



CITY OF
**CLEVELAND
HEIGHTS**



FLAHERTY & COLLINS
PROPERTIES

Top of the Hill Redevelopment Project Overview

Presentation to
CHUH Board of Education

Introductions

City Representatives:

- **Tanisha Briley**, City Manager
- **Tim Boland**, Director of Economic Development

Development Partners:

- **Deron Kintner**, General Counsel,
Flaherty & Collins Properties
- **Ryan Sommers**, Managing Director of
Financial Services
PMC, LLC

Presentation Agenda

- The Site as part of the Cedar-Fairmount District & surrounding neighborhood
- **History of the Site and Project Background**
- Request for Qualifications & Preliminary Development Proposals process
- **Future Steps**
- Our Development Partner – The Flaherty & Collins Team
- **Comparable Projects developed by Flaherty & Collins**
- TOH Project Scope & Conceptual Plan
- **Other Projects in NOE that have used Tax Increment Financing (TIF)**
- TOH TIF Proposal Points

The Top of the Hill project site is an integral part of the Cedar-Fairmount Commercial District & surrounding neighborhood



History of the Site



History of the Site



History of the Site

- The Edgehill Apartment Building constructed in **1913** – eight-story apartment building;
- **1946** - the building was acquired by the Cleveland Memorial Medical Foundation and converted into a general medical and surgical hospital;
- Doctors' Hospital was an accredited modern 200-bed hospital by **1955**;
- Building demolished by the City in **1968** and the site converted into a parking lot;
- **1972** - the City requested and received proposals to redevelop the site but none of the proposals received were accepted or led to development;
- **1982** - the City issued an “Invitation for Offers” to redevelop the site – but redevelopment was contingent on grant funding which could not be secured;
- **1990** - the City again issued requests for proposals, but the project ran into financial issues and did not go forward;
- The most recent attempt to develop the site was derailed by the **2008** financial crises;

Redeveloping the Top of the Hill

- The City's current RFQ/RFP Approach – identify and select the most qualified and best partner to develop the site in a collaborative manner that provides maximum benefit to the community;
- Process **focuses on the qualifications and experience of a potential development partner, with conceptual plans and vision being malleable and influenced by community input;**
- RFQ/RFP for TOH project issued in April of 2016;
- Flaherty & Collins selected in May of 2017;
- Memorandum of Understanding (MOU) executed with Flaherty & Collins - July of 2017;
- Development Agreement fully negotiated – now pending Council action.

Future Steps

- Tax Increment Financing (TIF approval) – 1st Quarter 2018;
- Development Plan authorized by City Council – 1st Quarter 2018;
- Detailed Project Design – 2nd & 3rd Quarter 2018;
- Planned Development Overlay/Development Plan Approval Process – 3rd Quarter of 2018
- Closing – 3rd Quarter 2018;
- Construction projected to commence - 4th Quarter 2018
- Parking structure, first residential units and commercial shell delivered – 4th Quarter of 2019
- Project completed – 3rd Quarter of 2020

Project Development Team



FLAHERTY & COLLINS
PROPERTIES



eppstein uhen : **architects**

About Flaherty & Collins Properties



- Corporate Headquarters: **Indianapolis, IN**
- Total Employees: **490+**
- CPE Top 50 Developer (2016 & 2017)
- **23** Public/Private Partnerships totaling over **\$2 Billion** in Development
- **116** Managed Properties Nationwide
- **17,610** units

Ohio Experience



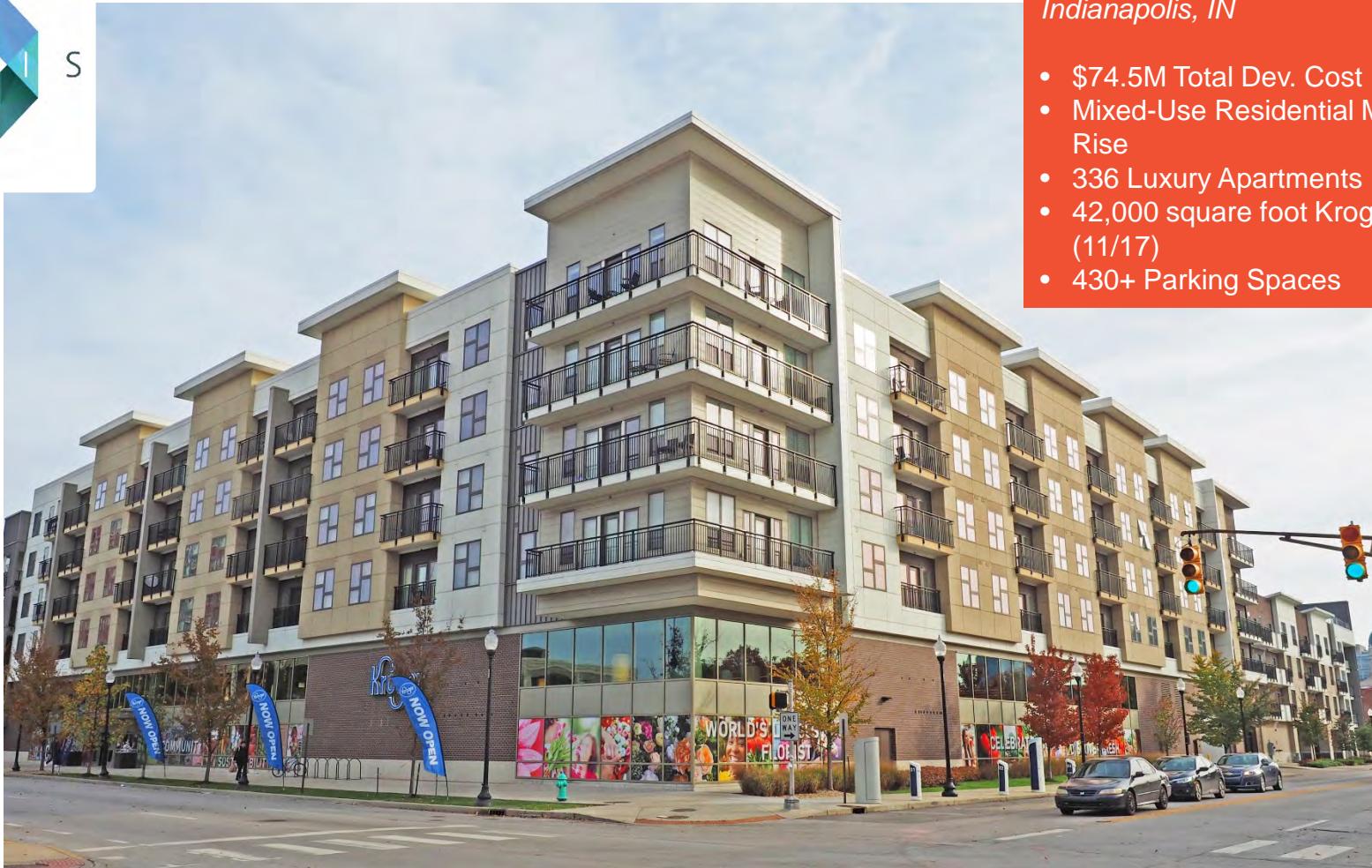
Current:

5 Properties
1,390 Multifamily Units
35 Employees

Total:

35 Properties
7,133 Multifamily Units
11 Ohio Cities

Comparable Projects by F&C



Axis

Indianapolis, IN

- \$74.5M Total Dev. Cost
- Mixed-Use Residential Mid-Rise
- 336 Luxury Apartments
- 42,000 square foot Kroger (11/17)
- 430+ Parking Spaces

Comparable Projects by F&C

NINETY7FIFTY
ON THE PARK



Ninety7Fifty on the Park
Chicago, IL

\$65M Total Dev. Cost
295 luxury units
4,000 sq. ft. of retail

Comparable Projects by F&C



The Depot at Nickel Plate
Fishers, IN

- \$41.7M Total Dev. Cost
- 242 Luxury Apartments
- 17,410 SF Retail
- 430 Parking Spaces
- Downtown Redevelopment

Comparable Projects by F&C



Union | Berkley Riverfront Park

Kansas City, MO

- \$70M Total Dev. Cost
- 410 luxury apartments
- 6,000 sq. ft. Office
- 6,000 sq. ft. Retail
- 400-space parking garage

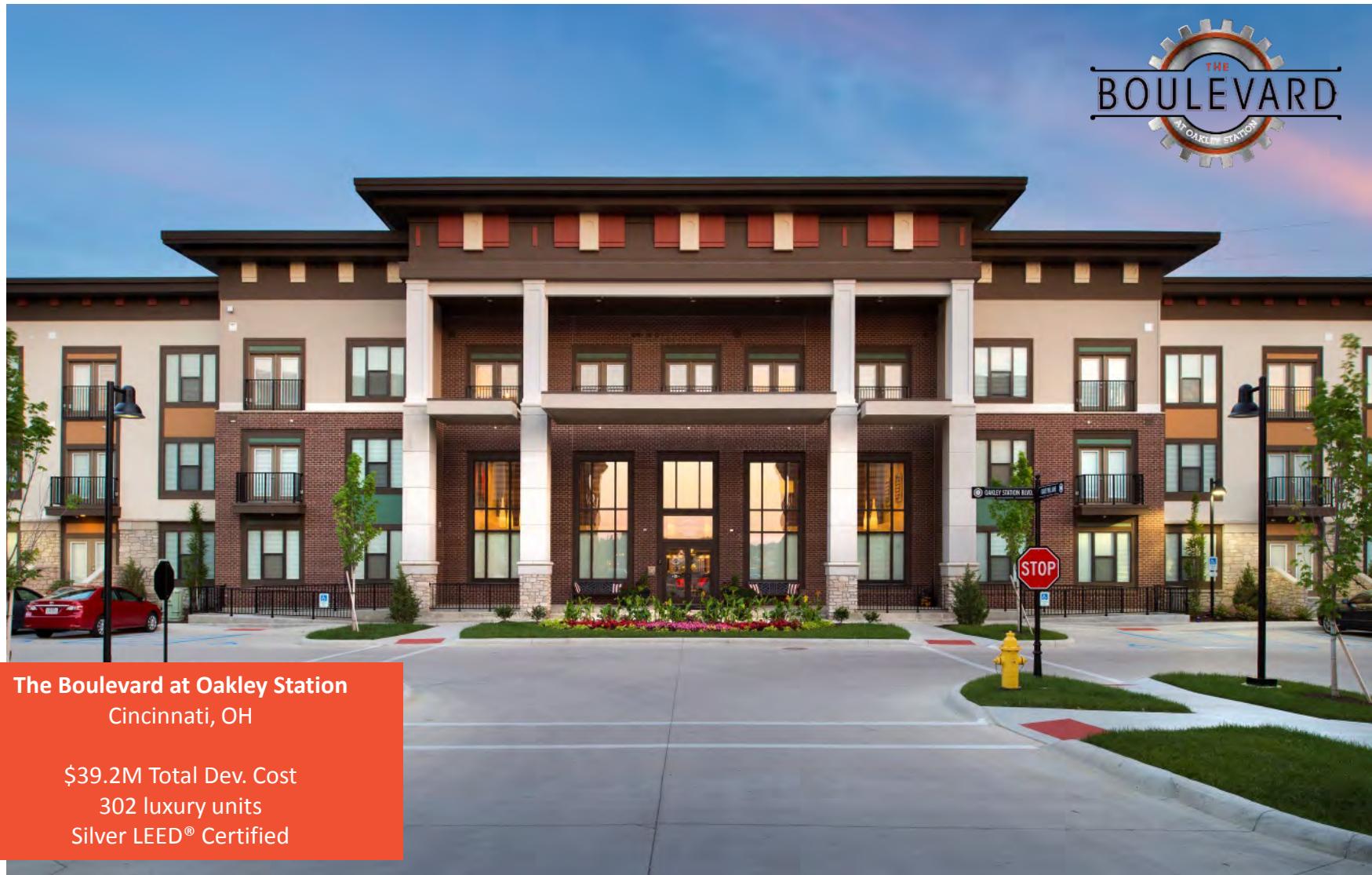
Comparable Projects by F&C



The Breakwater
New Albany, IN

\$25M Total Dev. Cost
191 luxury units

Comparable Projects by F&C



Comparable Projects by F&C

COSMOPOLITAN
on the canal



Cosmopolitan on the Canal
Indianapolis, IN

\$38.5M Total Dev. Cost
218 luxury units
345-space Parking Garage

Top of the Hill – A Catalytic Development

Flaherty & Collins has proposed to develop a catalytic project to the Top of the Hill site:

- **200+ Luxury Apartment units;**
- **15,000 S.F. of Commercial / Retail space;**
- **120 room nationally-branded/boutique Hotel;**
- **525 space structured parking facility;**
- **Potential for Townhome and Class “A” Office uses**

Total estimated investment by Flaherty & Collins:
\$75 Million - \$80 Million



0 50' 100' 200'

- 1 HOTEL
- 2 MIXED-USE BUILDING WITH GROUND FLOOR RETAIL
- 3 APARTMENT BUILDING
- 4 APARTMENT BUILDING AND TOWNHouses
- 5 PARKING DECK



**FLAHERTY & COLLINS
PROPERTIES**

BEACON ON THE HILL

SITE PLAN

eua

eppstein uhen : architects

9/18/2017 16200-01
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TIF Projects in NEO

Nearly every mixed-use project in Ohio, similar to the Top of the Hill, has required some form of Public-Private Partnership to be constructed:

- American Greetings HQ, Westlake
- The Van Aken District, Shaker Heights
- Pinecrest, Orange
- One University Circle, Cleveland
- Centric, Cleveland
- Legacy Village Hyatt Place Hotel, Lyndhurst



American Greetings HQ, Westlake



Pinecrest, Orange



Van Aken, Shaker Heights

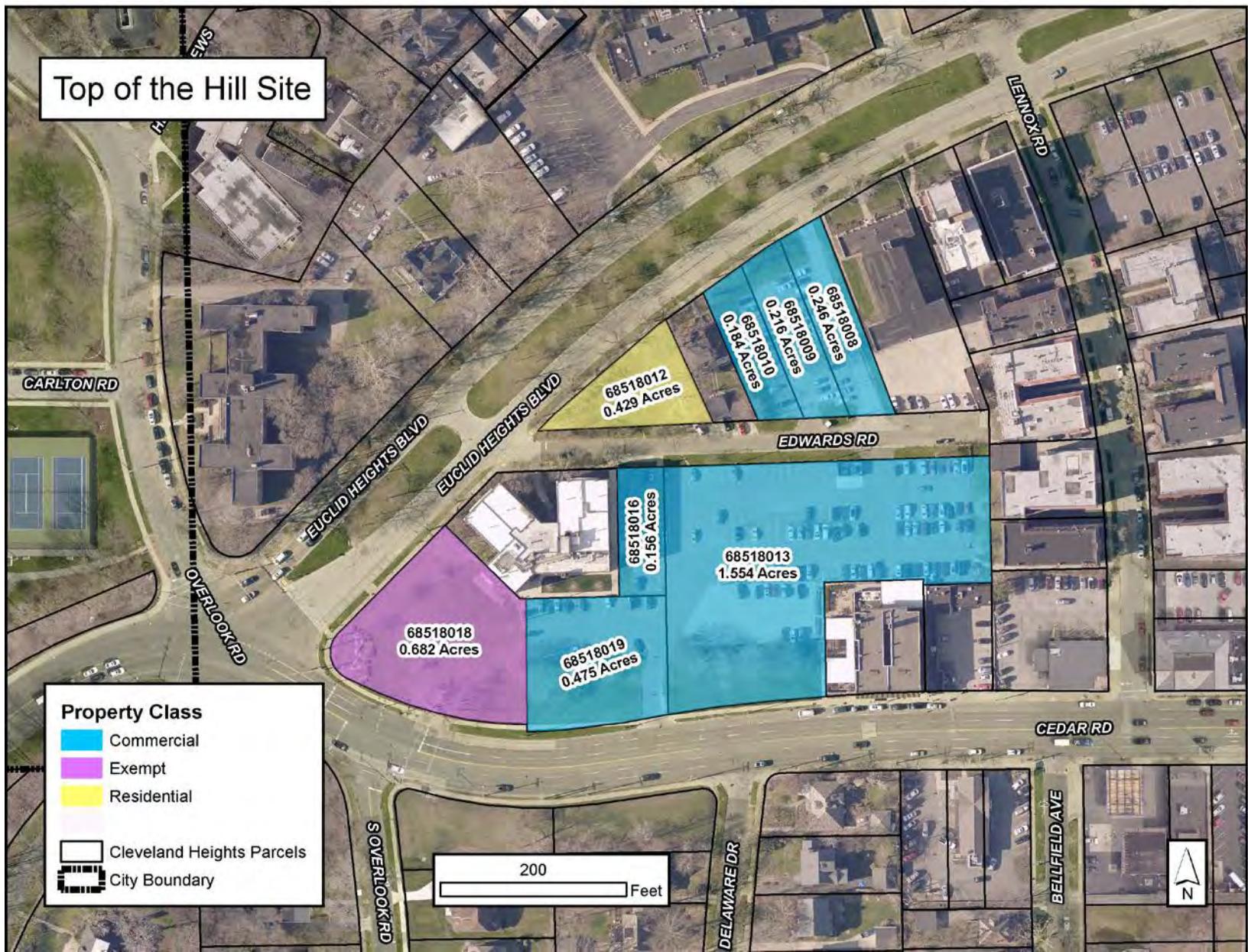
Centric, Cleveland



Legacy Village Hyatt Place Hotel, Lyndhurst



One University Circle, Cleveland



Top of the Hill Parcels: Current County Values and Taxes

Parcel Number	Property Class	Acreage	County Market	Assessed Value	2016 Taxes	School Portion
68518008	Commercial	0.246	\$56,800	\$19,880	\$2,940	\$2,073
68518009	Commercial	0.216	\$49,700	\$17,395	\$2,573	\$1,814
68518010	Commercial	0.184	\$42,100	\$14,735	\$2,179	\$1,537
68518012	Residential	0.429	\$34,500	\$12,075	\$1,573	\$1,109
68518013	Commercial	1.554	\$332,500	\$116,375	\$17,213	\$12,135
68518016	Commercial	0.156	\$17,500	\$6,125	\$906	\$639
68518018	Exempt	0.682	\$179,100	\$62,685	\$0	\$0
68518019	Commercial	0.475	\$52,400	\$18,340	\$2,713	\$1,912
Totals		3.942	\$764,600	\$267,610	\$30,097	\$21,218

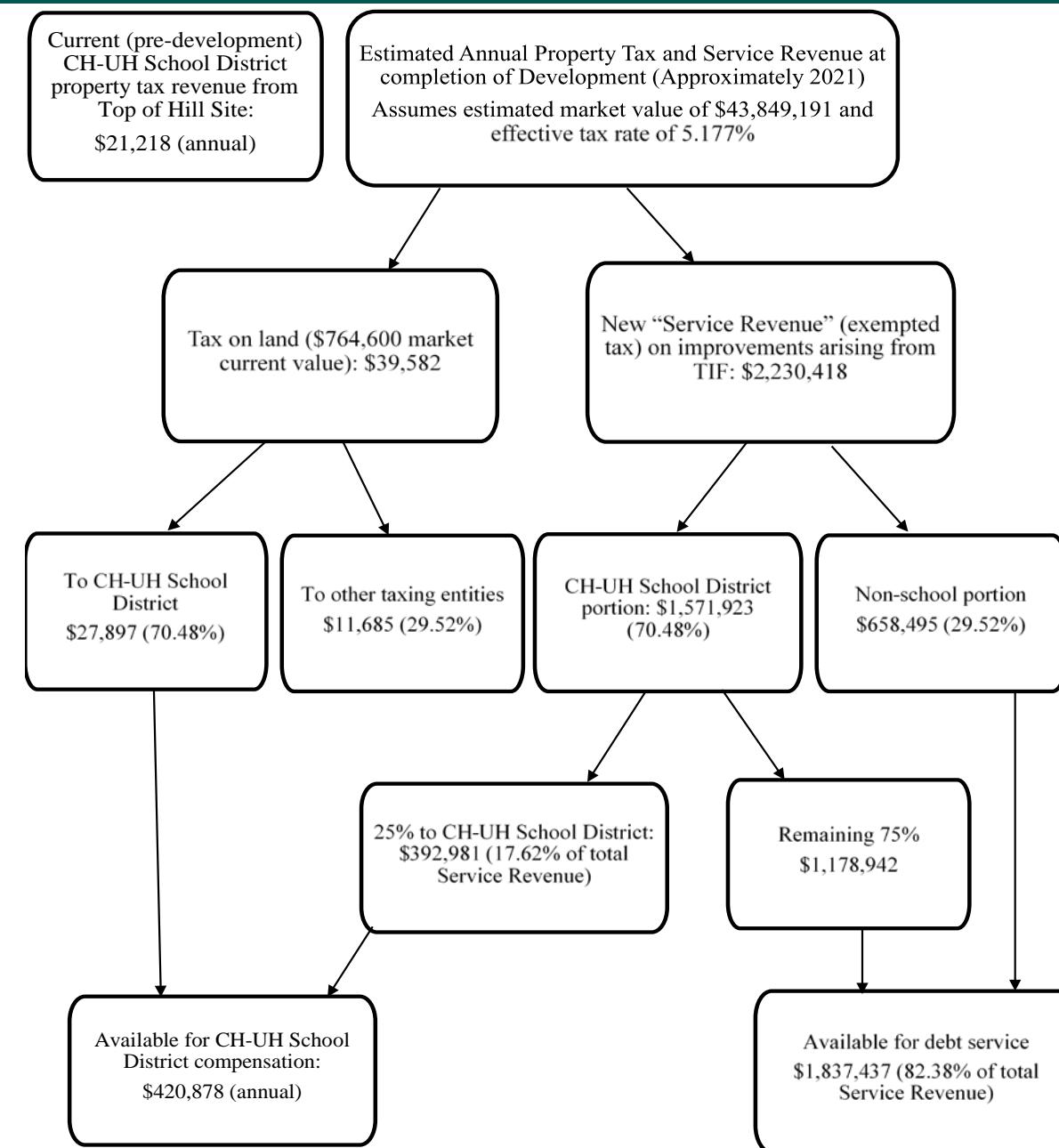
Commercial Full Rate	200.44
Commercial Effective Rate	147.909544
Tax as Percent of Market	5.18%
Residential Full Rate	200.44
Residential Effective Rate	130.241116
Tax as Percent of Market	4.08%

Note: 2016 Taxes does not include special assessments, such as street lights, SID, etc., that a privately-owned parcel may be subject to.

Breakdown of property taxes:	Schools 70.5%
	County 12%
	City 9.5%
	Library 6%
	Metroparks 2%

Top of the Hill – TIF Proposal Summary

- Currently the TOH site yields **\$21,000** annually in property taxes for CHUH;
- Flaherty & Collins proposing to invest **\$75,000,000 - \$80,000,000** in our community;
- TIF utilized to create flow of funds to finance development – service revenue to be used for debt service and school compensation;
- TIF would exempt project site from taxation **100% for 30 years** on increase in the assessed valuation resulting from the improvements constructed by F&C;
- Current land value of **\$764,000** excluded from TIF - any increase in millage from future school levies after commencement of the TIF would go 100% to the School District;
- F&C (or affiliate) would make service payments in lieu of property tax payments on the increase in assessed value resulting from the new improvements - estimated valuation is **\$43,000,000**;
- Service payments are collected by the City, then re-distributed to first cover Debt Service, then provide School Compensation – **Schools receive 25%** of what would have been received if not for TIF;
- **Results:** School District receives **\$421,000** annually (compared with **\$21,000** received annually under current conditions), **\$1,800,000** annually available for Debt Service (models indicate approx. **\$1,700,000** required);
- TIF is essential for the development of the TOH site – without development, there is no ability to provide school compensation.

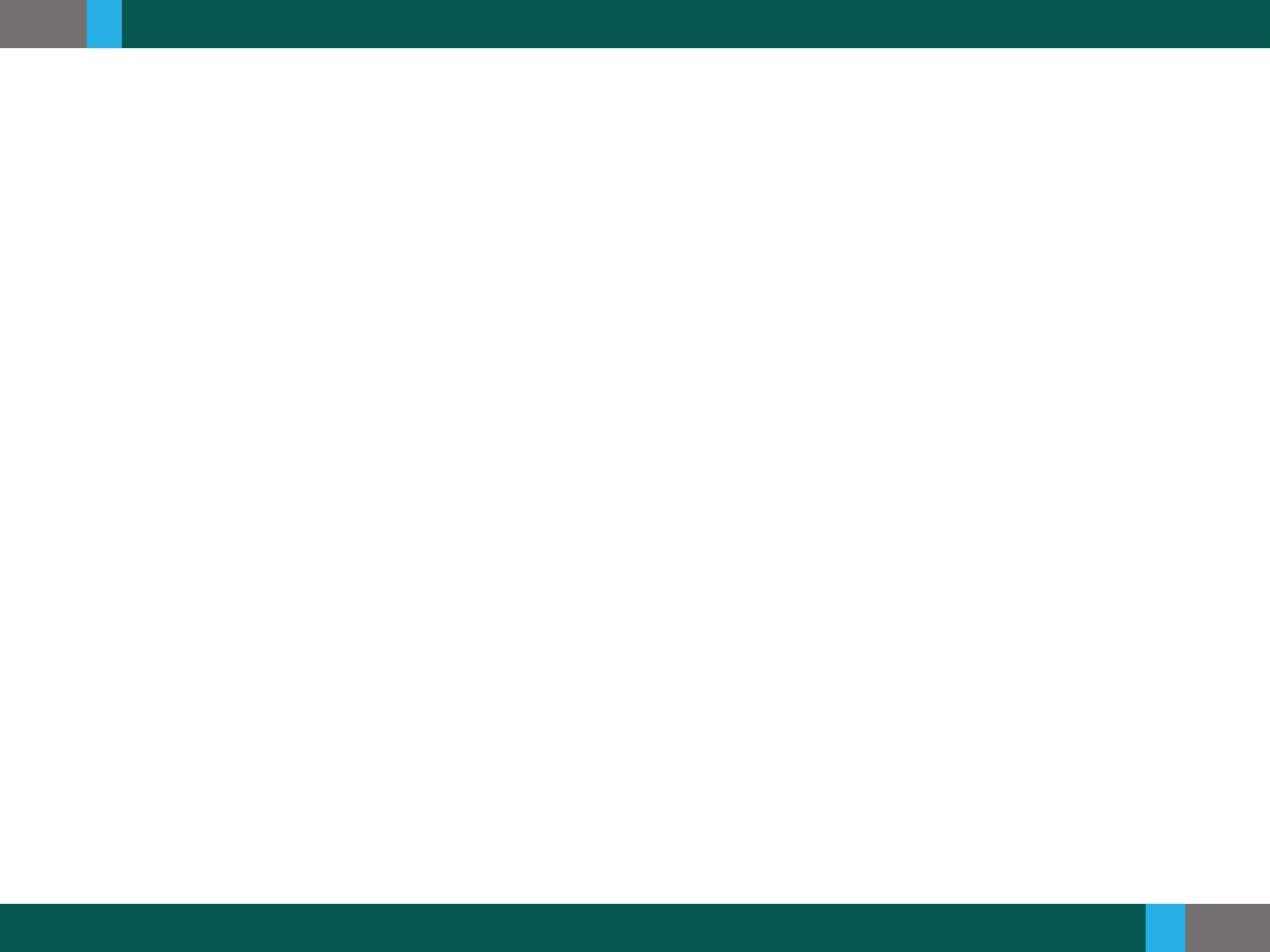


Questions & Project Updates

Thank you!

For more information, visit:
www.clevelandheights.com/toh

You may also direct questions to:
Tim Boland, Economic Development
Director at (216) 291-4857 and at
tboland@clvhts.com





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