



CITY OF  
**CLEVELAND  
HEIGHTS**



**FLAHERTY & COLLINS**  
PROPERTIES

# Top of the Hill Redevelopment Project Overview

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**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



**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



### **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

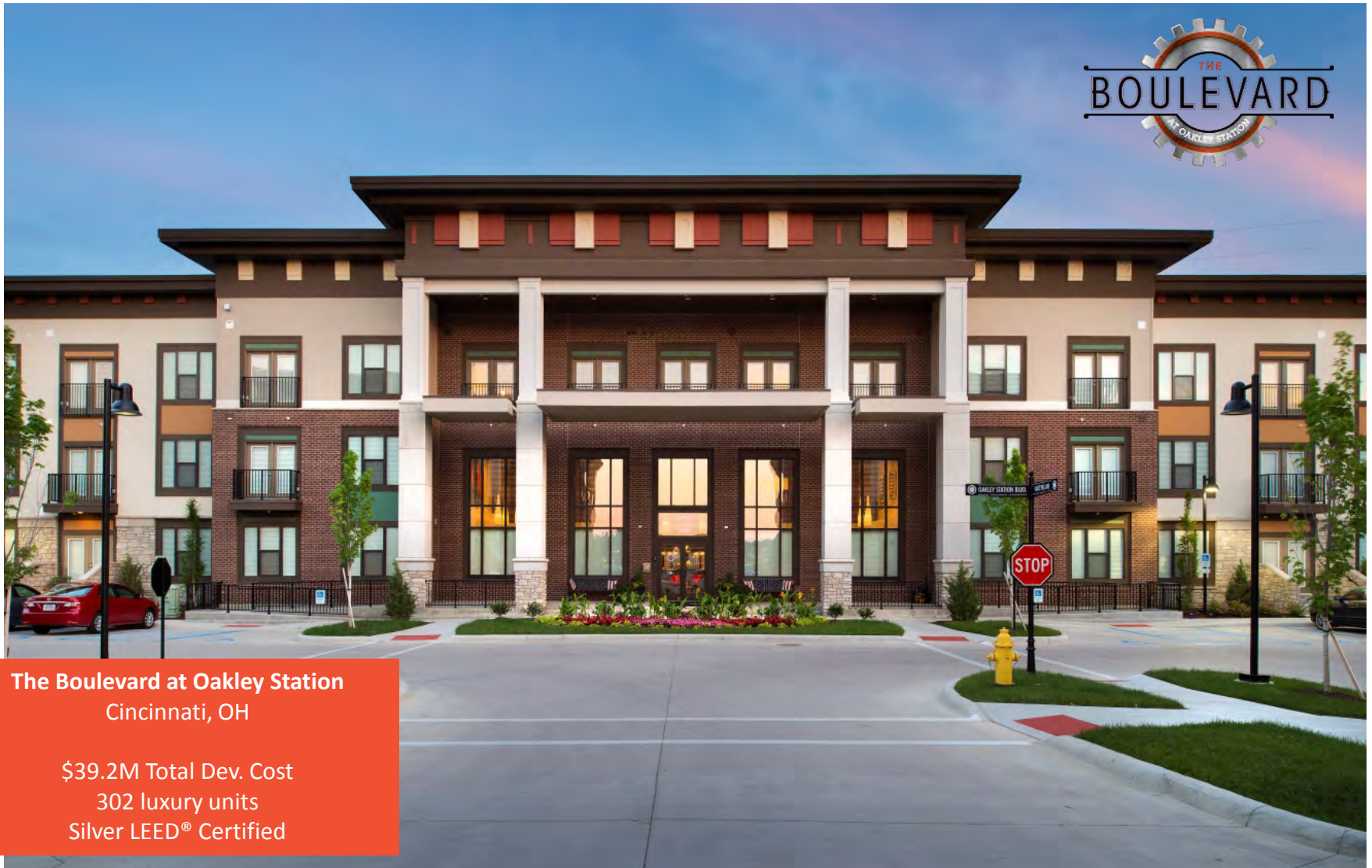


**The Breakwater**  
New Albany, IN

\$25M Total Dev. Cost  
191 luxury units



# Comparable Projects by F&C



**The Boulevard at Oakley Station**  
Cincinnati, OH

\$39.2M Total Dev. Cost  
302 luxury units  
Silver LEED® Certified

# 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

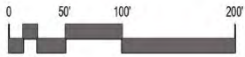
# Top of the Hill – A Catalytic Development

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**





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





# 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



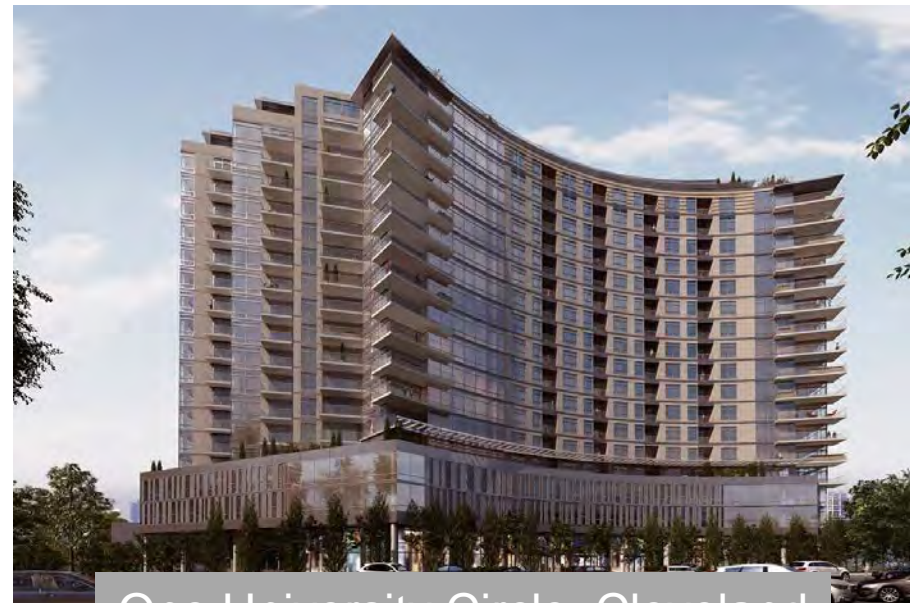
Van Aken, Shaker Heights



Centric, Cleveland



Legacy Village Hyatt Place Hotel, Lyndhurst



One University Circle, Cleveland



# Top of the Hill Site





## 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
<b>Totals</b>		<b>3.942</b>	<b>\$764,600</b>	<b>\$267,610</b>	<b>\$30,097</b>	<b>\$21,218</b>

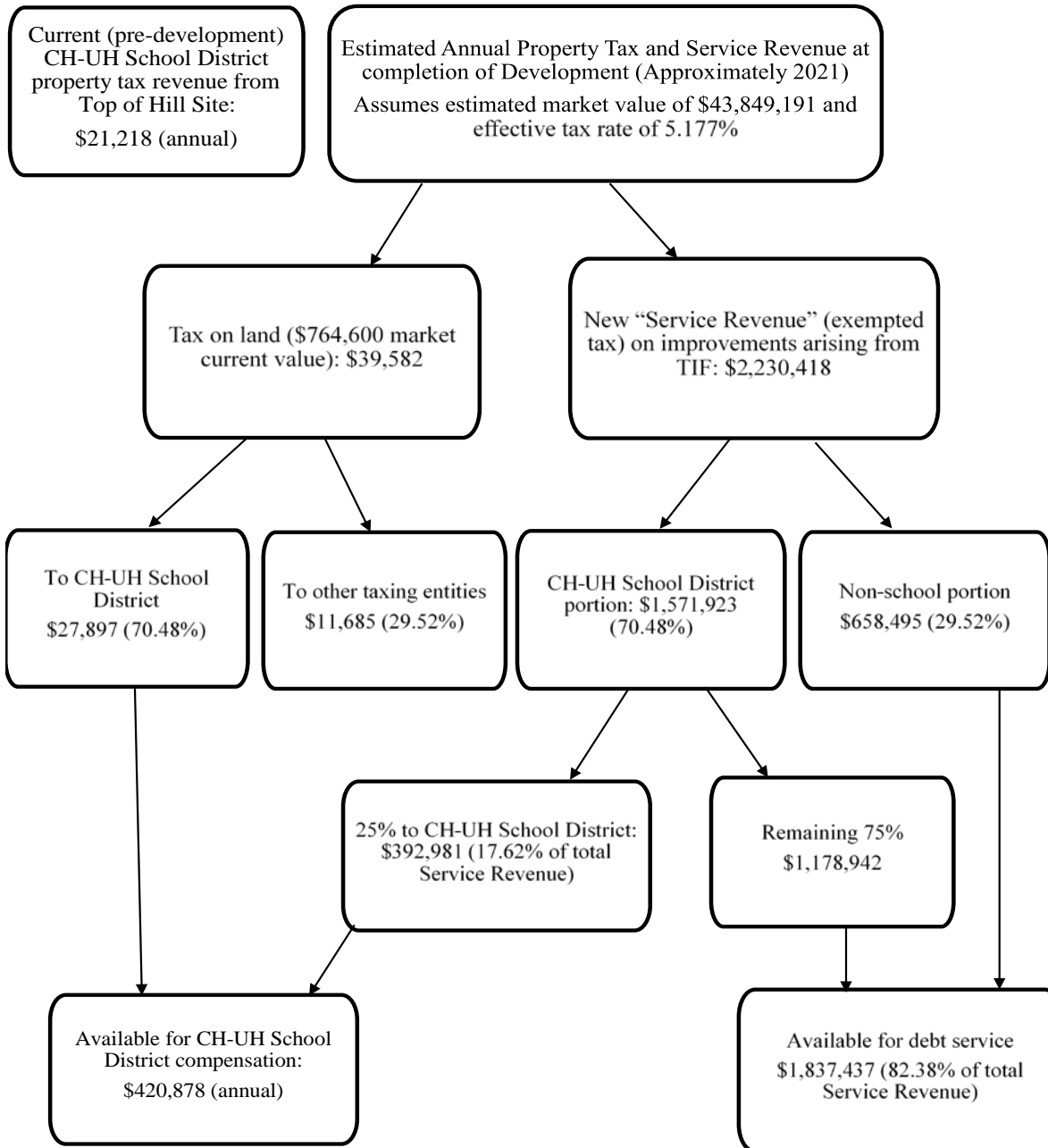
Commercial Full Rate	200.44
Commercial Effective Rate	147.909544
Tax as Percent of Market	5.18%
Residential Full Rate	200.44
Residential Effective Rate	130.241116
Tax as Percent of Market	4.08%

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.



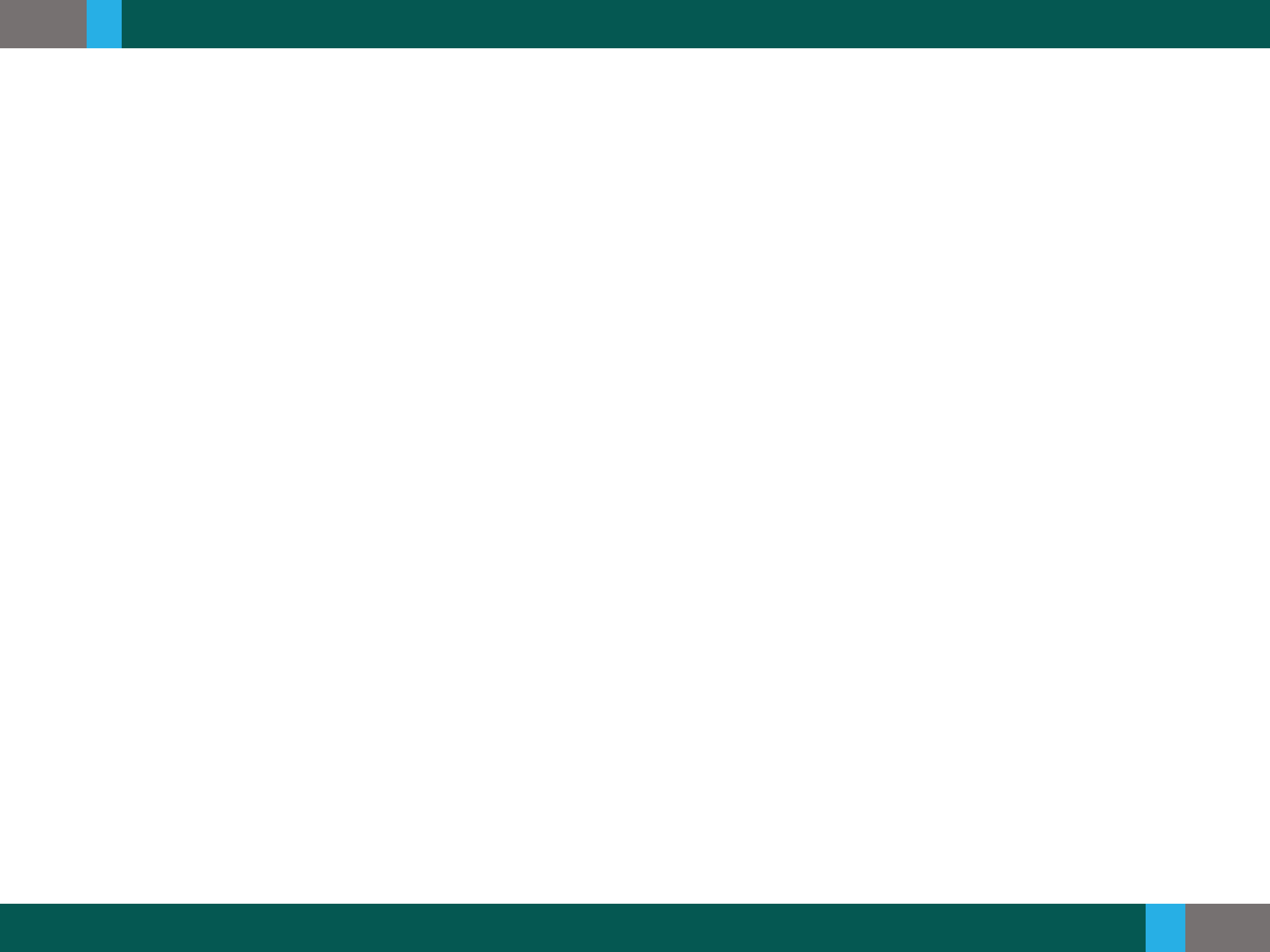
## Thank you!

For more information, visit:

[www.clevelandheights.com/toh](http://www.clevelandheights.com/toh)

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







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