



AGENDA
CUYAHOGA COUNTY ECONOMIC DEVELOPMENT & PLANNING
COMMITTEE MEETING
MONDAY, FEBRUARY 3, 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 JANUARY 27, 2025 MEETING** [See Page 3]
- 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. [See Page 7]
 - b) R2025-0064: A Resolution authorizing an Economic Development Loan in the amount not-to-exceed \$2,000,000.00 to 2168 West 25th Street LLC, or its designee, for the redevelopment of the former Rauch & Lang Carraige Company building located at 2168 West 25th Street 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. [See Page 10]

- c) O2025-0002: An Ordinance enacting Section 802.06 of the Cuyahoga County Code to require Economic Development proposals submitted to County Council for approval to include and incorporate essential deal terms; and declaring the necessity that this Ordinance become immediately effective. [See Page 20]

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
MONDAY, JANUARY 27, 2025
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS
C. ELLEN CONNALLY COUNCIL CHAMBERS – 4TH FLOOR
10:00 AM

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, Miller and Gallagher were in attendance and a quorum was determined. Committee members Turner and Simon arrived after the roll call was taken. Councilmember Houser was also in attendance.

3. PUBLIC COMMENT

There were no public comments given.

4. APPROVAL OF MINUTES FROM THE DECEMBER 2, 2024 MEETING

A motion was made by Mr. Kelly, seconded by Mr. Gallagher and approved by unanimous vote to approve the minutes from the December 2, 2024 meeting.

5. MATTERS REFERRED TO COMMITTEE

- a) R2025-0003: A Resolution awarding a total sum, not to exceed \$184,000, to Manufacturing Works for the Supply-Chain and Workforce Alignment Project from the District 2 ARPA Community Grant Fund; and declaring the necessity that this Resolution become immediately effective.

Ms. Marilyn Mosinski, Manager, Industrial Outreach and Development for Manufacturing Works and Ms. Chelsea Treboniak, President of Critical Ops, addressed the Committee regarding Resolution No. R2025-0003. Discussion ensued.

Committee members and Councilmember asked questions of Ms. Mosinski and Ms. Treboniak pertaining to the item, which they answered accordingly.

On a motion by Mr. Miller with a second by Mr. Gallagher, Resolution No. R2025-0003 was considered and approved by unanimous vote to be referred to the full Council agenda for second reading.

- b) R2025-0004: A Resolution awarding a total sum, not to exceed \$120,000, to the Aerozone Alliance for the Aerozone Financial Sustainability Initiative from the District 2 ARPA Community Grant Fund; and declaring the necessity that this Resolution become immediately effective.

Mr. Hrishue Mahalaha, Executive Director for the Aerozone Alliance, addressed the Committee regarding Resolution No. R2025-0004. Discussion ensued.

Committee members and Councilmember asked questions of Mr. Mahalaha pertaining to the item, which he answered accordingly.

On a motion by Mr. Miller with a second by Mr. Gallagher, Resolution No. R2025-0004 was considered and approved by unanimous vote to be referred to the full Council agenda for second reading.

- c) R2025-0016: A Resolution awarding a total sum, not to exceed \$350,000, to the United Black Fund of Greater Cleveland for the Empowering Cuyahoga County's Opportunity Zones Project from the District 9 ARPA Community Grant Fund; and declaring the necessity that this Resolution become immediately effective.

Mr. Cecil Lipscomb, President and Chief Executive Officer and Ms. Adrienne Sims, Coordinator of Development for the United Black Fund of Greater Cleveland, addressed the Committee regarding Resolution No. R2025-0016. Discussion ensued.

Committee members and Councilmember asked questions of Mr. Lipscomb and Ms. Sims pertaining to the item, which they answered accordingly.

On a motion by Ms. Turner with a second by Mr. Gallagher, Resolution No. R2025-0016 was considered and approved by unanimous vote to be referred to the full Council agenda for second reading.

- d) R2025-0037: A Resolution authorizing an Economic Development Loan in the amount not-to-exceed \$1,500,000.00 to WXZ CPV LLC and/or Taylor Tudor Tenant LLC as its designee, to facilitate the re-development of the Taylor Tudor Plaza located at 1900-1910, 1912-1926, and 1932-1946 South Taylor Road in the City of Cleveland Heights; 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.

Mr. Anthony Stella, Economic Development Administrator for the Department of Development and Mr. Greg Huth, Assistant Law Director, addressed the Committee regarding Resolution No. R2025-0037. Discussion ensued.

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

Ms. Simon made a motion for Resolution No. R2025-0037 to be amended, to fully incorporate the “Whereas” clauses that address essential deal terms, which will be detailed in a proposed substitute for consideration at the next Council meeting; Ms. Turner seconded and was approved by unanimous vote, as amended.

On a motion by Mr. Kelly with a second by Mr. Miller, Resolution No. R2025-0037 was considered and approved by unanimous vote to be referred to the full Council agenda for second reading.

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

- e) 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.

Ms. Katherine Gallagher, Deputy Chief of Staff Operations & Community Innovation for the Executive’s Office, introduced a proposed substitute to Resolution No. R2025-0044. Discussion ensued.

Committee members asked questions of Ms. Gallagher pertaining to the item, which she answered accordingly.

A motion was then made by Mr. Miller, seconded by Mr. Gallagher and approved by unanimous vote to accept the proposed substitute.

Ms. Gallagher, Mr. Michael Deemer, President and Chief Executive Officer for Downtown Cleveland; Mr. Thomas Coyne, Chair of the Downtown Cleveland Improvement

Corporation; and Mr. Paul Herdeg, Director of the Department of Development, addressed the Committee regarding Resolution No. R2025-0044. Discussion ensued.

Committee members asked questions of Ms. Gallagher, Mr. Deemer, Mr. Coyne and Mr. Herdeg pertaining to the item, which they answered accordingly.

There was no legislative action taken on Resolution No. R2025-0044.

- f) O2025-0002: An Ordinance enacting Section 802.06 of the Cuyahoga County Code to require Economic Development proposals submitted to County Council for approval to include and incorporate essential deal terms; and declaring the necessity that this Ordinance become immediately effective.

Ms. Simon and Mr. Herdeg addressed the Committee regarding Ordinance No. O2025-0002. Discussion ensued.

There was no legislative action taken on Ordinance No. O2025-0002.

6. MISCELLANEOUS BUSINESS

There was no miscellaneous business.

7. ADJOURNMENT

With no further business to discuss, Chairman Kelly adjourned the meeting at 11:56 a.m., without objection.

County Council of Cuyahoga County, Ohio

Resolution No. R2025-0044

Sponsored by: County Executive Ronayne	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.
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WHEREAS, Chapter 1710 of the Revised Code authorizes the formation of a special improvement district within the boundaries of a municipality by petition of property owners in the district and approval by the municipality for the purpose of developing and implementing a plan for public improvements and public services that benefit the district; and

WHEREAS, the Downtown Cleveland Improvement District (the “District”) was established in 2006; and

WHEREAS, the District is governed by the Downtown Cleveland Improvement Corporation (“DCIC”), an Ohio nonprofit corporation, pursuant to Chapters 1702 and 1710 of the Revised Code; and

WHEREAS, the DCIC is seeking to continue the District’s effective dates for calendar years 2026 through 2032; and

WHEREAS, the DCIC is distributing to property owners in the District a petition in support of continuing the District and adjusting its boundaries (the “Petition”) for the purpose of implementing the District’s Comprehensive Services Plan (the “District Plan”); and

WHEREAS, under Section 1710.02(E) of the Revised Code, real property owned by a local government is generally excluded from a special improvement district unless inclusion is specifically requested in writing; and

WHEREAS, the County desires to sign the Petition and to include certain properties owned by the County within the boundaries of the District for special assessments in accordance with Section 1710.02(E) of the Revised Code and the District Plan; and

WHEREAS, it is necessary that this Resolution become immediately effective to provide for the usual, daily operations of the County.

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

SECTION 1. That the County Executive (the “Executive”), on behalf of the County, is authorized to sign the Petition in support of continuing the District, adjusting its boundaries, and implementing the District Plan for the benefit of the District; and is further authorized to request in writing that the following County properties located within the District be included in the District for special assessment in accordance with Section 1710.02(E) of the Revised Code:

<u>PPN</u>	<u>Street Address</u>	<u>Agency/Use/Common Name</u>
101-02-011	1 Lakeside Avenue	County Courthouse & Huntington Park
101-06-003	1200 – 1250 Ontario Street	Justice Center Complex
101-06-010	1215 – 1265 West 3 rd Street	Justice Center Complex
101-06-011	220 West 3 rd Street	Justice Center Complex
101-06-012	208 St. Clair Avenue	Justice Center Complex
101-06-013	116 St. Clair Avenue	Justice Center Complex
101-08-001	310 Lakeside Avenue	Public Defender’s Office
101-08-004	426 Lakeside Avenue	Public Defender’s parking lot
101-36-026	2073 East 9 th Street	County Admin Building
102-01-007	1275 Lakeside Avenue	BODD Building

SECTION 2. That the Petition, the District Plan, the Amended Articles of Incorporation of the DCIC, and the estimate for the special assessments on file with the Clerk of Council, are hereby approved, with such changes therein that are not materially inconsistent with this Resolution and not adverse to the County.

SECTION 3. That all special assessments levied against the County’s properties as a result of the County’s inclusion in the District are estimated to be \$184,655.41 for calendar year 2026 and are estimated to be a total of \$1,387,369.53 over the seven-year term of the District; all such assessments shall be paid from the general fund.

SECTION 4. It is necessary that this Resolution become immediately effective for the usual daily operation of the County and the 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

County Council of Cuyahoga County, Ohio

Resolution No. R2025-0064

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 2168 West 25 th Street LLC, or its designee, for the redevelopment of the former Rauch & Lang Carriage Company building located at 2168 West 25 th Street 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.
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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 2168 West 25th Street LLC, or its designee, for the redevelopment of the former Rauch & Lang Carriage Company building located at 2168 West 25th Street in the City of Cleveland; and

WHEREAS, the primary goal of this loan is for the renovation of vacant buildings, preservation of historic property and creation of new jobs; and

WHEREAS, this project is anticipated to create 20 new jobs in addition to moving 25 existing jobs to the project site; and

WHEREAS, the County will loan and amount not-to-exceed \$2,000,000.00 with an initial term of 2 years interest only, followed by 15 year term of principal and interest payments based on a 15-year amortization at 5.5% interest; and

WHEREAS, the project is funded 100% Economic Development Loan 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 2168 West 25th Street LLC or its designee, for the redevelopment of the former Rauch & Lang Carriage Company building located at 2168 West 25th Street 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 and the 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: January 28, 2025
Committee(s) Assigned: Economic Development & Planning

Journal _____
_____, 20____

ECONOMIC DEVELOPMENT LOAN TRANSACTIONS

Title	2025 – Department of Development; 2168 West 25 th Street LLC or designee; Economic Development Loan; Portfol Loan No. 327-02-02
Department or Agency Name	Department of Development
Requested Action	<input checked="" type="checkbox"/> Contract <input type="checkbox"/> Agreement <input type="checkbox"/> 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	PPT Real Estate Holdings	17 Years	\$2,000,000	Pending	Pending

Loan Description and Terms.

Department of Development is seeking approval of an Economic Development Loan to 2168 West 25th Street LLC (Developer), a newly created entity principally owned by AJAPPJR QOF I LLC which is 100% owned by Jori Maron. The entity has been created to facilitate the re-development of the Carriage Co. Redevelopment located at 2168 West 25th Street, 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 15-year amortization at 5.5% interest.

Loan Security: A subordinate mortgage and assignment of leases and rents a personal guarantee from Jori Maron & Trust, and a corporate guarantee from AJAPPJR QOF I LLC.

Project Purpose/Goals, Outcomes(List 3):

Renovation of vacant buildings, preservation of historic property, 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 2168 West 25th Street, Cleveland, OH

Number of Jobs created: 20

Number of Jobs retained: 25

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):
2168 West 25 th Street LLC 629 Euclid Ave, 11th Floor Cleveland, OH 44114	Jori Maron

Vendor Council District: 7	Project Council District: 7
If applicable provide the full address or list the municipality(ies) impacted by the project.	2168 West 25 th Street, Cleveland, OH

NON-COMPETITIVE PROCUREMENT - X
Provide a short summary for not using competitive bid process. Economic Development Loan
<input type="checkbox"/> Exemption
<input type="checkbox"/> Alternative Procurement Process
<input type="checkbox"/> Contract Amendment (<i>list original procurement</i>)
<input checked="" type="checkbox"/> 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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (if "no" please explain):
Payment Schedule: <input checked="" type="checkbox"/> Invoiced <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Other (please explain): Reimbursement for costs

Provide status of project.
Is contract late <input checked="" type="checkbox"/> No <input type="checkbox"/> 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? <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):
N/A



Cuyahoga County Council Economic Development and Planning Committee

**Economic Development Loan
PRESENTATION PACKAGE**

**Carriage Co. Redevelopment
MRN, Ltd.**



Matthew Keri
Senior Development Finance Analyst
(216) 443-6216
mkeri@cuyahogacounty.gov
January 9, 2025

SITUATION OVERVIEW

CCCIC Review Date:	January 9, 2025
Sponsor/Developer:	MRN Ltd. (Jori Maron)
Project:	Carriage Co. Redevelopment
Type:	Real Estate, Historic Preservation / Mixed-use
Address:	2168 West 25 th Street Cleveland, Ohio 44113
Council District:	District 7 – Yvonne M. Conwell
DOD Program:	Place-Based / Mixed-Use Loan
Funding Partners:	Erie Bank and Huntington Bank (Co-Senior Lenders) Cleveland Development Advisors (CDA) Property Assessed Clean Energy (PACE) Federal & State Historic Tax Credits Ohio Brownfield Grant
ED Benefits:	Project is expected to create 20 new jobs with a payroll of approximately \$750,000 annually.
Rationale for County Participation:	<p><u>Jobs Created:</u> the Project will create a minimum of 20 new full-time jobs in Cuyahoga County. It will also involve the relocation of 25 full-time jobs from elsewhere in the county.</p> <p><u>Economic Impact:</u> the Project will help catalyze the southern West 25th Street corridor in Cleveland, further leveraging the new Irish Town Bend Park and existing transit connections to promote transit-oriented development.</p> <p><u>Community Impact:</u> the Project will redevelop an underutilized property and return it to a more productive use as a community asset.</p>
DOD Recommendation:	<p>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.</p> <p>Additionally, the Sponsor has experience completing and operating successful mixed-use 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.</p>
CCCIC Policy Exceptions:	The program typically only allows up to \$50,000 to be lent for each job created by the project. This project is requesting \$100,000 for each newly created job.

PROJECT DETAILS

<p>Sponsor/Developer:</p>	<p>MRN, Ltd. is a family-owned real estate development, construction and hospitality management company based in Cleveland, Ohio. The company was founded in the late 1980’s by Rick Maron and is currently led by the second generation, Jori and Ari Maron. MRN focuses on transforming urban neighborhoods with mixed-use development and a focus on street retail.</p> <p>MRN is responsible for the development of four landmark projects in Cleveland: East 4th Street, Uptown at University Circle, United Bank Building in Ohio City, and the Tudor Arms Hotel. Three of the four projects were historic redevelopments.</p> <p>MRN currently owns/operates two restaurants: Corner Alley (East 4th Street) and Citizen Pie (Ohio City), along with two hotels: Holiday Inn Express (downtown Cleveland) and the DoubleTree/Tudor Arms (University Circle).</p>
<p>Project Team:</p>	<p>Contractor: MRN Ltd. Property Manager: MRN Ltd. Architect: SA Group, LLC Consultants: Novogradac and HP Group, LLC</p>
<p>Description:</p>	<p>Carriage Co. represents the redevelopment of the former Voss Industries properties located in Ohio City. MRN purchased the 230,000 SF historic property in March 2021 with plans for redevelopment with mixed uses including apartments, office, retail/restaurants and indoor parking. The building configurations are ideal for residential conversion and amenities will include an on-site fitness center and indoor parking.</p> <p>The Project will anchor the southern end of the West 25th mixed-use market district and will connect Tremont to Ohio City. This will revitalize a currently vacant portion of the West 25th corridor and will complement other public sector investments in the neighborhood including the RTA Red Line, Red Line Greenway, West Side Market, MetroHealth and Lutheran Hospitals, St. Ignatius, and the proposed West 25th Bus Rapid Transit.</p> <p>The proximity to major public transit lines and cycling routes underscores a transit-oriented development approach, enhancing accessibility and connectivity for residents and visitors.</p> <p>In July 2023, CCCIC approved a \$2MM loan for the Project. The previous configuration had 100,000 SF of commercial and 92 apartments. The new configuration has 14,000 SF of commercial and 129 apartments. This has lowered the overall budget and risk profile.</p>
<p>Components:</p>	<p>129 Apartments 8,568 SF of Commercial Office 5,515 SF of Retail/Restaurants 307 Parking Spaces (Including 107 Indoor Spaces)</p>
<p>Risks & Mitigants</p>	<p><u>Construction Risk:</u> MRN has vast experience completing historic redevelopments. They have served as developer and general contractor on four landmark projects in Cleveland.</p> <p><u>Leasing/Operational Risk:</u> MRN has significant experience owning and operating real estate projects. The proposed leasing rates are within market.</p> <p><u>Repayment Risk:</u> the proposed loan is adequately secured with personal recourse to the MRN’s main principal, Jori Maron.</p>

PROJECT SOURCES/USES

Sources	Amount	%	Uses	Amount	%
Erie Bank & Huntington (Senior Loan)	\$16,200,000	31.9%	Property Acquisition	\$7,500,000	14.8%
CDA Loan (Subordinate, 2nd)	\$3,500,000	6.9%	Hard Construction Costs	\$30,172,695	59.4%
County Loan (Subordinate, 3rd)	\$2,000,000	3.9%	Soft Costs	\$6,382,128	12.6%
Federal HTC Proceeds	\$6,520,011	12.8%	Interest Reserve	\$1,887,203	3.7%
State HTC Proceeds	\$4,175,000	8.2%	Developer Fee	\$4,815,000	9.5%
PACE Financing	\$8,000,000	15.8%			
Brownfield Grant (Ohio)	\$450,000	0.9%			
Developer Cash Equity	\$5,097,015	10.0%			
Deferred Developer Fee	\$4,815,000	9.5%			
Total	\$50,757,026	100%		\$50,757,026	100%

- Erie Bank & Huntington Bank (Co-Senior Lenders) will provide a \$16.2MM construction loan.
- CDA will provide a \$3.5MM subordinate loan under their Workforce Housing program.
- Huntington Bank will provide HTC bridge financing of \$9.3MM to bridge timing of the tax credits. They will not receive a mortgage position in the Project. An interest reserve is capitalized within the Project budget.
- PACE Financing of \$8MM will be repaid via annual assessments of approximately \$666k. The assessment is treated similar to real estate taxes and therefore is underwritten as an operating expense for the Project.
- The Brownfield Grant is disbursed on a reimbursement basis and is fully forgivable.
- Sponsor will contribute total equity of \$9.9MM of cash equity (19.5% of total costs) consisting of \$5MM of cash and \$4.8MM of deferred developer fee.

SUMMARY OF CUYAHOGA COUNTY TERMS

Borrower:	2168 West 25th Street LLC or its designee will be a newly created entity principally owned by AJAPPJR QOF I LLC, which is owned 100% by Jori Maron.
Guarantor(s):	Jori Maron & Trust and AJAPPJR QOF I LLC – 100% construction completion and 100% repayment guarantee (joint & several)
Loan Amount:	\$2,000,000
Commitment Fee:	1.0% of the loan amount
Interest Rate:	5.50% Fixed
Term:	17 Years
Repayment:	Two years of interest only payments followed by a 15-year term with monthly principal and interest payments based on a 15-year amortization
Collateral:	3 rd mortgage lien position subordinated to Erie/Huntington Bank and CDA
Covenants:	Project: 1.20x DSCR, tested annually Guarantors: Liquidity and Net worth covenant to match senior lender
Other:	TBD

PROJECT DEBT SCHEDULE

	Erie & HNB	CDA	Cuyahoga County	Total
Loan Amount	\$16,200,000	\$3,500,000	\$2,000,000	\$21,700,000
<u>Interest Rate</u>				
Construction	6.88%	6.50%	5.50%	
Perm	7.02%	6.50%	5.50%	
<u>Total Term</u>				
Construction	8 Years	8 Years	17 Years	
Construction	3 Years	3 Years	2 Years	
Perm	5 Years	5 Years	15 Years	
<u>Amortization</u>				
Construction	Interest Only	Interest Only	Interest Only	
Term	25 Years	25 Years	15 Years	
<u>Annual Debt Service</u>				
Construction	\$1,113,142	\$227,500	\$110,000	\$1,450,642
Perm	\$1,374,150	\$283,587	\$196,100	\$1,853,837

County Council of Cuyahoga County, Ohio

Ordinance No. O2025-0002

Sponsored by: Councilmember Simon	An Ordinance enacting Section 802.06 of the Cuyahoga County Code to require Economic Development proposals submitted to County Council for approval to include and incorporate essential deal terms; and declaring the necessity that this Ordinance become immediately effective.
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WHEREAS, the preamble to the Charter of Cuyahoga County states "...job creation and economic growth as a fundamental government purpose..." and Section 7.01 of the Charter states "[t]he County shall have as a primary responsibility the promotion and enhancement of the economic well-being and prosperity of the County and all of its residents;" and

WHEREAS, pursuant to Section 7.05 of the Charter of Cuyahoga County, the Council has adopted and annually updated the County's Economic Development Plan, which lays out the County's strategies and objectives with regard to Economic Development investments; and

WHEREAS, The Cuyahoga County Community Improvement Corporation ("CCCIC") is established pursuant to Chapter 1724 of the Ohio Revised Code, whose responsibilities include, among other things, vetting potential Economic Development investments prior to their submission to Council for approval; and

WHEREAS, in an effort to provide additional transparency and accountability to the Economic Development investments made by Cuyahoga County, the Council now intends to require Economic Development proposals to include and incorporate essential deal terms in the authorizing legislation; and

WHEREAS, it is necessary that this Ordinance become immediately effective in order that critical service provided by Cuyahoga County can continue and to provide for the usual, daily operation of a County entity.

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

SECTION 1. 802.06 of the Cuyahoga County Code is hereby enacted to read as follows:

Section 802.06 Submission of Economic Development Investment Proposals to County Council

A. The submission to County Council of any and all investments made pursuant to Cuyahoga County's Economic Development programs now or hereafter established pursuant to this Code or the Cuyahoga County Economic Development Plan, shall be accompanied by a term sheet specifying the essential material terms of the proposed deal. Such term sheet shall be incorporated by reference into the Resolution or legislation approving the investment. In the event the Department seeks to amend the essential material terms of the proposed deal following Council approval, the Department shall seek subsequent Council approval via Resolution of the revised deal; and, for investments originally reviewed by the Cuyahoga County Community Improvement Corporation ("CCCIC"), the Department shall additionally resubmit such changes to the CCCIC for its review and recommendation to Council.

B. For the purposes of this Section, "essential material terms" shall include the following, as may be applicable:

1. Name of the borrower or recipient;
2. Total project sources and uses of funds;
3. County Participation, including the character and amount. The character of the participation shall include but not limited to whether the participation is in the form of a loan, grant, credit enhancement, or other form of financial assistance, and whether any portion of the terms of repayment may be subject to forgiveness;
4. Purpose of the investment, including authorized use of County proceeds;
5. Source(s) of funding provided by the County;
6. The County's loan terms, including:
 - a. Interest rate(s);
 - b. Term length(s), repayment schedule(s), and amortization;
 - c. Security position, collateral, and/or guaranty;
 - d. Debt service coverage ratio and/or other covenants;
 - e. Expenses and/or fees incurred by the County;

SECTION 2. It is necessary that this Ordinance become immediately effective for the usual daily operation of the County; the preservation of public peace, health,

First Reading/Referred to Committee: January 14, 2025
Committee(s) Assigned: Economic Development & Planning

Journal _____

_____, 20__