

BEACHWOOD CITY COUNCIL ECONOMIC DEVELOPMENT COMMITTEE MEETING
HELD AT BEACHWOOD CITY HALL, 25325 FAIRMOUNT BOULEVARD,
ON MONDAY, JUNE 15, 2020 AT 6:00 P.M.

*This meeting was held by Video Conferencing Via Zoom and livestreamed on the
City of Beachwood website.*

*This meeting was duly notice and was held in accordance with Ohio Revised Code Section 121.22 specific to
recent Amendments made in light of the current COVID-19 declared emergency.*

The meeting was called to order at 6:01 P.M. by Chairwoman June Taylor.

ROLL CALL: Present: A. Isaacson, J. Pasch, J. Taylor
Absent: E. Synenberg
Also Present: Mayor M. S. Horwitz, J. Berns, M. Burkons, B. B. Janovitz,
D. A. Calta, L. Heiser, T. Turick, Ryan Sommers,
Chad Curtis

1. **Mayor's Reports**

None.

2. **Discussion regarding 3800 Park East Drive TIF**

Ms. Calta gave a short introduction of the requested TIF and turned the discussion over to Mr. Sommers.

Mr. Sommers discussed the Summary of the project for 3800 Park East and also discussed the Economic Impact Analysis and the Tax Abatement Analysis.

The Project Summary, Tax Abatement analysis, and Economic Analysis is attached hereto for the official record.

Council would like to move forward with this item and requests Mr. Heiser to compile the numbers and get with the Law Director for distribution.

Council would then like to have another discussion on this item.

Ms. Taylor asked if there were any further questions and there were none.

3. **Any other matters coming before the Economic Development Committee**

None.

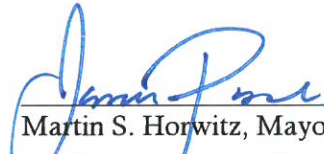
ADJOURNMENT

Moved by A. Isaacson, seconded by E. Synenberg, to adjourn the Economic Development Committee Meeting at 6:51 P.M.

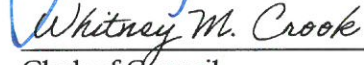
ROLL CALL:	Yes:	A. Isaacson, J. Pasch, E. Synenberg, J. Taylor
	No:	None.
	Abstain:	None.
	Not Voting:	None.

MOTION ADOPTED

Approved:



Martin S. Horwitz, Mayor



Whitney M. Crook
Clerk of Council

Pursuant to Ordinance Number 2020-78 Council has determined that the Video Recording of the meetings shall stand as the official Minutes of its Body, its Committees, and those of the Planning and Zoning Commission. A written synopsis of all agenda items and votes shall also be promptly prepared and kept.

My Place Group - 3800 Park East

Economic Impact Analysis

April 2020

Total Project Costs = \$25.3 Million

	Annual	Over 30 Years																		
<i>City of Beachwood - During Abatement</i>	\$12,811	\$121,700																		
<i>Cuyahoga County - During Abatement</i>	\$65,829	\$625,375																		
<i>Beachwood City Schools - During Abatement</i>	\$165,257	\$1,569,939																		
Total Real Estate Taxes - Years 1-10	\$243,896	\$2,317,014																		
<i>City of Beachwood - Post Abatement</i>	\$25,621	\$512,420																		
<i>Cuyahoga County - Post-Abatement</i>	\$131,658	\$2,633,160																		
<i>Beachwood City Schools - Post Abatement</i>	\$330,513	\$6,610,269																		
Total Real Estate Taxes - Years 11-30	\$487,792	\$9,755,848																		
<i>State of Ohio</i>	\$5,118	\$199,582																		
<i>City of Beachwood</i>	\$4,370	\$170,386																		
Total Income Tax (Permanent Jobs)	\$9,488	\$369,968																		
City of Beachwood Income Tax (New Residents) *	\$130,074	\$5,276,840																		
<i>State of Ohio</i>	\$590,646	\$590,646																		
<i>Cuyahoga County</i>	\$128,401	\$128,401																		
<i>Greater Cleveland Regional Transit Authority</i>	\$102,721	\$102,721																		
Total Sales Tax (Construction Period)	\$821,769	\$821,769																		
<i>State of Ohio</i>	\$244,832	\$244,832																		
<i>City of Beachwood</i>	\$205,442	\$205,442																		
Total Income Tax (Construction Jobs)	\$450,274	\$450,274																		
TOTAL RECURRING TAX REVENUE - YEARS 1-10	\$139,562	\$3,841,143																		
TOTAL RECURRING TAX REVENUE - YEARS 11-30	\$627,354	\$13,878,528																		
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 35%;"><i>Beachwood Recurring Tax Revenues - During Abatement Period</i></td> <td style="width: 30%; text-align: right;">\$147,254</td> <td style="width: 35%;"></td> </tr> <tr> <td><i>Beachwood Recurring Tax Revenues - After Abatement Period</i></td> <td style="text-align: right;">\$160,064</td> <td></td> </tr> <tr> <td><i>Beachwood City Schools Annual Property Taxes - During Abatement Period</i></td> <td style="text-align: right;">\$165,257</td> <td></td> </tr> <tr> <td><i>Beachwood City Schools Annual Property Taxes - After Abatement Period</i></td> <td style="text-align: right;">\$330,513</td> <td></td> </tr> <tr> <td><i>State of Ohio Recurring Tax Revenues</i></td> <td style="text-align: right;">\$5,118</td> <td></td> </tr> <tr> <td><i>New Apartments</i></td> <td style="text-align: right;">145</td> <td></td> </tr> </table>			<i>Beachwood Recurring Tax Revenues - During Abatement Period</i>	\$147,254		<i>Beachwood Recurring Tax Revenues - After Abatement Period</i>	\$160,064		<i>Beachwood City Schools Annual Property Taxes - During Abatement Period</i>	\$165,257		<i>Beachwood City Schools Annual Property Taxes - After Abatement Period</i>	\$330,513		<i>State of Ohio Recurring Tax Revenues</i>	\$5,118		<i>New Apartments</i>	145	
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*Assumes 10-Year, 50% Tax Abatement

**Assumes 100% of residents are new to Beachwood; 50% of residents work outside the City and receive a 100% income tax credit

3800 Park East - Tax Abatement Analysis

	Mills	%	Participation	Net Participation
School Portion	51.6003810265	65.70%	100.00%	65.70%
Non School Portion	26.9345159735	34.30%	100.00%	34.30%
Total	78.5348970000	100.00%		100.00%

Effective Rate **2.749%**

Current Parcel Market Values					
Parcel #	Land	Building	Total		
742-28-011	\$1,576,500	\$1,223,500	\$2,800,000		
			\$ 2,800,000		

Apartments	
Total Est. Taxable Value	\$ 21,100,720
Base Value	\$ 2,800,000
Total Est. Incremental Value	\$ 18,300,720

	Value	Total Taxes	Base Value Taxes	Incremental Taxes	10-Year, 50% Tax Abatement	Remaining Incremental School Taxes	Remaining Incremental County Taxes	Remaining Incremental City Taxes	Remaining Incremental Special District Taxes	Existing Base Value
0			100.00%							2,800,000
1	2,800,000	76,964	76,964	-	-	-	-	-	-	76,964
2	11,950,360	328,482	76,964	251,518	125,759	82,628	32,914	6,405	3,811	76,964
3	21,100,720	580,000	76,964	503,036	251,518	165,257	65,829	12,811	7,622	76,964
4	21,100,720	580,000	76,964	503,036	251,518	165,257	65,829	12,811	7,622	76,964
5	21,100,720	580,000	76,964	503,036	251,518	165,257	65,829	12,811	7,622	76,964
6	21,100,720	580,000	76,964	503,036	251,518	165,257	65,829	12,811	7,622	76,964
7	21,100,720	580,000	76,964	503,036	251,518	165,257	65,829	12,811	7,622	76,964
8	21,100,720	580,000	76,964	503,036	251,518	165,257	65,829	12,811	7,622	76,964
9	21,100,720	580,000	76,964	503,036	251,518	165,257	65,829	12,811	7,622	76,964
10	21,100,720	580,000	76,964	503,036	251,518	165,257	65,829	12,811	7,622	76,964
11	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
12	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
13	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
14	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
15	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
16	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
17	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
18	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
19	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
20	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
21	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
22	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
23	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
24	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
25	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
26	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
27	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
28	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
29	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964
30	21,100,720	580,000	76,964	503,036	-	330,513	131,658	25,621	15,243	76,964

Total Gross Savings

2,389,420	8,180,208	3,258,535	634,120	377,274
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Total @ NPV **6.00%**

1,732,553



project
management
consultants

To: Rico Pietro – CRESCO; Chad Kertesz – My Place Group
From: Ryan Sommers – PMC
CC: Alex Previts – PMC; David Pecoraro – My Place Group
Re: 3800 Park East Project
Date: May 8, 2020

Project Management Consultants (“PMC”) has developed an Economic Impact Report and Property Tax Analysis for the 3800 Park East Project using the following financial assumptions:

Project Assumptions:

- The current Base Value of Parcel #742-28-011 is \$2,800,000
- PMC estimates that the project will create \$18,300,720 of Incremental Taxable Value at the Project site
- The Economic Impact Summary assumes \$20,544,220 in Hard Costs for the project, which is projected to create approximately 188 construction jobs.
- The project is expected to create 4 permanent jobs with \$210,000 in total payroll
- Both models assume a 10-Year, 50% tax abatement
- The Economic Impact Summary shows the annual tax impacts as well as the total impacts during the 10-year abatement and 20 years following the abatement period.

Sincerely,

Ryan Sommers
Managing Director of Financial Services
PMC