking	\$675,000
Soft Costs	\$1,925,000
Development Fee (10%)	\$1,250,000
Total	\$13,600,000
Sources	
Tax Credit Equity	
Federal Historic Tax Credit Equity	2,289,000
State Historic Tax Credit Equity	947,000
Federal New Markets Tax Credit Equity	3,700,000
State New Markets Tax Credits	600,000
Tax Credit Equity -- Total:	7,536,000
State	
Cultural Facilities Grant (2008)	85,000
Cultural Facilities Grant (2016)	250,000
County HOME	450,000
State -- Total:	785,000
County	
County subsidized loan (2%, 20 years)	2,500,000
County Brownfield Funds	35,000
County -- Total:	2,535,000
City	
NDP Predevelopment	80,000
Local Parking Needs (3 lots)	210,000
City (VPI or other support)	250,000
Cleveland Housing Trust Fund	600,000
Storefront Renovation Program	25,000
City -- Total:	1,165,000
Ward 11 CDBG & Casino Funding:	731,607
Other Grants	
Finance Fund Predevelopment	30,000
Finance Fund -- Economic Development Grant	150,000
NEORS D Storm water Grant	118,156
Foundation Grants	349,237
Deferred Developer Fee	200,000
Other Grants -- Total:	847,393
TOTAL SOURCES:	13,600,000

Project Description

The Variety Theatre project will adaptively reuse the currently 100% vacant mixed-use structure and transform the building into a center point of the Westown neighborhood. The building has been steadily deteriorating due to deferred maintenance, lack of occupancy and ever increasing water-infiltration through the roof.

The building located at 11801-11825 Lorain Avenue sits prominently as the cornerstone of the neighborhood along Westown's main commercial corridor, with restoration of the building having a catalytic effect on the neighborhood aiming to promote further private investment.

Upon completion, the Variety Theatre Complex will contain ten (10) one bedroom affordable housing units, ten (10) retail storefronts, district parking and a 23,210 square foot theatre space which will be adaptively redeveloped into a destination restaurant and entertainment venue. An anchor tenant has committed to leasing a total of 25,160 square feet including redeveloping the theatre space into a restaurant and entertainment complex as well as operating a cabaret style movie theatre in the balcony of the theatre. The anchor tenant also intends to occupy two (2) storefronts for a boxing training facility. A barbershop tenant also intends to move their business into a building storefront. These commitments are contingent on obtaining the necessary financing and completion of building renovations.

Rationale for Participation

- **Jobs Created:** Upon completion, the retail stores and restaurant are anticipated to create 92 permanent employment positions in year one (1) and increase to 110 permanent employment positions year two (2).

At least 5% of the employment positions will be set aside for individuals with developmental disabilities in partnership with the Cuyahoga County Board of Development Disability's Solution at work (SAW) program; an additional 5% of the employment positions will be set aside for formerly incarcerated men and women who have graduated re-entry programs at Lutheran Metropolitan Ministries, Edwin's Leadership & Restaurant Institute, etc.

A partnership with Cuyahoga Community College's culinary arts program will provide low or no cost job skills training in the Variety's culinary apprenticeship program, leading to immediate employment within the restaurant

The project will provide 105 jobs during construction at an average hourly wage of \$45.00

- **Community Impact:** The project will provide 10 units of affordable housing to persons making at below 50% area median income. The Variety Theater redevelopment will eliminate blighted area and transform the Westown neighborhood community.