



## CUYAHOGA COUNTY COUNCIL

### ECONOMIC DEVELOPMENT & PLANNING COMMITTEE

CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS

4<sup>th</sup> FLOOR

#### MEETING AGENDA

MONDAY, JULY 14, 2025—1:00 P.M.

#### Committee Members

Patrick Kelly, Chair | Dist. 1

Meredith M. Turner, Vice Chair | Dist. 9

Michael J. Gallagher | Dist. 5

Dale Miller | Dist. 2

Sunny M. Simon | Dist. 11

#### 1. CALL TO ORDER

#### 2. ROLL CALL

#### 3. PUBLIC COMMENT

#### 4. APPROVAL OF MINUTES FROM THE JUNE 16, 2025 MEETING

#### 5. MATTERS REFERRED TO COMMITTEE

- a) R2025-0239: A Resolution authorizing an amendment to Contract No. 4663, a Development Loan, in the amount not-to-exceed \$10,000,000.00 to Playhouse Square Foundation for the benefit of The Lumen at Playhouse Square Project to extend the maturity date to September 13, 2028 upon payment of \$3,500,000.00 in principal plus accrued and unpaid interest on or before September 30, 2025; authorizing the County Executive 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

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## CUYAHOGA COUNTY COUNCIL

**ECONOMIC DEVELOPMENT & PLANNING COMMITTEE**  
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS  
4<sup>th</sup> FLOOR

### MEETING MINUTES

**MONDAY, JUNE 16, 2025—10:00 A.M.**

#### Committee Members

Patrick Kelly, Chair | Dist. 1  
Meredith M. Turner, Vice Chair | Dist. 9  
Michael J. Gallagher | Dist. 5  
Dale Miller | Dist. 2  
Sunny M. Simon | Dist. 11

#### 1. CALL TO ORDER

**Chairman Kelly called the meeting to order at 10:04 a.m.**

#### 2. ROLL CALL

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

#### 3. PUBLIC COMMENT

**There were no public comments given.**

#### 4. APPROVAL OF MINUTES FROM THE APRIL 14, 2025 MEETING

**A motion was made by Ms. Turner, seconded by Mr. Gallagher and approved by unanimous vote to approve the minutes from the April 14, 2025 meeting.**

#### 5. MATTERS REFERRED TO COMMITTEE

- a) R2025-0212: A Resolution adopting the 2025 Economic Development Plan in accordance with Section 7.05 of the Cuyahoga County Charter and Section 801.01 of the Cuyahoga County Code; and declaring the necessity that this Resolution become immediately effective.

**Mr. Paul Herdeg, Director; Mr. Anthony Stella, Economic Development Administrator; and Mr. Vaughn Johnson, Deputy Director of Economic Development for the Department of Development, addressed the Committee regarding Resolution No. R2025-0212. Discussion ensued.**

**Committee members asked questions of Mr. Herdeg, Mr. Stella and Mr. Johnson pertaining to the item, which they answered accordingly.**

**On a motion by Mr. Kelly with a second by Ms. Turner, Resolution No. R2025-0212 was considered and approved by unanimous vote to be referred to the full Council agenda for second reading.**

- b) R2025-0213: A Resolution authorizing an amendment to the Economic Development Fund Place-based/Mixed-use Loan with 515 Euclid Avenue Residential, LLC for the benefit of The Beacon Project, located at 515 Euclid Avenue, Cleveland for the period 8/31/2017 – 7/31/2025 to extend the time period to 7/31/2028 and amend the repayment terms, no additional funds required; authorizing the County Executive and/or Director of Development to execute all documents consistent with this Resolution; and declaring the necessity that this Resolution become immediately effective.

**Mr. Stella and Mr. Brian Midlik, Chief Operating Officer of Stark Enterprises, addressed the Committee regarding Resolution No. R2025-0213. Discussion ensued.**

**Committee members asked questions of Mr. Stella and Mr. Midlik pertaining to the item, which they answered accordingly.**

**On a motion by Mr. Kelly with a second by Ms. Turner, Resolution No. R2025-0213 was considered and approved by unanimous vote to be referred to the full Council agenda for second reading.**

**Ms. Turner requested to have her name added as a co-sponsor to the legislation.**

#### **6. MISCELLANEOUS BUSINESS**

**There was no miscellaneous business.**

#### **7. ADJOURNMENT**

**With no further business to discuss, Chairman Kelly adjourned the meeting at 11:17 a.m., without objection.**

# County Council of Cuyahoga County, Ohio

## Resolution No. R2025-0239

<b>Sponsored by: County Executive Ronayne/Department of Development</b>	<b>A Resolution</b> authorizing and amendment to Contract No. 4663, a Department of Development Loan in the amount not-to-exceed \$10,000,000.00 to Playhouse Square Foundation for the benefit of The Lumen at Playhouse Square Project to further extend the due date of the loan from September 13, 2025 to September 13, 2028 upon payment of \$3,500,000.00 in principal plus accrued and unpaid interest on or before September 30, 2025; authorizing the County Executive 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 entered into Contract No. 4663, a Development Loan in the amount not-to-exceed \$10,000,000.00 to Playhouse Square Foundation (“Foundation”) for the benefit of The Lumen at Playhouse Square Project, as authorized by Resolution R2018-0185, passed November 13, 2018 (“Loan”); and

**WHEREAS**, by Resolution No. R2024-0285 approved July 30, 2024, this Council authorized an amendment to the Loan to extend the due date from September 13, 2024 to September 13, 2025 upon payment of \$5,000,000.00 in principal plus accrued and unpaid interest; and

**WHEREAS**, the County and the Foundation now desire to further amend the Loan to extend the due date from September 13, 2025 to September 13, 2028 upon payment of \$3,500,000.00 in principal plus accrued and unpaid interest on or before September 30, 2025; and

**WHEREAS**, the primary goal of Loan is the development of a new 34-story residential tower, consisting of 318 residential apartment and a 530-car parking garage with retail in District 7 (“Project”), has been fully satisfied; 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 Contract No. 4663, a Development Loan to Playhouse Square Foundation in the amount not-to-exceed \$10,000,000.00 for the benefit of The Lumen at Playhouse Square Project, to further extend the due date of said Loan from September 13, 2025 to September 13, 2028 upon payment of \$3,500,000.00 in principal, plus any accrued and unpaid interest on the Loan, on or before September 30, 2025, with the remaining principal balance of \$1,500,000.00 being amortized over three (3) years at a rate of interest of eight- and one-half percent (8.50%).

**SECTION 2.** That the County Executive and the Director of Development, and each 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: July 8, 2025

Committee(s) Assigned: Economic Development & Planning

Journal \_\_\_\_\_  
\_\_\_\_\_, 20\_\_\_\_

## ECONOMIC DEVELOPMENT LOAN TRANSACTIONS

<b>Title</b>	2025 – CM4663 (CE1920018-01); Department of Development; Amendment to Playhouse Square Foundation Loan; Portfol Loan No. 296-01-01
<b>Department or Agency Name</b>	Department of Development
<b>Requested Action</b>	<input checked="" type="checkbox"/> Contract <input type="checkbox"/> Agreement <input checked="" type="checkbox"/> Other (please specify): Amendment

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	CE192001 8-01	Playhouse Square Foundation	5/14/2019 – 9/13/2024	\$10,000,000	11/13/2018	R2018-0185
A-1	CM4663 (CE19200 18-01)	Playhouse Square Foundation	Upon Approval for 1 additional Year (9/13/24 to 9/13/25)	\$0	7/30/2024	R2024-0285
A-2	CM4663 (CE19200 18-01)	Playhouse Square Foundation	Upon Approval for 3 additional years (9/13/2025 – 9/13/2028)	\$0	Pending	Pending

### Loan Description and Terms.

Loan proceeds were used to successfully construct a new 34-story residential tower, with approximately 318 apartment units and 530-car parking garage and retail located at 1600 Euclid Avenue, Cleveland, Ohio (the "Project"). Department of Development is seeking approval to modify the existing Loan Maturity Date of September 13, 2025, by providing for a three (3) year extension. Amended Maturity Date, upon approval, will become September 13, 2028.

**Outstanding Loan Amount:** \$5,000,000

**Loan Terms:** Due 9/30/2025, Seventy percent (70%) of outstanding principal balance equal to \$3,500,000 plus accrued and unpaid interest. Beginning September 30, 2026, amortized annual payments of principal and interest at a rate of interest of eight and one half percent (8.5%) shall be due and payable on each September 30<sup>th</sup> of each subsequent annual payment date on the remaining \$1,500,000 of outstanding principal through and up to the Amended Maturity Date of 9/13/2028.

**Loan Security:** To provide security for the Loan, Borrower has agreed to deposit into certain investment accounts (the "Borrower Investment Accounts") held with KeyBank National Association ("Intermediary") the sum of Ten Million Dollars and 00/100 Dollars (\$10,000,000.00) (the "Secured Reserve Amount") and to enter into that certain Securities Account Control Agreement by and among Lender, Borrower and Intermediary (the "Control Agreement") in order to grant Lender a first priority lien in the Borrower Investment Accounts. County and Borrower also executed a Pledge, Assignment and Security Agreement (the "Pledge Agreement") pursuant to which Borrower shall grant a first priority lien to Lender in all of Borrower's

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right, title and interest in the Borrower Investment Accounts. Upon the redemption of the \$3,500,000 of principal on 9/30/2025, the Security Documents shall be amended to reflect the obligation of maintaining a minimum cash balance of \$1,500,000 as the Amended Secured Reserved Amount.

**Project Purpose/Goals, Outcomes(List 3):**

- (1) Project construction has been completed and residential component of project near stabilized value
- (2) Many existing and new capital projects are being taken on and preserving their cash flow for 3 additional years adds significant value to the development of these capital projects.
- (3) Maintain the progress of current revitalization efforts for the Playhouse Square District

**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):

Playhouse Square Foundation  
1501 Euclid Avenue, Suite 200  
Cleveland, OH 44115

Attention: Nathan Kelly, President – Playhouse Square  
Real Estate

Vendor Council District: 7

Project Council District: 7

If applicable provide the full address or list the municipality(ies) impacted by the project.

**City of Cleveland**

**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 (40%) GENERAL FUND (60%)**

Is funding for this included in the approved budget? ☐ Yes ☒ No (if “no” please explain): no funds are being disbursed

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

**Provide status of project.**

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

**Reason:**



<b>Timeline:</b>	
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? <input type="checkbox"/> No <input type="checkbox"/> Yes (if yes, please explain)	
Have payments be made? <input type="checkbox"/> No <input type="checkbox"/> Yes (if yes, please explain)	

HISTORY (see instructions):					
Contract No. (If PO, list PO#)	Vendor Name	Time Period	Amount	Date BOC Approved/ Council's Journal Date	Approval No.



**Cuyahoga County Community Improvement Corporation (CCCIC)**

## **Economic Development Loan PRESENTATION PACKAGE**

**The Lumen**

**Playhouse Square Foundation**



**Anthony Stella**  
**Economic Development Administrator**  
**(216) 443-3163**  
[astella@cuyahogacounty.gov](mailto:astella@cuyahogacounty.gov)  
**June 12, 2025**

## **SITUATION OVERVIEW**

<b>CCCIC Review Date:</b>	June 12, 2025
<b>Sponsor/Developer:</b>	Playhouse Square Foundation
<b>Project:</b>	The Lumen
<b>Type:</b>	Real Estate, Mixed-Use
<b>Address:</b>	1600 Euclid Avenue Cleveland, Ohio 44115
<b>Council District:</b>	District 7 – Yvonne M. Conwell
<b>DOD Program:</b>	General Fund Mixed-Use Loan
<b>Funding Partners:</b>	<u>Current</u> Freddie Mac (via KeyBank)  <u>Original</u> KeyBank, Huntington, PNC, US Bank, and First Commonwealth (senior lenders) City of Cleveland (TIF & forgivable loan) State of Ohio (grant)
<b>ED Benefits:</b>	Project has created new housing and a substantial investment in the Central Business District. This mixed-use project contributes to a vibrant city center.
<b>Rationale for County Participation:</b>	<u>Economic Impact:</u> the Project has helped provide residential population to Playhouse Square in Cleveland, further leveraging development in Downtown Cleveland.  <u>Transit-Oriented Development:</u> The Project's location along the RTA Healthline BRT line promotes transit-oriented development.
<b>DOD Recommendation:</b>	<p>The Department of Development believes that the request represents an acceptable risk for the County. The loan is secured by a pledge of liquid assets (marketable securities) and the Project cash-flows are sufficient to cover debt service on both the Freddie Mac loan and the County loan.</p> <p>The sponsor is paying down 70% of the current \$5 million principal balance, which reduces the Department's exposure to the Project. The Department requests a recommendation for approval of the structure as proposed.</p>
<b>CCCIC Policy Exceptions:</b>	N/A

## PROJECT DETAILS

<b>Sponsor/Developer:</b>	Playhouse Square Foundation's purpose is to operate and sustain on a financially viable basis a performing arts and entertainment center presenting and producing works of artistic excellence for the benefit of all citizens. The Foundation is committed in its actions to enhance and develop that portion of downtown Cleveland known as "Playhouse Square" by restoring, renovating, and operating theaters in the Playhouse Square District; by presenting diverse art programs, and educational activities that develop new audiences and enhance connections with existing audiences within the Northeast Ohio region; and by renovating and developing complimentary commercial and retail properties in and around the Playhouse Square District.
<b>Project Team:</b>	Owner: Playhouse Square Foundation Property Manager: Willowick Residential (Hines)
<b>Description:</b>	<p>In June 2018, the Project was financed with a \$55 million construction loan agented by KeyBank, which included participant lenders Huntington, PNC, US Bank, and First Commonwealth. The loan was secured by a first mortgage on the Project.</p> <p>Separately, in September 2019 the County provided a \$10 million loan to support the Project via a direct loan to Playhouse Square Foundation and secured by a pledge of liquid assets (marketable securities). The initial term was 5 years, interest-only at 3.50%.</p> <p>In October 2020, construction was completed and in February 2023 the Project reached stabilization, at which time the construction loan was retired with a \$50 million loan from Freddie Mac (via KeyBank). The Freddie Mac loan matures in March 2028.</p> <p>The \$10 million County loan matured in September 2024 and a 1-year extension was provided in exchange for a \$5 million paydown and increasing the interest rate to 5.0%.</p> <p>The \$5 million loan balance matures in September 2025 and Playhouse has requested a 3-year extension in exchange for a \$3.5 million paydown, while increasing the interest rate to 8.50% and fully amortizing the remaining \$1.5 million balance over 3 years.</p>
<b>Components:</b>	318 Apartments 530-Space Parking Garage
<b>Risks &amp; Mitigants</b>	<p><u>Leasing/Operational Risk:</u> the Project is currently being leased and operated by an experienced third-party property manager (Hines)</p> <p><u>Mitigants:</u> the loan is secured by liquid assets (marketable securities). As a condition of the extension, Sponsor will paydown 70% of the principal balance, thereby reducing County's exposure in the Project.</p>

## **SUMMARY OF CUYAHOGA COUNTY TERMS**

<b>Borrower:</b>	Playhouse Square Foundation
<b>Guarantor(s):</b>	N/A
<b>Loan Amount:</b>	\$1,500,000
<b>Commitment Fee:</b>	N/A
<b>Interest Rate:</b>	8.50%
<b>Term:</b>	3 Years
<b>Repayment:</b>	On or before September 30, 2025, Borrower will make a principal payment of \$3.5 million with the remaining \$1.5 million balance to be paid with 3 annual fully amortizing payments beginning September 30, 2026, and maturing on September 13, 2028.
<b>Collateral:</b>	Securities Account Control Agreement for an investment account held at KeyBank (marketable securities). Current balance is \$17 million.
<b>Covenants:</b>	N/A

	Key Bank / Freddie	Cuyahoga County	Total
Loan Amount	\$50,000,000	\$1,500,000	\$51,500,000
<u>Interest Rate</u>	5.41%	8.50%	
Remaining Term	3 years	3 years	
<u>Amortization</u>			
Term	I/O	3 years	
<u>Annual Debt Service</u>	\$2,705,000	\$587,309	\$3,292,309

## **COLLATERAL ANALYSIS**

Lender	Position	Amount
Cuyahoga County	1st	\$1,500,000
<b>Total Debt</b>		<b>\$1,500,000</b>
Value of Control Agreement		\$17,076,778
LTV		8.8%
Within 90% Policy		Yes

- The County loan balance is secured by a control agreement of a Securities Account held at KeyBank
- The LTV falls well below the County's acceptable limit