



CUYAHOGA COUNTY COUNCIL

ECONOMIC DEVELOPMENT & PLANNING COMMITTEE

CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS

4th FLOOR

MEETING AGENDA

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

2. ROLL CALL

3. PUBLIC COMMENT

4. APPROVAL OF 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.
- 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.

6. MISCELLANEOUS BUSINESS

7. ADJOURNMENT

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***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, APRIL 14, 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 3:08 p.m.

2. ROLL CALL

Mr. Kelly asked Assistant Deputy Clerk Georgakopoulos to call the roll. Committee members Kelly, Miller and Simon were in attendance and a quorum was determined. Ms. Turner arrived after the roll call was taken. Mr. Gallagher was absent. Council Vice President Conwell and Councilmember Schleper were also in attendance.

3. PUBLIC COMMENT

There were no public comments given.

4. APPROVAL OF MINUTES FROM THE MARCH 18, 2025 MEETING

A motion was made by Ms. Simon, seconded by Mr. Miller and approved by unanimous vote to approve the 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.

Mr. Anthony Stella, Economic Development Administrator for the Department of Development and Mr. Trevor McAleer, Legislative Budget Advisor for Council, addressed the Committee regarding Resolution No. R2025-0143. Discussion ensued.

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

On a motion by Ms. Turner with a second by Ms. Simon, Resolution No. R2025-0143 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.

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

- 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.

Mr. Matt Keri, Senior Development Finance Analyst for the Department of Development and Mr. Stella, addressed the Committee regarding Resolution No. R2025-0144. Discussion ensued.

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

On a motion by Ms. Simon with a second by Mr. Miller, Resolution No. R2025-0144 was considered and approved by unanimous vote to be referred to the full Council agenda for second reading.

Ms. Conwell and Ms. Turner requested to have their names added as co-sponsors to the legislation.

- 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.

Mr. Paul Herdeg, Director of the Department of Development and Mr. Tsuneo Imai, Vice President, Strategic Partnership & Collaboration for Canon Healthcare USA, Inc., addressed the Committee regarding Resolution No. R2025-0145. Discussion ensued.

Committee members and Councilmembers asked questions of Mr. Herdeg and Mr. Imai pertaining to the item, which they answered accordingly.

On a motion by Mr. Kelly with a second by Ms. Simon, Resolution No. R2025-0145 was considered and approved by unanimous vote to be referred to the full Council agenda for second reading.

Ms. Conwell and Ms. Turner requested to have their names added as co-sponsors to the legislation.

- 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.

Mr. Aaron Kinney, Economic & Community Development Program Specialist for the Department of Development, Mr. Stella and Mr. John Catanese, Owner of Catanese Classic Seafood, Inc., addressed the Committee regarding Resolution No. R2025-0146. Discussion ensued.

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

On a motion by Mr. Kelly with a second by Mr. Miller, Resolution No. R2025-0146 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 4:23 p.m., without objection.

County Council of Cuyahoga County, Ohio

Resolution No. R2025-0212

Sponsored by: County Executive Ronayne/Department of Development	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.
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WHEREAS, Section 7.05 of the Cuyahoga County Charter requires the Director of Development, in conjunction with the County Executive and in consultation with the Economic Development Commission, to prepare and present to the Council by the first day of June of each year a proposed five-year economic development plan for the County, for actions to be carried out by the County itself, and in cooperation with other public and private agencies and organizations, for the purpose of enhancing the prosperity and well-being of the County and its residents and communities;; and

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

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

SECTION 1. The County's 2025 five-year economic development plan, including all changes thereto approved by Council, is hereby adopted in accordance with Section 7.05 of the Cuyahoga County Charter and Section 801.01 of the Cuyahoga County Code. The final adopted plan is attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. Pursuant to Section 801.02 of the Cuyahoga County Code, the Clerk of Council is hereby authorized to publish the 2025 five-year economic development plan adopted by County Council pursuant to Section 7.05 of the Cuyahoga County Charter on the County Council's website.

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: June 10, 2025

Committee(s) Assigned: Economic Development & Planning

Journal _____
_____, 20____

MISC. TRANSACTION - BRIEFING MEMO

TITLE	Economic Development 5-year plan	
DEPARTMENT OR AGENCY NAME		
REQUESTED ACTION	<input type="checkbox"/> Amendment to Approval (BOC or Council) <input checked="" type="checkbox"/> Other action; please describe	
DESCRIPTION/ EXPLANATION OF REQUEST:	Submission of 5-year to council as required by the County Charter.	
CURRENT/HISTORICAL INFORMATION	DATE BOC APPROVED/ COUNCIL'S JOURNAL DATE	APPROVAL NO.
ORIGINAL (O)	Pending	
AMENDMENT (A)		

MISSION

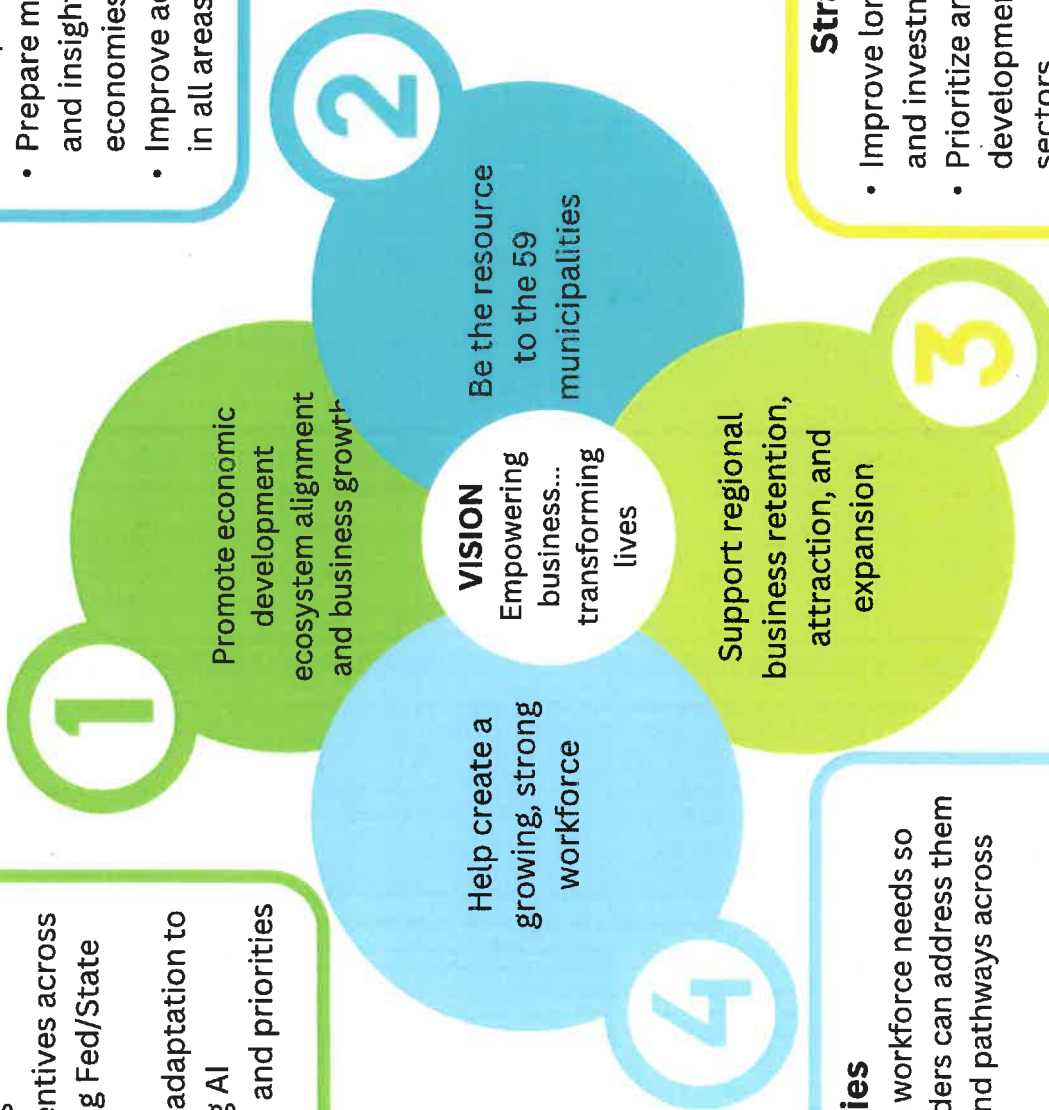
We inspire, support, and invest in businesses & development to drive equitable economic opportunity.

Strategies

- Support unified regional economic development priorities
- Encourage shared incentives across organizations, including Fed/State funding
- Foster innovation and adaptation to mega-trends, including AI
- Align county functions and priorities

Strategies

- Connect and leverage existing municipality networks
- Prepare municipalities with the tools and insight to build strong local economies
- Improve access to essential services in all areas of the county



Strategies

- Identify and communicate workforce needs so that workforce system leaders can address them
- Enhance career visibility and pathways across Municipalities
- Promote wealth building in underserved communities
- Combat systemic discrimination in housing, education, and employment

Strategies

- Improve long-term planning and investment
- Prioritize and support new development in key industry sectors
- Fund physical development including real estate

Enablers

Marketing and Communications Access to Data Create Internal Systems/Processes Operational Excellence

Cuyahoga County 5-Year Economic Development Plan

Pillar	Strategy	Activities	Time Frame
1	Support a unified regional economic development approach	Meet with county economic development partners through regular participation in existing county-wide meetings	x
		Be a hub of information for the business community, building on Office of Small Business	x
		Share the intelligence gathered. Guide and inform investment. Consider incorporating these insights into tools such as county RFPs or a "county ordinance" framework	x
		Understand partner goals and objectives and how Development can best be a resource to them.	x
2	Encourage shared incentives and metrics across organizations	Examine structural barrier to collaboration. Cultivate an understanding of opportunity and potential solutions	x
3	Foster innovation and adaptation to mega-trends, including AI	Discuss federal level changes, and identify any implications for local development	x
		Become a producer of AI, not just a consumer	x
		Partnering with the higher ed and business community, disseminate consensus views on the role of AI, along with its benefits and risks	x
4	Align county functions and priorities	Fully use the existing integrated development cluster to align county departments	x
		Use intelligence from the business community to shed light on ways sister functions can drive economic growth	x
		Enable a review of the resource capacity of the regional collaboration team	x

Cuyahoga County 5-Year Economic Development Plan

Pillar	Strategy	Activities	Time Frame	
			2025	Yr 2-3 Yr 4-5
5	Connect and leverage existing municipality networks	Expand collaboration with the County Department of Equity and other community engagement entities to ground programs in what the community wants and needs	x	
		Meet with city, township, county council district leaders regularly understand their goals, gaps and challenges	x	
		Continue collaboration with County Planning for Land Use, Zoning, Masterplanning		x
6	Prepare municipalities with the tools and insight to build strong local economies	Segment municipalities to more effectively provide the right services to the right stakeholders	x	
		Support municipalities in site preparation and promotion including with Team NEO	x	
		Advise on investments that will strengthen economic competitiveness		x
		Provide economic development expertise to decision makers to help them best plan, secure, and allocate infrastructure investments to advance needed growth		x
7	Improve access to essential services in all areas of the county	Offer assistance in accessing county resources for local economic development	x	
		Regularly share information about resources and initiatives through an economic development newsletter and social media	x	
		Support the County Housing Plan and implementation work lead by the Department of Housing and Community Development to expand the supply of and access to market-rate and middle-income housing		x
		Complete an asset & sector map to illustrate high impact sectors		x
		Use municipality feedback to refine the county's city-focused programs		x

Be the resource to the 59 municipalities

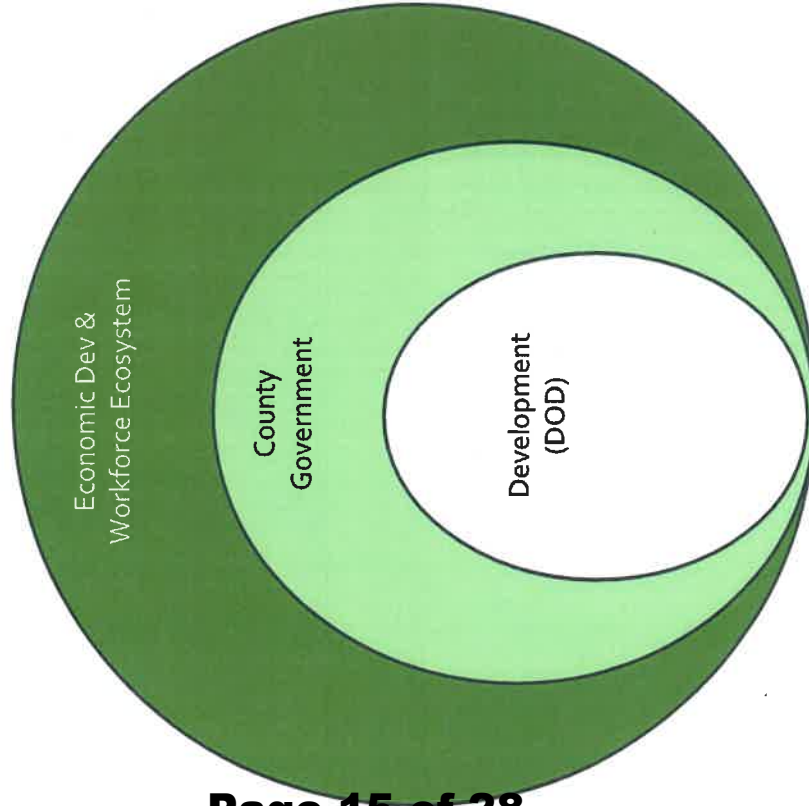
Cuyahoga County 5-Year Economic Development Plan

Pillar	Strategy	Activities	Time Frame	
			2025	Yr 2-3 Yr 4-5
Support regional business retention, expansion, attraction	Improve long-term planning and investment	Leverage insights from County Planning, which reviews the intersection of land use and economic growth and recommends investment opportunity	x	
		Leverage external resources. County to be active in collaboration to access federal and state resources for site preparation and promotion.		
		Explore opportunities for new public-private partnerships to stimulate economic growth (coordinated fundraising)	x	
	Fund physical development including real estate	Monitor effectiveness and return on investment of current county financing programs including Lending, and scale programs delivering high return on investment	x	
		Provide support for site prep, demolition, and environmental remediation to facilitate new development. Fully use, and improve, existing systems promoting available sites	x	
		Invest in physical development that will strengthen economic competitiveness, including market rate Housing, Downtown Apartments, Real Estate, Sites		x
	Prioritize and support new development in key industry sectors	Complete an Employment Location Quotient exercise to quantify Cuyahoga County's Comparative Advantage by sector	x	
		Using data and insights from ecosystem partners, focus attraction and retention work on industry sectors with potential for out-size growth and impact, including Manufacturing, Healthcare, and emerging potential in Sustainability and Freshwater as a competitive advantage.		x
		Identify and prioritize Office of Small Business high-impact services for small business retention, expansion, and attraction	x	
	Strengthen business support	Adjust County lending programs to better meet the specific needs of local businesses and with right-sized, right-timed, and right-targeted financing options, while maintaining public accountability, transparency, and equity in lending.	x	
		Coordinate with employer-facing partners to identify and understand needs of thriving businesses and residents		x

Cuyahoga County 5-Year Economic Development Plan

Pillar	Strategy	Activities	Time Frame		
			2025	Yr 2-3	Yr 4-5
Help create a growing, strong workforce through coordination	Identify and communicate workforce needs so that workforce system leaders can address them	Coordinate with partners who interact with employers & job seekers including Greater Cleveland Works, the Workforce Funders Group, the Greater Cleveland Partnership, Cuyahoga Community College, Team NEO, Destination Cleveland.	x		
		Support outreach and resourcing of best practices for employers can invest in people (e.g., contribute to the definition of quality jobs by leveraging the county's unique lens on what residents need, and investing in initiatives that further access to quality jobs)			x
		Continue to support the work of high performing sector partnerships, a proven approach to leveraging community impact for business and economic growth	x		
	Enhance career visibility & pathways across municipalities	Help our municipalities know about and access the workforce development programs and services available in their community.		x	
		Support regional strategies to retain residents, such as the Talent Alliance		x	
	Promote wealth building in underserved communities	Identify gaps and solutions regarding workforce funding sources, including underserved-business funding needs	x		
		Seek opportunity to build incentives for greater alignment between municipal and county development		x	
	Combat systemic discrimination in housing, education, and employment	Support efforts that bring alternative solutions to finding workers and better access to jobs via improved transportation, childcare, and healthcare	x		
		Seek opportunity to promote rewards for companies that provide good livable wage jobs, promote inclusion in hiring and contracting, actively pursue programs that establish alternative workforce solutions, and that implement LEED/green construction			x

Cuyahoga County 2025 Economic Development Plan Metrics



Cuyahoga County Ecosystem Outcomes

- Countywide number of persons employed
- Countywide median household income
- County Gross Domestic Product (GDP)
- Countywide labor force participation rate
- Countywide households with family-sustaining earnings (disaggregated)
- Countywide population (segmented for workforce and economic impact)

County Government Economic Plan Outputs

- Business growth and attraction opportunities with multi-party collaboration
- County staff assistance provided to municipalities
- Acres of land available and ready for development
- County funds and leveraged funds invested in business growth
- Jobs created and retained through county investment that meet "good jobs" criteria
- Number of businesses that are attracted and retained countywide
- Utilization of workforce ecosystem resources
- Residents placed and retained in jobs through the public workforce system

Department Of Development Outcomes

- Small businesses assisted (disaggregated)
- Small business jobs created and retained (disaggregated)
- Sites Promoted

County Council of Cuyahoga County, Ohio

Resolution No. R2025-0213

Sponsored by: County Executive Ronayne/Department of Development	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.
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WHEREAS, the County Executive/Department of Development recommends 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, no additional funds required; and

WHEREAS, the primary goal of this project was to assist with the purchase of property located at 515 Euclid Avenue, Cleveland, located in County Council District 7; and

WHEREAS, the purpose of this amendment is to make the Loan Maturity Date co-terminus with the maturity date for the loan with the primary lender in exchange for the Borrower making a lump sum payment of 50% of the outstanding principal, plus all accrued and unpaid interest due 7/31/2025; and

WHEREAS, the project is anticipated to provide approximately 601 construction jobs, 150 new residents to Downtown Cleveland and 92 permanent jobs in operation and retail space; and

WHEREAS, the total cost of the project is \$88,709,343.00 of which the County loaned \$2,000,000.00 with a term of 24-month construction period interest only paid quarterly, 7 years with a 25-year amortization and interest rate at 3.00%; upon payment of the lump sum amount due 7/31/2025, the remaining balance shall be fully amortized through 7/31/2028 with monthly payments of principal and

interest at a rate of 8.5% due and payable on the outstanding principal through and up to the Amended Maturity Date of 7/31/2028; and

WHEREAS, on June 14, 2017, the Cuyahoga County Community Improvement Corporation reviewed and recommended that the County fund the project and also recommends the current amendment to extend the Amended Maturity Date to 7/31/2028; and

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

WHEREAS, this 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 hereby authorizes 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.

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

SECTION 3. 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 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: June 10, 2025

Committee(s) Assigned: Economic Development & Planning

Journal _____
_____, 20____

LOAN TRANSACTIONS

Title	2025 – Department Development; Amendment; 515 EUCLID AVENUE RESIDENTIAL, LLC ED Loan; R2017-0139
Department or Agency Name	Department 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		515 Euclid Avenue Residential, LLC	8/31/2017-7/31/2025	\$2,000,000	8/8/2017	R2017-0139
A-1		515 Euclid Avenue Residential, LLC	7/31/2025 – 7/31/2028	\$0	Pending	Pending

Loan Description and Terms.

Loan Description: The Beacon Project received approval for a \$2 million loan from the Department of Development in 2017. Approved loan proceeds were disbursed in 2018 and the construction was successfully completed in 2019 and brought new housing and dining options to Downtown Cleveland.

Amended Repayment Terms: Due 7/31/2025, Lump sum payment for the reduction of approximately fifty percent (50%) of the principal portion of the balloon payment due equal to \$856,000 plus accrued and unpaid interest. Beginning August 31, 2025, fully amortized monthly payments of principal and interest at a rate of 8.5% shall be due and payable on the outstanding principal through and up to the Amended Maturity Date of 7/31/2028.

Collateral: No change from the current 2nd priority mortgage lien and personal guaranty of Robert L. Stark.

Project Purpose/Goals, Outcomes(List 3):

The Project has helped provide residential population and retail business to the Euclid Avenue corridor in Cleveland, further leveraging development in Downtown Cleveland. The Project's location is along the RTA Healthline BRT line promotes transit-oriented development. Purpose of amendment is to have a co-terminus loan Maturity Date with the Senior Lender still in the project. Project nearly stabilized.

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: 515 Euclide Avenue Residential, LLC 629 Euclid Ave, Suite 1300 Cleveland, Ohio 44114	Owner, executive director, other (specify): Brian Midlik, Chief Operating Officer
Vendor Council District: 7	Project Council District: 7
If applicable provide the full address or list the municipality(ies) impacted by the project.	

COMPETITIVE PROCUREMENT	NON-COMPETITIVE PROCUREMENT
RQ# _ (Insert RQ# for formal/informal items, as applicable) <input type="checkbox"/> RFB <input type="checkbox"/> RFP <input type="checkbox"/> RFQ <input type="checkbox"/> Informal <input type="checkbox"/> Formal Closing Date:	Provide a short summary for not using competitive bid process. *See Justification for additional information.
The total value of the solicitation: \$0.00	<input checked="" type="checkbox"/> Exemption: Loan
Number of Solicitations (sent/received)	<input type="checkbox"/> State Contract, list STS number and expiration date <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No, please explain. If no, has this gone to the Administrative Reconsideration Panel? If so, what was the outcome?	<input type="checkbox"/> Sole Source <input type="checkbox"/> Public Notice posted by Department of Purchasing. Enter # of additional responses received from posting ().
Recommended Vendor was low bidder: <input type="checkbox"/> Yes <input type="checkbox"/> No, please explain:	<input type="checkbox"/> Government Purchase <input type="checkbox"/> Alternative Procurement Process
How did pricing compare among bids received?	<input checked="" type="checkbox"/> Contract Amendment - (list original procurement) 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. The project noted above is 100% Economic Development Fund
Is funding for this included in the approved budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (if "no"-please explain): No funds are being disbursed.
Payment Schedule: <input type="checkbox"/> Invoiced <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Other (please explain): N/A – All funds already disbursed.

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

HISTORY (see instructions):
N/A



Cuyahoga County Community Improvement Corporation (CCCIC)

**Economic Development Loan
PRESENTATION PACKAGE**

515 Euclid Avenue Residential, LLC Amendment

Stark Enterprises



Anthony Stella
Economic Development Administrator
(216) 443-3163
astella@cuyahogacounty.gov
May 8, 2025

SITUATION OVERVIEW

CCCIC Review Date:	May 8, 2025
Sponsor/Developer:	Stark Enterprises (Bob Stark and Ezra Stark)
Project:	The Beacon
Type:	Real Estate, Mixed-Use
Address:	515 Euclid Avenue Cleveland, Ohio 44114
Council District:	District 7 – Yvonne M. Conwell
DOD Program:	Place-Based / Mixed-Use Loan
Funding Partners:	KKR (Senior Lender)
ED Benefits:	Project has created new housing and retail businesses in the Central Business District. This mixed-use project contributes to a vibrant city center.
Rationale for County Participation:	<p>Economic Impact: the Project has helped provide residential population and retail business to the Euclid Avenue corridor in Cleveland, further leveraging development in Downtown Cleveland.</p> <p>Transit-Oriented Development: The Project's location along the RTA Healthline BRT line promotes transit-oriented development.</p>
DOD Recommendation:	<p>The Department of Development believes that the request represents an acceptable risk for the County. The existing cash-flows cover all debt service, and the loan is collateralized by real estate within the County's requirements. And the substantial personal guarantee further strengthens the County's security.</p> <p>The sponsor is paying down approximately half of the principal balance which reduces the Department's exposure to the project. The Department request a recommendation for approval of the structure as proposed.</p>
CCCIC Policy Exceptions:	The project has created 18.22 full-time equivalent (FTE) jobs. Current County guidelines require 1 FTE per \$50,000 of loan funds. This project received \$109,769 per FTE.

PROJECT DETAILS

Sponsor/Developer:	<p>Stark Enterprises was founded in 1978 by Bob Stark, who purchased a single-story retail location in Mayfield Heights, Ohio, while completing his J.D. at Case Western Reserve University. This initial investment laid the foundation for what has grown into one of the most reputable real estate companies in the country, now spanning nine states and continuously expanding. With over 45 years of experience, the company has developed more than 30 properties, including retail, residential, and mixed-use projects, with a multi-billion-dollar portfolio encompassing 12.5 million square feet of diverse environments such as retail, entertainment, office, residential, hotel, and student housing.</p> <p>As the company has matured, its strategic focus has evolved, emphasizing the development of the Community Core—an innovative approach that integrates mixed-use density, intricate place-making, and compelling architectural design to create unique, pedestrian-focused communities. Currently managing over \$1 billion in development projects, Stark Enterprises is committed to long-term investment, earning a reputation for creating some of the nation's most beautiful and well-maintained properties.</p> <p>In May 2022, Bob Stark transitioned to the role of President & Chairman, with his son, Ezra Stark, stepping into the position of Chief Executive Officer, assuming responsibility as the principal decision-maker and leading the company's future growth and direction.</p>
Project Team:	Property Manager: Stark Living
Description:	The Beacon Project received a \$2 million loan from the Department of Development in 2017. CCCIC reviewed and recommended approval in June 2017. The project was successfully completed in 2019 and brought new housing and dining options to Downtown Cleveland. The Borrower's loan with the County has a current balance of \$1,714,045 and a maturity date of July 31, 2025. The Borrower is requesting to pay \$856,000 of the principal balance while amortizing the remaining balance (approx. \$858,000) over 36 months.
Components:	187 Apartments Retail Storefronts Parking Space Garage
Risks & Mitigants	<p><u>Leasing/Operational Risk:</u> Stark Enterprises has vast experience managing real estate properties and has been successfully operating this subject property since its completion in 2019.</p> <p><u>Repayment Risk:</u> the proposed loan is adequately secured with personal recourse to the Project's principal, Robert Stark. County's loan will be fully repaid at the refinancing event in July 2028. Therefore, no refinance risk exists to the County's loan.</p> <p><u>Mitigants:</u> The original loan was in 3rd position behind Cleveland Development Advisors. Currently the County will be in 2nd position. Additionally, the interest rate will increase to market rate 8.5% and amortize over 3 years.</p> <p>The sponsor is paying approximately 50% of principal balance thereby reducing County's exposure in the project.</p>

SUMMARY OF CUYAHOGA COUNTY TERMS

Borrowers:	515 Euclid Avenue Residential, LLC
Guarantor(s):	Robert L. Stark
Loan Amount:	\$1,714,045 as of May 2, 2025
Commitment Fee:	N/A
Interest Rate:	Wall Street Journal Prime + 1% as of August 1, 2025 (fixed throughout term)
Term:	3 Years
Repayment:	On or before July 31, 2025, Borrower make a principal payment of \$856,000 the remaining balance will be paid with 36 months of fully amortizing payments beginning August 31, 2025 ,and maturing on July 31, 2028 (co-terminus with Senior Loan)
Collateral:	2 nd mortgage lien position subordinated to KKR or designee
Covenants:	Project: 1.20x DSCR, tested annually.
Other:	TBD

PROJECT DEBT SCHEDULE

	KKR	Cuyahoga County	Total
Loan Amount	\$70,513,893	\$858,000	\$71,371,893
<u>Interest Rate</u>	4.00%	8.50%	
Remaining Term	3 years	3 years	
<u>Amortization</u>			
Term	30 years	3 years	
<u>Annual Debt Service</u>	\$4,176,432	\$334,708	\$4,511,140

COLLATERAL ANALYSIS

Lender	Position	Amount
KKR	1st	\$70,513,893
Cuyahoga County	2nd	\$858,000
Total Debt		\$71,371,893
Stabalized NOI		\$5,111,815
Cap Rate		6.25%
Stablized Value (estimated)		\$81,789,040
LTV		87.3%
Within 90% Policy		Yes

Based on a 6.25% cap the project's loan to value is 87.3%. This represents an acceptable risk and meets the County's requirement of 90%. The County's original loan to the project was in 3rd position because Cleveland Development Advisor's (CDA) was initially in 2nd position. The County is now in a stronger 2nd position because CDA was taken out in a previous refinance.



MEMORANDUM

To: Cuyahoga County Council

From: Cuyahoga County Department of Development

Date: May 9, 2025

Subject: CCCIC-Recommended Loan Terms for 515 Euclid Avenue Residential LLC

Overview

The Cuyahoga County Community Improvement Corporation (CCCIC) has reviewed and recommended approval of a modification to an economic development loan for the Beacon project, a mixed-use development by borrowing entity, 515 Euclid Avenue Residential 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

The Beacon Project received a \$2 million loan from the Department of Development in 2017. CCCIC reviewed and recommended approval in June 2017. The project was successfully completed in 2019 and brought new housing and dining options to Downtown Cleveland. The Borrower's loan with the County has a current balance of \$1,714,045 and a maturity date of July 31, 2025. The Borrower is requesting to pay \$856,000 of the principal balance while amortizing the remaining balance (approx. \$858,000) over 36 months.

Rationale for County Participation of 10 full-time jobs.

- **Economic Impact:** the Project has helped provide residential population and retail business to the Euclid Avenue corridor in Cleveland, further leveraging development in Downtown Cleveland.
- **Transit-Oriented Development:** Provides affordable housing and transforms an underutilized property into a community asset. The Project's location along the RTA Healthline BRT line promotes transit-oriented development.

CCCIC-Recommended Loan Terms

Loan Component	Details
Principals of Recipient	Stark Enterprises
Loan-to-Value Ratio	87.3% (Based on \$81.8MM stabilized value. Income Approach)
Character & Amount of Assistance	\$1,714,045 current loan balance as of 5/2/25 (No forgiveness)
Purpose of Assistance	Original Loan approved in 2017 - Financing for mixed-use real estate development, including residential, commercial, and parking
Source of County Funding	Cuyahoga County Economic Development Loan Program
Interest Rate	8.50% Fixed (Wall Street Journal Prime + 1.00%)
Term Length & Repayment	One lump sum payment of \$856,000 to reduce the principal balance followed by a 3-year term, with fully-amortizing monthly principal and interest payments.
Security Position & Collateral	2nd mortgage lien position subordinated to KKR; personal guarantee from Robert Stark
Debt Service Coverage Ratio & Other Covenants	1.20x DSCR (tested annually),
Expenses & Fees to County	N/A

The Department of Development finds the loan modification to be an acceptable risk given its projected cash flows, collateral security, and experienced development team. We respectfully submit this memorandum and request Council's approval of the recommended loan terms.

Attachments: CCCIC Write-Up (with Borrower's sensitive financial information removed)

For further information, please contact:
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