



**AGENDA**  
**CUYAHOGA COUNTY ECONOMIC DEVELOPMENT & PLANNING**  
**COMMITTEE MEETING**  
**MONDAY, SEPTEMBER 18, 2023**  
**CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS**  
**C. ELLEN CONNALLY COUNCIL CHAMBERS – 4<sup>TH</sup> FLOOR**  
**3:00 PM**

**Committee Members:**

**Jack Schron, Chair – District 6**  
**Patrick Kelly, Vice Chair – District 1**  
**Sunny M. Simon - District 11**  
**Scott Tuma - District 4**  
**Cheryl L. Stephens - District 10**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT**
- 4. APPROVAL OF MINUTES FROM THE JULY 17, 2023 MEETING** [See Page 3]
- 5. MATTERS REFERRED TO COMMITTEE**
  - a) R2023-0247: A Resolution authorizing an Economic Development Loan in the amount not-to-exceed \$2,000,000.00 to 2168 West 25<sup>th</sup> Street, LLC for the benefit of a mixed-use, real estate redevelopment project for property located at 2168 West 25<sup>th</sup> Street, Cleveland, Ohio; authorizing the County Executive and/or 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 5]
- 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 5<sup>th</sup> 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, JULY 17, 2023  
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS  
C. ELLEN CONNALLY COUNCIL CHAMBERS – 4<sup>TH</sup> FLOOR  
3:00 PM

1. CALL TO ORDER

**Chairman Schron called the meeting to order at 3:02 p.m.**

2. ROLL CALL

**Mr. Schron asked Assistant Deputy Clerk Georgakopoulos to call the roll. Committee members Schron, Simon, Tuma and Stephens were in attendance and a quorum was determined. Committee member Kelly was absent from the meeting.**

3. PUBLIC COMMENT

**Loh addressed the committee and expressed support of the mixed-use development project.**

4. APPROVAL OF MINUTES FROM THE JULY 10, 2023 MEETING

**A motion was made by Ms. Simon seconded by Ms. Stephens, and approved by unanimous vote to approve the minutes from the July 10, 2023 meeting.**

5. MATTERS REFERRED TO COMMITTEE

- a) R2023-0151: A Resolution amending Resolution No. R2022-0445 dated 12/8/2022, which authorized an Economic Development Loan in the amount not-to-exceed \$1,700,000.00 to FMCFP LLC, or its designee, to assist with funding project costs of a mixed-use development project located at 10300 Cedar Avenue, in the City of Cleveland, to amend the terms of the loan as originally presented; and declaring the necessity that this Resolution become immediately effective. **Page 3 of 38**

**Mr. Paul Herdeg, Director for the Department of Development; Ms. Terri Hamilton Brown, Interim Director of Economic Development for the City of Cleveland; Mr. Adam Fishman, Principal for Fairmount Properties LLC; and Mr. Greg Huth, Assistant Law Director, addressed the Committee regarding Resolution No. R2023-0151. Discussion ensued.**

**Committee members asked questions of Mr. Herdeg, Ms. Hamilton Brown, Mr. Fishman and Mr. Huth pertaining to the item, which they answered accordingly.**

**Mr. Schron introduced a proposed substitute to Resolution No. R2023-0151. Discussion ensued.**

**A motion was made by Mr. Schron, seconded by Ms. Stephens and approved by majority vote to accept the proposed substitute, with Committee member Simon casting a dissenting vote.**

**On a motion by Ms. Stephens with a second by Mr. Schron, Resolution No. R2023-0151 was considered and approved by majority vote to be referred to the full Council agenda with a recommendation for passage under second reading suspension of the rules, as substituted, with Ms. Simon casting a dissenting vote.**

#### **6. MISCELLANEOUS BUSINESS**

**There was no miscellaneous business.**

#### **7. ADJOURNMENT**

**With no further business to discuss, Chairman Schron adjourned the meeting at 4:26 p.m., without objection.**

# County Council of Cuyahoga County, Ohio

## Resolution No. R2023-0247

Sponsored by: <b>County Executive Ronayne/Department of Development</b>	<b>A Resolution</b> authorizing an Economic Development Loan in the amount not-to-exceed \$2,000,000.00 to 2168 West 25 <sup>th</sup> Street, LLC for the benefit of a mixed-use, real estate redevelopment project for property located at 2168 West 25 <sup>th</sup> Street, Cleveland, Ohio; authorizing the County Executive and/or 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 the amount not-to-exceed \$2,000,000.00 to 2168 West 25<sup>th</sup> Street, LLC, or their designee, for the benefit of a mixed-use, real estate redevelopment project for property located at 2168 West 25<sup>th</sup> Street, City of Cleveland; and

**WHEREAS**, the primary goal of this loan is for the historic renovation of buildings into a transformational mixed-used project; and

**WHEREAS**, the project is anticipated to create 60 new full time jobs in Cuyahoga County; and

**WHEREAS**, the total cost of the project is approximately \$68,800,150.00, of which the County will loan \$2,000,000.00 with a term of 18 years at an interest rate of 5.50%, interest only payments for the first three (3) years, followed by principal and interest payments for term of fifteen (15) year amortized based on a twenty-five (25) year amortization schedule, and

**WHEREAS**, this project is funded 100% by the 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 the amount not-to-exceed \$2,000,000.00 to 2168 West 25<sup>th</sup> Street, LLC, for the benefit of a mixed-use, real estate redevelopment project for property located at 2168 West 25<sup>th</sup> Street, 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. To the extent that any exemptions are necessary under the County Code and contracting procedures they shall be deemed approved by the adoption of this Resolution.

**SECTION 3.** That this Resolution shall sunset twenty-four (24) 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: September 12, 2023  
Committee(s) Assigned: Economic Development & Planning

Journal \_\_\_\_\_  
\_\_\_\_\_, 20\_\_

**OnBase Item Detail Briefing Memo - Form**

**Department of Development; 2023; 2168 West 25<sup>th</sup> Street LLC; \$2,000,000; Place Based/Mixed Use Loan; Loan No. 327-01-01**

**A. Scope of Work Summary**

Department of Development requesting approval of a Place Based/Mixed Use Loan with 2168 West 25<sup>th</sup> Street, LLC for the anticipated cost, not-to-exceed \$2,000,000. Redevelopment of this building will create 92 residential apartments, 24,000 SF commercial office and coworking space, 25,000 SF of general retail and restaurant space, 50,000 SF of anchor food/beverage and 305 parking spaces. The project is located in County Council District 7.

**Economic Development Loan**

Borrower/Awardee/Business Entity Name: 2168 West 25<sup>th</sup> Street, LLC.

Project Name and location: 2168 West 25<sup>th</sup> Street, Cleveland, Ohio 44113

Project Goals: Historic renovation of the buildings into a transformational mixed-use project. The project will create a minimum of 60 new full-time jobs in Cuyahoga County.

Purpose – The loan proceeds may be used for acquisition, construction, costs, and/or other project-related expenses at the project site located at 2168 West 25<sup>th</sup> Street, Cleveland, Ohio 44113

Loan Type – Place Based/Mixed Use

Forgiveness Terms – None

Payments Required - Yes

Loan Position – A shared 2nd position mortgage subordinate to Huntington Bank pari-passu with a County Brownfield Loan and tax credit bridge loan subordinate to Huntington Bank, a Corporate Guaranty from AJAPPHR, LLC, and Personal and Trust Guaranties by Ari Maron and Jori Maron.

Number of Jobs created – 60 FTE

Loan amount - \$2,000,000

Loan Terms – 3 years of interest-only payments followed by principal and interest payment for a term of 15 years based on a 25-year amortization period. The full term of the loan is 18 years

Total Project Cost - \$68,800,150

Date Recommended – July 19, 2023

Funding Source: Economic Development Loan Fund





## **Economic Development Loan LOAN PRESENTATION PACKAGE**

### **2168 West 25<sup>th</sup> Street, LLC Carriage Co. Mixed-Use Project**



**Prepared By:  
Anthony Stella and Bob Flauto  
Senior Development Finance Analyst  
July 19, 2023**

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## Department of Development PROJECT DESCRIPTION & DETAILS

**PROJECT NAME:** Carriage Co  
**CCCIC DATE:** July 19, 2023  
**DOD Program:** Place-Based / Mixed-Use

### OVERVIEW

1. **Borrower:** 2168 West 25<sup>th</sup> Street, LLC
2. **Project Location & Council District:**  
2168 West 25<sup>th</sup> Street, Cleveland  
District 7 – Yvonne Conwell
3. **CCCIC Review Date:** July 19, 2023
4. **Qualifies for these Funding Sources:** Place-Based / Mixed-Use Loan
5. **Funding Partners in the Project:** Huntington Bank, State of Ohio, City of Cleveland
6. **Project Summary:**

2168 West 25<sup>th</sup> Street, LLC (Borrower) is a newly created entity principally owned by AJAPPJR LLC which is owned by Ari Maron and Jori Maron through their respective trusts. The Borrower entity has been created to facilitate the redevelopment of vacant buildings located at 2168 West 25<sup>th</sup> Street, LLC. AJAPPJR LLC is a real estate development company based in Cleveland, Ohio, and has been responsible for the development of East 4th Street, the Uptown Project in University Circle, The Doubletree by Hilton Tudor Arms Hotel, and the United Bank Building and surrounding properties in Ohio City.

The development will help to build off the development in Ohio City. This site is located the Cleveland's Ohio City Neighborhood 2 blocks south of the West Side Market and the Ohio City Entertainment district. The project will help to carry the development moment south along West 25<sup>th</sup> Street and will anchor the southeast edge of Ohio City.

The property was originally the location of the Rauch & Lang Carriage Company. The company was a part of Cleveland's early industrial. Rauch & Lang was involved in the carriage building and electric automobile industries in the late 19<sup>th</sup> century and continued in the materials handling business into the first half of the 20<sup>th</sup> century. The original building was constructed in the late 1870s, the building footprint expanded for the next eight decades with buildings that now occupy nearly an entire city block. The property was most recently occupied by Voss Aerospace. Voss relocated to another site in the County within the City of Berea. Voss had outgrown the West 25<sup>th</sup> site and needed a more modern facility.

2168 West 25<sup>th</sup> Street, LLC proposes an historic renovation of the buildings into a transformational mixed-use project. The project includes proposal for 92 residential apartments, 24,000 SF commercial office and coworking space, 25,000 SF of general retail and restaurant space, 50,000 SF of anchor food/beverage and 305 parking spaces.

The project will entail acquisition of the real estate, construction, demolition, abatement, site work, and soft costs. The total project costs are anticipated to be \$68.8 million. The project is receiving a loan from Huntington Bank in the amount of \$44.1 million, the State and County are providing \$859,838 in brownfield funding, Federal and State Tax Historic Tax Credits in the amount of \$10.68 million combined. The developer will obtain a bridge loan for the tax credits. Tax credit investors will fund the credits in increments throughout construction with the final payment after project completion. The investor funds will be used to pay down the bridge loan. The developer is receiving State Opportunity Zone funds in the amount of \$2 million. The remaining \$9 million will be provided as equity from the borrower through a Qualified Opportunity Fund. In addition to the above referenced funds, the project will be receiving a 15-year tax abatement from the City of Cleveland on the residential portion of the project.

### COSTS

1. **Total Project Costs:** \$68,800,150
2. **County Loan Amount Requested:** \$2,000,000
3. **Qualifies for these Funding Sources:** Place-Based / Mixed-Use



## Uses and Sources

USES		SOURCES	
Real Estate Purchase	\$7,500,000	Huntington Bank	\$44,100,000
Construction / Renovation	\$48,015,760	State and County Brownfield Funds	\$859,838
Demolition / Abatement	\$1,500,000	Federal Historic Tax Credits	\$6,805,594
Infrastructure	\$1,000,000	State Historic Tax Credits	\$4,000,000
Total Soft Costs	\$6,784,390	State Opportunity Zone Funds	\$2,000,000
Predevelopment / Cost of Carry	\$500,000	Developer Equity	\$9,034,718
Deferred Developer Fee	\$3,500,000	Cuyahoga County	\$2,000,000
Total Uses	\$68,800,150	Total Sources	\$68,800,150

### COUNTY TERMS

- 1. Interest Rate:** 5.50%
- 2. Term/Repayment:** Three years of interest only payments followed by 15-year term with monthly principal and interest payments based on a 25-year amortization schedule.
- 3. Security/Collateral/Guarantor(s):** A shared 2nd position mortgage subordinate to Huntington Bank pari-passu with a County Brownfield Loan and tax credit bridge loan subordinate to Huntington Bank, a Corporate Guaranty from AJAPPHR, LLC, and Personal and Trust Guaranties by Ari Maron and Jori Maron.

### RATIONALE FOR PARTICIPATION

- **Jobs Created:** The project will create a minimum of 60 new full-time jobs in Cuyahoga County.
- **Economic Impact:** This project will build on the development in the Ohio City Neighborhood by bringing jobs, residents, and activity to this section of West 25<sup>th</sup> Street.
- **Community Impact:** This project will redevelop an underutilized property and bring an adaptive reuse to historic buildings.



## Debt Service Schedule

	Huntington Bank	Tax Credit Bridge Loan	County ED Loan	Total
Loan Amount	\$44,100,000	\$ 8,000,000	\$2,000,000	\$54,100,000
Interest Rate	Construction 8.31%	7.00%	5.50%	
	Perm 7.56%			
Term	Construction 3 years	Construction 3 years	Construction 3 years	
	Perm 7 years		Perm 15 years	
Amortization	Construction interest-only	Interest-only	Construction interest-only	
	Perm 30 years		Perm 25 years	
Annual Debt Service	Construction \$3,664,710	Construction \$560,000	Construction \$110,000	\$3,859,291
	Perm \$3,722,010		Perm \$147,381	

### Collateral Analysis

The County's loan will be a shared 2nd lien position on the real estate with all permanent debt sources totaling \$46.1 million. The County's shared position will be pari-passu with a Cuyahoga County brownfield forgivable loan in the amount of \$137,718.75 and a bridge loan with an expected balance of \$8 million. The bridge loan will fund the tax credits during the construction period. The value of the building based on income approach using a 7% cap rate is \$69.1 million. The County's loan will thus have a combined loan-to-value (CLTV) is 66.7% which is well within the County's requirement of 90%.

Personal and trust guarantees will be provided by Ari Maron and Jori Maron. Additionally, a corporate guarantee will be provided by AJAPPJR, LLC.



## Carriage CO PROFORMA

### Cash Flow / Financial Analysis

#### Total Project

The overall project will have a Debt Service Coverage Ratio (DSCR) of 1.23 upon stabilization in 2027. The DSCR is projected to increase yearly, reaching 1.35 by 2032. The project cash flows are sufficient to cover all debt service and the DSCR exceeds the County's requirement of 1.20.

#### **RECOMMENDATION:**

The Department of Development believes that the Carriage Co project represents an acceptable risk for the County. The cash-flows should cover all debt and the real estate is well collateralized with a strong loan-to-value. Additionally, the developer is experienced at completing and operating successful mixed-use developments in Cleveland. Providing financial assistance to 2168 West 25<sup>th</sup> Street, LLC will leverage additional investment, create jobs and increase taxes for our community. The Department, therefore, recommends approval of the Cuyahoga County Economic Development Loan.





Nathan C. Nosal  
Vice President  
Commercial Real Estate  
The Huntington National Bank  
200 Public Square  
Cleveland, OH 44114  
E-mail: Nathan.Nosal@huntington.com

January 26, 2023

Jori Maron  
629 Euclid Ave.  
Cleveland, OH 44114

Re: Construction and Perm Loan Financing for the Historic Renovation of the former Voss Properties known as Carriage Co., located at the northwesterly intersection of Monroe Avenue and West 25<sup>th</sup> Street in Cleveland, OH.

Jori:

The Huntington National Bank ("Lender") offers and, upon acceptance by Borrower and Guarantors, proposes ("Proposal") to provide the above financing based upon the following terms and conditions. Lender's proposal of terms is on a Best Efforts basis and subject to the successful approval of the Facility outlined below.

- Borrower(s):** Borrowing entities TBD under a potential Historic Tax Credit Structure as applicable.
- Guarantors:** 100% Continuing Unlimited Guarantee from Ari Maron & Trust, Jori Maron & Trust and AJAPPJR, LLC.
- Loan Amount:** Up to \$42.3MM, subject to change upon final underwriting and loan approval.
- Purpose:** Construction financing to be utilized to convert the existing buildings into a large Mixed-Use property that will contain approximately 73,800 SF of Retail space, 78,300 SF of Multi-Family Residential (92-units), 25,800 SF of Office & Co-Working Space and 335 Parking Spaces located along West 25<sup>th</sup> Street in Ohio City near the CBD of Cleveland.
- Term:** 36-mnth construction/stabilization period, followed by an 84-month perm loan period. In order to convert to the perm loan period, the borrower must:
- a. Not be in Default
  - b. Request in writing no later than 60-days from maturity
  - c. Pay a 25 bps conversion fee
  - d. Meet a minimum 1.25x DSCR based on in place NOI at the time of the conversion.
- Estimated LTC:** 65% (LTC to be determined based upon Senior debt only).
- Estimated LTV:** 70% of the As-Stabilized Value, based on an appraisal to be reviewed and accepted by Huntington National Bank. The LTV is calculated based on senior 1<sup>st</sup> mortgage debt only.
- Repayment:** Interest only during the initial 36-month construction loan period. During the perm period the loan will begin amortizing based upon a 30-year amortization schedule.
- Interest Rate:** During the Construction Loan Period, the pricing will be based on 1-Month SOFR + 3.25%. During the Perm Loan Period, the Pricing will be based on 1-Month SOFR + 2.50%. The loan will be fixed via interest rate swap at closing.
- SOFR Floor:** SOFR Floor of 75 bps.



**Commitment Fee:** 75 basis points on the full loan commitment.

**Guarantor Covenants:** Minimum unencumbered liquidity covenant of \$3MM (cash & marketable securities) in aggregate from the guarantors. Tested semi-annually within 60-days of 12/31 and 6/30 each year.

**Property Covenants:** Construction Completion and Certificate of Occupancy: The Project redevelopment will have a lien free completion and certificate of occupancy within 36-months of loan closing.

- **Multi-Family absorption covenants:** TBD based upon appraisers projections as approved and accepted by HNB.
- **Conversion to Perm Loan:** The project shall meet a 1.25:1.00 DSCR at loan conversion 36-months from loan closing. The DSCR will be based on the property's NOI divided by the annualized actual Debt Service.
- **Ongoing DSCR test:** The Project must maintain a minimum 1.25:1.00 DSCR based upon actual NOI (leases in place) and annualized actual Debt Service for the HNB loans tested semi-annually, beginning six (6) months after the construction/lease up period through loan maturity.

**Collateral:** First mortgage lien on all applicable collateral parcels on the Voss Industries industrial facility in Cleveland's Ohio City neighborhood.

**Operating Accounts:** Borrower is required to maintain all property operating accounts at Huntington Bank.

**Reporting Requirements:** To include the following without limitation:

1. Annual property financial statements (income statement and balance sheet) due within 120 days of each fiscal year end
2. Semi-annual property rent roll statements
3. Annual Federal Income Tax Returns for the Borrowing entity due within 120 days of year end 12/31 or 30 days of filing with the IRS, whichever is sooner.
4. Annual Federal Income Tax Returns and Global Cash Flow statement for AJAPPJR, LLC due within 120 days of year end 12/31 or 30 days of filing with the IRS, whichever is sooner. Proof of liquidity (bank & brokerage statements) due on a semi-annual basis.
5. Annual Federal Income Tax Returns and Personal Financial Statements (including global cash flow statement) for Ari Maron and Jori Maron, within 120 days of year end 12/31 or 30 days of filing with the IRS, whichever is sooner.
6. Such other information that is reasonably required by Lender

**Appraisal:** The cost of the appraisal, and the review of it by Lender, shall be borne by the Borrower.

**Environmental:** Borrower shall be required to obtain and/or produce environmental reports, including, but not limited to, Phase I and Phase II reports if applicable, acceptable to Lender. Such report(s) shall be reviewed and approved by Lender. The cost of these reports, and the cost of the review by Lender, shall be borne by the Borrower. Lender acknowledges that the property is currently designated for commercial/industrial use.

**Other Costs:** In addition to any fees set forth herein to be paid by Borrower to Lender, Borrower shall promptly pay all reasonable out of pocket fees, costs and expenses incurred by Lender in connection with the transactions contemplated hereby and in connection with the Loan, both prior to closing (and without regard to whether or not the Loan is actually closed or

funded), at closing, and on an ongoing basis, including but not limited to, expenses incurred in the negotiation, structuring, documentation, closing, maintenance and collection of the Loan, such as attorneys' fees and expenses, costs or expenses relating to appraisal, title insurance, survey, environmental site assessment or study, flood certification, documentary or intangible taxes, mortgage or similar taxes, inspection fees and recording/filing fees and costs.

**Representations and Warranties:**

The Loan Documents will contain customary representations and warranties for transactions similar in amount and type, including without limitation accuracy of financial statements and disclosure, absence of undisclosed material liabilities, enforceability of loan documents, due organization and authorization, no conflict, required approvals, ownership of Property and assets, capitalization and organizational structure including affiliates and subsidiaries, no material adverse change, no violation of laws or regulations, payment of taxes and other obligations, solvency, no litigation, intellectual property, absence of default, environmental matters, compliance with zoning and all other laws and restrictions applicable to the Property, and all necessary regulatory and building, if applicable, approvals.

Please note that Lender reserves the right to revise this proposal of terms. The Lender's final commitment for the financing that you're seeking can only be issued upon approval of your loan request by Lender's Credit Committee once the terms set forth herein are approved by Borrowers and Guarantor. The terms included in this letter are open for consideration until June 30, 2023 at which time the terms will automatically expire.

This letter does not set forth all the terms and conditions of the Loans proposed herein. Its purpose is to provide an outline, in summary format, of the major points of understanding which will be the basis of the final loan documentation which will be prepared by Lender if such proposed Loan does occur. Borrowers acknowledge and agree that the Lender reserves the right to require additional documents and/or add additional conditions upon Lender's review of the final transaction structure and its review of all related documents.

**HUNTINGTON'S OBLIGATIONS UNDER THIS PROPOSAL ARE SUBJECT TO THE FOLLOWING PRE-CLOSING, CLOSING AND GENERAL REQUIREMENTS, EACH OF WHICH SHALL BE DEEMED SATISFIED ONLY WHEN THE DOCUMENT OR EVIDENCE PROVIDED IN SATISFACTION THEREOF HAS BEEN REVIEWED AND APPROVED BY HUNTINGTON AS TO FORM AND CONTENT. SUCH REVIEW AND APPROVAL IS SOLELY FOR HUNTINGTON'S BENEFIT AND NO OTHER PARTY SHALL BE ENTITLED TO RELY THEREON. NO DATE SHALL BE ESTABLISHED FOR LOAN CLOSING UNTIL ALL PRE-CLOSING REQUIREMENTS HAVE BEEN SATISFIED, WHICH DATE SHALL NOT BE EARLIER THAN TEN (10) BANKING DAYS AFTER THE SATISFACTION OF ALL PRE-CLOSING REQUIREMENTS.**

Sincerely,

THE HUNTINGTON NATIONAL BANK

By: Nathan Nosal

Name: Nathan Nosal

Title: Vice President

BORROWER

By: 

Name: Jon Maron

Title: Manager

**Ohio Department of Development  
Brownfield Remediation Program  
Grant Agreement**

This Grant Agreement (the "Agreement") is made and entered into between the Ohio Department of Development (the "Grantor"), located at 77 South High Street, Columbus, Ohio 43215 and 2168 West 25th Street LLC (the "Grantee") for the period January 1, 2022 to June 30, 2023, set forth the terms and conditions upon which Grantor will provide financial assistance to Grantee and Grantee will use the financial assistance for costs of implementing the Brownfield Remediation Program in accordance with the terms of this Agreement, the Grant Application (the "Application"), which consists of the collective materials submitted by Grantee to Grantor via Grantor's online system, the contents of this Agreement (collectively, the "Project") and the Brownfield Remediation Program Guidelines. In the event there is a conflict between this Agreement and the Exhibits, the Exhibits control.

**Statement of the Agreement**

1. **Award of Grant Funds.** Grantor hereby grants funds to Grantee in the amount of **\$724,838.00** (the "Grant Funds"), for the sole and express purpose of providing for the performance of the program listed above and undertaking the Project(s) as listed in Application which is incorporated herein by reference. Grantee may not use the Grant Funds for any purpose other than completion of the Project. The Grant Funds shall be further contingent upon the Special Conditions set forth in **Exhibit III: Special Conditions**, if applicable. Expenditures shall be supported by contracts, invoices, vouchers and other data as appropriate, including the reports listed in accordance with the schedule set forth in **Exhibit II: Reporting**, evidencing the costs incurred. If the Grant Funds are not expended in accordance with the terms, conditions and time period set forth in this Agreement or the total amount of the Grant Funds exceeds the eligible costs of the Project(s), the amounts improperly expended or not expended shall be returned to Grantor within 30 days after the expiration or termination of this Agreement. Grantee shall not pledge the Grant Funds as security for any loan or debt of any kind other than that described in this Agreement.
2. **Funding Source.** The Brownfield Remediation Program was established in House Bill 110 of the 134<sup>th</sup> General Assembly, codified in Ohio Revised Code section 122.6511 and found in the Ohio Administrative Code sections 122:31-1-01 through 122:31-1-06. This program awards grants for the assessment or remediation of brownfield sites throughout Ohio.
3. **Term of Agreement.** This Agreement shall be effective from the Beginning Date and shall continue through the Expiration Date set forth on page one of this Agreement, unless terminated earlier in accordance with Section 15 of this Agreement. Reporting and refund obligations shall continue in accordance with the schedules set forth in **Exhibit II** and until satisfactorily completed.
4. **Scope of Work.** Grantee shall undertake the Project(s) as listed in the Application. Grantor may, from time to time, as it deems appropriate and necessary, communicate specific instructions and requests and provide guidance and direction to Grantee concerning the performance of the work described in this Agreement. Within a reasonable period of time, Grantee shall comply with such instructions and fulfill such requests to the satisfaction of Grantor. These instructions and requests are to ensure the satisfactory completion of the work contemplated under this Agreement. In no event shall the Grant Funds be used for any other purpose than that described in this Agreement.
5. **Payment of Grant Funds.** Payment to Grantee of the Grant Funds shall be made upon the timely submission to Grantor of a financial reimbursement request. Grantee shall deposit all Grant Funds received under this Agreement in a Federal Deposit Insurance Corporation (FDIC) account and record in a separate account on the books of Grantee. Grantor reserves the right to suspend payments should Grantee fail to provide required reports in a timely and adequate fashion or if Grantee fails to meet other terms and conditions of this Agreement. Grantor may withhold payment requests if Grantee fails to comply with the above requirements until such compliance is demonstrated. If applicable, Grantor will not release the final 10% of funding until Grantee confirms matching funds are expended.

6. **Reporting Requirements.** Grantee shall submit to Grantor the reports required in **Exhibit II: Reporting**.
7. **Records, Access and Maintenance.** Grantee shall establish, and physically control for at least five years from the final close out of this Agreement such records as are required by Grantor, including but not limited to, financial reports, intake and participant information, program and audit reports. The parties further agree that records required by Grantor with respect to any questioned costs, audit disallowances, litigation or dispute between Grantor and Grantee shall be maintained for the time needed for the resolution of any such issue. If for any reason Grantor shall require a review of the records related to the Project(s), Grantee shall, at its own cost and expense, segregate all such records related to the Project(s) from its other records of operation.
8. **Audits.** Grantees receiving a state-funded grant award of less than \$500,000 do not have an audit requirement. Grantor may, at its option, choose to send department auditors to complete an audit of any state-funded grant award. Grantees receiving a state-funded grant award equal to or greater than \$500,000 are required to submit either a single audit or a grant specific audit report to Ohio Department of Development, Audit Office, P.O. Box 1001, Columbus, Ohio 43216-1001.
  - i. **Single Audit:** Grantee obtains an organization-wide audit. The report includes organization-wide financial statements, an opinion on the financial statements, a report on internal controls, and a report on compliance with the terms and conditions of the grant agreements. The audit report must include a schedule of federal grants. This report should include the division name, the grant name and number, the amount of cash received, the expenditures charged and the balance at the end of the audit period. The audit report must include a report on compliance with the terms and conditions of federal grants. Single audits must be performed by an independent public accountant. Single audits must be submitted to Grantor within 30 days of the date of the release, but no later than nine months after the end of the audit period.
  - ii. **Grant Specific Audit:** Grantee obtains an audit of a specific grant that is equal to or greater than \$500,000. The audit report must include a statement of revenues and expenditures for the grant, an opinion on the statements of revenues and expenditures, a report on internal controls as they relate to the grant, and a report on compliance with the terms and conditions of the grant agreement. A grant specific audit must be performed by an independent public accountant. Grant specific audits must be submitted to Grantor within 30 days of the date of the release, but no later than nine months after the end of the grant period.
  - iii. **Audit Standards:** Audits performed by independent public accountants must be performed in accordance with generally accepted auditing standards or generally accepted government auditing standards for financial and compliance audits, whichever is applicable.
9. **Monitoring, Evaluation and Audit Activities.** Grantor shall supervise, evaluate, and provide guidance and direction to Grantee in the conduct of the work and activities to be performed under the terms of this Agreement. Grantee's staff and all parties involved with the project shall cooperate with Grantor and its authorized representatives in their program monitoring and shall maintain and make available to Grantor all programmatic, fiscal, and performance records necessary for Grantor's monitoring and evaluation. Grantee shall submit to Grantor reports detailing the expenditures of the Grant Funds and such other reports as may be required by Grantor, including the reports listed and according to the schedule set forth in **Exhibit II: Reporting**.
10. **Reports and Records.**
  - a. **Performance Reports.** Grantor shall supervise, evaluate and provide guidance and direction to Grantee in the conduct of the work and activities to be performed under the terms of this Agreement.
  - b. **Signature and Costs.** The authorized representative on behalf of Grantee shall certify by his or her submission of each report required by **Exhibit II** that the information reported by Grantee is true, complete and correct.



11. **Rights of Inspection.** Grantee shall permit Grantor to inspect and copy, during normal business hours, any books and records necessary to ensure compliance with the terms and conditions of this Agreement. Grantee acknowledges and agrees that rights of inspection (1) extend to representatives and agents of Grantor and federal agencies that pass funds through Grantor including, but not limited to, the Auditor of State of Ohio, an appropriate inspector general appointed under applicable federal or state law, the Comptroller General of the United States and/or the Government Accountability Office; (2) include the rights to examine Grantee's corporate accounts or other accounts and/or funding sources within the control and/or name of Grantee when there is evidence (e.g., vouchers, invoices, canceled checks, descriptions, etc.) that these books contain original or substantial source documentation of the federal funds granted herein; (3) contain Grantee's covenant to make all fiscal records available to authorized audit personnel of Grantor and its federal agencies for inspection at any time and as often as Grantor may deem necessary and in a manner as not to interfere with the normal business operation of Grantee; and (4) include Grantee's undertaking to make available to Grantor for interview any officer or employee of Grantee or of any contractor or subcontractor of Grantee regarding the Grant Funds and any transaction involving the Grant Funds. Grantee shall also require each of its non-profit partners, contractors and subcontractors paid with Grant Funds to make its respective books and records available for inspection and copying in the same manner as described in this section for Grantee's books and records.
12. **Budget Alterations.** Grantee may make alterations to any line in its budget submitted with this Agreement as referenced in the Application so long as Grantee notifies Grantor of such budget alteration within the electronic application system 30 days prior to the date of the change and Grantor approves the proposed alteration within the electronic application system. Alterations to line items in Grantee's budget shall not increase the amount of Grant Funds awarded under this Agreement. Grantor shall respond to Grantee's request to approve a budget alteration within a reasonable period of time.
13. **Grantee Certifications and Assurances.** By signing this Agreement, Grantee certifies and assures the following:
  - a. **Equal Employment Opportunity.** Grantee shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, disability, age, military status or ancestry. Grantee shall ensure that applicants for employment are considered for employment, and that employees are treated during employment, without regard to their race, religion, color, sex, national origin, disability, age, military status or ancestry. Grantee will incorporate the requirements of this paragraph in all of its contracts for any of the work undertaken on the Project (other than subcontracts for standard commercial supplies or raw materials), and Grantee will require all of its contractors for any part of such work to incorporate such requirements in all subcontracts for such work.
  - b. **Property and Equipment Purchases.** All items purchased by Grantee are and shall remain the property of Grantee, except if Grantor exercises its right to terminate this Agreement pursuant to paragraph 14, in which case all property and equipment purchased by Grantee with any Grant Funds herein awarded shall revert to Grantor. Grantee shall provide for the security and safekeeping of all items obtained through this Agreement.
  - c. **Accounting.** Accounting systems used by Grantee are in accordance with generally accepted accounting standards and other applicable local, state and federal statutes, regulations, policies, directives, and guidelines. Grantee has established procedures to ensure good fiscal and management practices to deposit and account for the Grant Funds. Grantee shall make appropriate documentation relating to the Grant Funds available to the Grantor and the U.S. Department of Treasury, the Comptroller General of the United States, or any of their duly authorized representatives, for examination or copying, upon a reasonable request.
  - d. **Insurance.** Grantee is and shall remain throughout the term of this Agreement insured by a surety or fidelity insurance to cover all individuals responsible for the security and control of the Grant Funds

covered under this Agreement. Grantee shall maintain on file and produce a copy at the request of the Grantor a Certification of Fidelity Bonding and Collateral Security of Deposits.

- e. **Minority Hiring Goal.** Grantee shall make a good faith effort to employ minority persons in the completion and operation of the Project in the same percentage as the average percentage of minority persons who reside in the county in which the Project is located and any contiguous Ohio counties.

**14. Termination**

- a. Grantor may immediately terminate this Agreement by giving reasonable written notice of termination to Grantee for any of the following occurrences:
  - i. Failure of Grantee to fulfill in a timely and proper manner any of its obligations under this Agreement.
  - ii. Failure of Grantee to submit any report required by this Agreement that is complete and accurate.
  - iii. Failure of Grantee to use the Grant Funds for the stated purposes in this Agreement.
  - iv. Failure to spend matching funds, if applicable.
- b. **Early Termination:** Grantor may also terminate this Agreement if Grantee (i) defaults under another Agreement between the Grantor and/or the Tax Credit Authority and Grantee (ii) admits Grantee's inability to pay its debts as such debts become due, (iii) Grantee commences a voluntary bankruptcy, (iv) an involuntary bankruptcy action occurs against Grantee which remains undismissed or unstayed for 60 days, (v) Grantee fails to meet the minimum funding requirements under the Employee Retirement Income Security Act or other such employee benefits plan, or (vi) Grantor has reason to believe Grantee has ceased operations at the Project location. The events permitting early termination by Grantor shall be considered a default by Grantee and subject to the Effects of Termination under Section 18 of this Agreement.

**15. Remedies.** Following a default by Grantee, Grantor may exercise one or more of the following remedies:

- a. **Discontinue Disbursements.** If the Grant Funds have not been fully disbursed, Grantor may terminate any and all of Grantor's obligations under this Agreement, including the obligation to make further disbursements of Grant Funds.
- b. **Suspension or Termination.** Grantor may withhold payment under this Agreement, suspend or terminate the Agreement in whole or in part for cause, which shall include, but is not limited to: (1) failure for any reason by Grantee to fulfill in a timely and proper manner its obligations under this Agreement, or other agreements entered into between the parties, including compliance with the approved program and any and all statutes, Executive Orders, regulations, directives, guidelines, plans or other requirements as may become generally applicable at any time; (2) Grantor determines that the nature or extent of noncompliance is extreme and warrants immediate termination of this Agreement; (3) Grantee ceases to exist or becomes legally incapable of performing its responsibilities under the Agreement; (4) Grantee has failed to comply with any timelines for the expenditure of Grant Funds as required by Grantor; (5) ineffective or improper use of the Grant Funds provided under this Agreement; (6) failure to comply with reporting requirements including, but not limited to, submission by Grantee to Grantor of reports that are incorrect or incomplete in any material respect; (7) suspension or termination of any funds provided under this Agreement, or the portion thereof delegated by this Agreement; and (8) cancellation of grant funds. Grantee acknowledges that timely performance and attainment of performance measurements are material to Grantee's compliance with this Agreement and a priority of the federal and state governments in the administration of the Grant Funds.

- c. **Demand Repayment of Grant Funds.** Under the circumstances described in Section 5 of this Agreement, demand repayment of Grant Funds improperly expended. Grantee shall not be required to refund Grant Funds in an amount that exceeds the Grant Funds awarded.
  - d. **Other Legal Remedies.** Pursue any other legal or equitable remedies Grantor may have under this Agreement or applicable law.
  - e. **Remedies Cumulative.** No remedy provided to Grantor under this Agreement or otherwise by law or in equity is exclusive of any other available remedy. No delay or omission by Grantor in exercising any right or power accruing upon any default shall impair any such right or power or be construed as a waiver, and each such right or power may be exercised from time to time as often as may be deemed by Grantor to be expedient.
16. **Effects of Termination.** Within 60 days after termination of this Agreement, Grantee shall surrender all reports, documents, and other materials assembled and prepared pursuant to Agreement, which shall become the property of Grantor, unless otherwise directed by Grantor. After receiving written notice of termination, Grantee shall incur no new obligations and shall cancel as many outstanding obligations as possible. Upon compliance with this Section, Grantee shall receive compensation for all activities satisfactorily performed prior to the effective date of termination.
17. **Liability.**
- a. **Public Agency or Governmental Entity.** If Grantee is a public agency or governmental entity, Grantee shall maintain liability and property insurance to cover actionable legal claims for liability or loss which are the result of injury to or death of any person and damage to property (including property of Grantor) caused by the negligent acts or omissions or negligent conduct of Grantee, to the extent permitted by law, in connection with the work and activities of this Agreement. Furthermore, as between the parties to this Agreement, each party agrees to be liable for the negligent acts or negligent omissions by or through itself and its respective employees, agents, and contractors. Each party to this Agreement further agrees to defend itself and pay any judgments and costs arising out of such negligent acts or omissions, and nothing in this Agreement shall impute or transfer any such liability from one party to the other.
18. **Forbearance Not a Waiver.** No act of forbearance or failure to insist on the prompt performance by Grantee of its obligations under this Agreement, either express or implied, shall be construed as a waiver by Grantor of any of its rights hereunder.
19. **Certification of Funds Available.** None of the rights, duties, and obligations described in this Agreement shall be binding upon either party until all statutory provisions of the Ohio Revised Code, including, but not limited to, Section 126.07, have been complied with, and until such time as all necessary funds have actually been made available and forthcoming from the appropriate state and/or federal agencies.
20. **Budget Reductions.** Grantee acknowledges that Grantor is subject to State of Ohio budgetary constraints that could result in the reduction of the amount of Grant Funds provided under this Agreement. Should Grantor's funding levels be reduced, Grantor shall notify Grantee in writing of the extent of any reduction to the Grant Funds and reduce Grantee's commitments in a manner corresponding to the reduction of Grant Funds and such notice shall result in the Agreement being amended without further action by the parties. Grantee hereby irrevocably authorizes Grantor to reduce the amount of Grant Funds provided under this Agreement upon written notice to Grantee provided there is a corresponding reduction in commitments outlined on page 1 of this Agreement
21. **Conflict of Interest.** No personnel of Grantee, contractor of Grantee or personnel of any such contractor, and no public official who exercises any functions or responsibilities in connection with the review or approval of any work completed under this Agreement, shall, prior to the completion of such work, voluntarily or involuntarily acquire any personal interest, direct or indirect, which is incompatible or in conflict with the



discharge or fulfillment of his or her functions or responsibilities with respect to the completion of the work contemplated under this Agreement. Grantee shall immediately disclose in writing to Grantor any such person who, prior to or after the execution of this Agreement, acquires any personal interest, voluntarily or involuntarily. Grantee shall cause any such person who, prior to or after the execution of this Agreement, acquires any personal interest, voluntarily or involuntarily, to immediately disclose such interest to Grantor in writing. Thereafter, such person shall not participate in any action affecting the work under this Agreement unless Grantor determines that, in light of the personal interest disclosed, his or her participation in any such action would not be contrary to the public interest.

**22. Adherence to State and Federal Laws, Regulations.**

- a. **General.** Grantee shall comply with all applicable federal, state, and local laws in the performance of Grantee's obligations under this Agreement, the completion of the Project and the operation of the Project as long as Grantee has any obligation to Grantor under this Agreement. Without limiting the generality of such obligation, Grantee shall pay or cause to be paid all unemployment compensation, insurance premiums, workers' compensation premiums, income tax withholding, social security withhold, and any and all other taxes or payroll deductions required for all employees engaged by Grantee in connection with the Project, and Grantee shall comply with all applicable environmental, zoning, planning and building laws and regulations.
- b. **Ethics.** Grantee, by its signature on this document, certifies: (1) it has reviewed and understands the Ohio ethics and conflict of interest laws including, without limitation, **ORC Sections 102.01 et seq., 2921.01, 2921.42, 2921.421, 2921.43, and 3517.13(I) and (J)**, and (2) will take no action inconsistent with those laws, as any of them may be amended or supplemented from time to time. Grantee understands that failure to comply with the ethics and conflict of interest laws, is in itself, grounds for termination of this Agreement and the grant of funds made pursuant to this Agreement and may result in the loss of other contracts or grants with the State of Ohio.

**23. Outstanding Liabilities.** Grantee represents and warrants that it does not owe: (1) any delinquent taxes to the State of Ohio (the "State") or a political subdivision of the State; (2) any amount to the State or a state agency for the administration or enforcement of any environmental laws of the State; and (3) any other amount to the State, a state agency or a political subdivision of the State that are past due, whether or not the amounts owed are being contested in a court of law.

**24. Falsification of Information.** Grantee represents and warrants that it has made no false statements to Grantor in the process of obtaining this award of the Grant Funds. If Grantee has knowingly made a false statement to Grantor to obtain this award of the Grant Funds, Grantee shall be required to return all the Grant Funds immediately pursuant to **ORC Section 9.66(C)(2)** and shall be ineligible for any future economic development assistance from the State, any state agency or a political subdivision pursuant to **ORC Section 9.66(C)(1)**. Any person who provides a false statement to secure economic development assistance may be guilty of falsification, a misdemeanor of the first degree, pursuant to **ORC 2921.13(F)(1)**, which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than 180 days.

**25. Public Records.** Grantee acknowledges that this Agreement and other records in the possession or control of Grantor regarding the Project are public records under **ORC 149.43** and are open to public inspection unless a legal exemption applies.

**26. Miscellaneous.**

- a. **Forum and Venue.** Grantee irrevocably submits to the non-exclusive jurisdiction of any federal or state court sitting in Columbus, Ohio, in any action or proceeding arising out of or related to this Agreement, Grantee agrees that all claims in respect of such action or proceeding may be heard and determined in any such court, and Grantee irrevocably waives any objection it may now or hereafter have as to the venue of any such action or proceeding brought in such court or that such court is an



inconvenient forum. Nothing in this Agreement shall limit the right of Grantor to bring any action or proceedings against Grantee in the courts of any other jurisdiction. Any actions or proceedings by Grantee against Grantor or the State of Ohio involving, directly or indirectly, any matter in any way arising out of or related to this Agreement shall be brought only in a court in Columbus, Ohio.

- b. **Entire Agreement.** This Agreement, including its exhibits and documents incorporated into it by reference, constitutes the entire agreement and understanding of the parties with respect to its subject matter. Any prior written or verbal agreement, understanding or representation between the parties or any of their respective officers, agents, or employees is superseded and no such prior agreement, understanding or representation shall be deemed to affect or modify any of the terms or conditions of this Agreement.
  - c. **Program Income.** Any funds that were billed to the property owner as part of a nuisance order or other means and subsequently paid by a property owner to Grantee for Project work that was billed/paid by Grantor with Grant Funds, shall be returned to Grantor.
27. **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions of this Agreement.
28. **Pronouns.** The use of any gender pronoun shall be deemed to include all the other genders, and the use of any singular noun or verb shall be deemed to include the plural, and vice versa, whenever the context so requires.
29. **Headings.** Section headings contained in this Agreement are inserted for convenience only and shall not be deemed to be a part of this Agreement
30. **Counterparts; PDF Accepted.** This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Copies of signatures sent by facsimile transmission or provided electronically in portable document format ("PDF") shall be deemed to be originals for purposes of execution and proof of this Agreement.
- a. **Notices.** All notices, consents, demands, requests and other communications which may or are required to be given hereunder shall be in writing and shall be deemed duly given if personally delivered or sent by United States mail, registered or certified, return receipt requested, postage prepaid, to the addresses set forth hereunder or to such other address as the other party hereto may designate in written notice transmitted in accordance with this provision.
    - i. In the case of Grantor, to:  
  
Ohio Department of Development  
Office of Energy and Environment  
77 South High Street, P.O. Box 1001  
Columbus, Ohio 43216-1001  
Attn: Deputy Chief
    - ii. In the case of Grantee, to:  
  
2168 West 25th Street LLC  
629 Euclid Avenue, Suite 1101 Cleveland, OH 44114

**Signature**

Each of the parties has caused this Grant Agreement to be executed by its authorized representatives as of the dates set forth below their respective signatures.

**Grantee:**

2168 West 25th Street LLC

  
\_\_\_\_\_

Authorized Official

  
\_\_\_\_\_

Printed Name:

  
\_\_\_\_\_

Title:

  
\_\_\_\_\_

Date:

**Grantor:**

State of Ohio, Department of Development

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT I**

**Scope of Work/Budget/Grant Application**

Project scope of work and budget is located within Grantor electronic application system (Salesforce).

## **EXHIBIT II**

### **Reporting**

Grantee shall provide the information listed below by the date(s) specified herein or to be determined by Grantor. Grantor shall provide a format to submit the information and shall instruct Grantee in the proper completion of such documents. The reporting and recordkeeping requirements listed herein shall not be construed to limit Grantor from making additional requests or from changing or including additional detail. Failure to submit required reports will result in non-payment of monthly expenditures.

1. **Financial Reimbursement Requests:** all financial reimbursement requests must be submitted electronically to the Grantor on a monthly basis as costs are incurred. Supporting documentation for costs submitted for reimbursement must be uploaded and submitted within the electronic system as part of the request. If an advance of funds is being requested, provide a rational for the advance and anticipated uses. The rational should include supporting documentation for the requested costs.
2. **Program Reports:** Program reports must be submitted on a quarterly basis. Program reports must be submitted by close of business, on the third Friday at the end of each quarter. Program reports must include the following information:
  - a. Narrative summary of use of funds during the reporting period.
  - b. Update of outcomes projected in Grantee's Application. Examples may include an assessment initiated or completed, remediation work beginning on the site, additional testing completed and/or further development with the proposed end-use.
3. **Final Report:** A final project report must be submitted 15 days after the end of this Agreement.

**EXHIBIT III**

Special Conditions may be included within this Grant Agreement as agreed upon by Grantee and Grantor.

**FIRST AMENDMENT TO  
BROWNFIELD REMEDIATION PROGRAM  
GRANT AGREEMENT**

This First Amendment to the Grant Agreement (the "First Amendment") is made and entered into by and between the **Ohio Department of Development** ("Grantor"), and **2168 West 25th Street LLC** ("Grantee") for the purpose of amending the Expiration Date for the **Brownfield Remediation Program**.

**Background Information**

- A. Grantor and Grantee entered into a Grant Agreement effective January 1, 2022 (the "Original Agreement").
- B. Both parties agree to extend the Expiration Date of the Agreement, as provided herein.

**Statement of the Agreement**

In consideration of the mutual covenants contained herein, the Grantor and Grantee agree that the Agreement is hereby amended as follows:

- 1. **Expiration Date.** The Expiration Date is amended to June 30, 2024.
- 2. Except as modified herein, the Agreement shall remain in full force and effect in accordance with its terms.

GRANTEE:

**2168 West 25th Street LLC**

Sign: \_\_\_\_\_

Print: Joli Malon

Title: Manager

Date: 2/15/23

GRANTOR:

**Ohio Department of Development**  
Lydia L. Mihalik  
Director

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

(Effective Date of First Amendment)

**County Council of Cuyahoga County, Ohio  
Resolution No. R2022-0405**

<p><b>Sponsored by: County Executive Budish/Department of Development</b></p> <p><b>Co-sponsored by: Councilmembers Turner, Gallagher and Stephens</b></p>	<p><b>A Resolution</b> authorizing Cuyahoga County Match Funding Forgivable loans to various organizations in the total amount not-to-exceed \$5,000,000.00 for various projects in connection with the State of Ohio, Brownfield Remediation Funding Match Program for the period 12/1/2022 – 11/30/2025; authorizing the County Executive and/or Director of Development to execute all documents consistent with said loans and this Resolution; and declaring the necessity that this Resolution become immediately effective.</p>
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**WHEREAS**, the County Executive/Department of Development recommends Cuyahoga County Match Funding Forgivable loans to various organizations in the total amount not-to-exceed \$5,000,000.00 for various projects in connection with the State of Ohio, Brownfield Remediation Funding Match Program for the period 12/1/2022 – 11/30/2025 as follows:

- 1) 2168 West 25<sup>th</sup> St. LLC in the amount not-to-exceed \$137,718.75.
- 2) BC Empire School LLC in the amount not-to-exceed \$187,569.43.
- 3) Beacon Communities (BC Central School LLC) in the amount not-to-exceed \$257,070.22.
- 4) Bridgeworks, LLC in the amount not-to-exceed \$42,465.00.
- 5) Cleveland Metroparks in the amount not-to-exceed \$110,632.80.
- 6) Crooked River Equity Partners in the amount not-to-exceed \$546,138.75.
- 7) Foundry Project Arts Incubator, Inc. in the amount not-to-exceed \$215,000.00.
- 8) Hawthorne Elementary Partners in the amount not-to-exceed \$283,000.00.
- 9) Kurtz Bros. Inc. in the amount not-to-exceed \$276,217.80.





REC'D BY SHPO FEB 27 2023



NP

HISTORIC PRESERVATION CERTIFICATION APPLICATION
PART 2 - DESCRIPTION OF REHABILITATION

Instructions: This page must bear the applicant's original signature and must be dated. The National Park Service certification decision is based on the descriptions in this application form. In the event of any discrepancy between the application form and other, supplementary material submitted with it (such as architectural plans, drawings and specifications), the application form takes precedence. A copy of this form will be provided to the Internal Revenue Service.
NPS Project Number 46509

1. Historic Property Name Rauch & Lang Carriage Company Building

Street 2168 W. 25th Street
City Cleveland County Cuyahoga State OH Zip 44113-4115
Name of Historic District or National Register property Rauch & Lang Carriage Company Building (NR 100008415)
Listed Individually in the National Register of Historic Places; date of listing 11/25/2022
Located in a Registered Historic District; name of district
Part 1 - Evaluation of Significance submitted? Date submitted Date of certification

2. Project Data (for phased projects, data entered in this section must be totals for entire project)

Date of building 1878-1922, c.1985, c.1995 Estimated total rehabilitation costs (QRE) \$25,321,429
Number of buildings in project 1 Floor area before / after rehabilitation 249,700 / 235,578 sq ft
Start date (estimated) 08/01/2023 Use(s) before / after rehabilitation Vacant / Mixed Use
Completion date (estimated) 12/31/2025 Number of housing units before / after rehabilitation 0 / 92
Application includes phase(s) 1 of 1 phases Number of low-moderate income housing units before / after rehabilitation 0 / 0
Intend to elect IRS 60-month phased rehabilitation

3. Project Contact (if different from applicant)

Name Heather Rudge Company Historic Preservation Group, LLC
Street 2425 W. 11th Street City Cleveland State OH
Zip 44113 Telephone (216) 302-3510 Email Address heather@hpgroup-llc.com

4. Applicant

I hereby attest that the information I have provided is, to the best of my knowledge, correct. I further attest that (check one or both boxes, as applicable):
I am the owner of the above-described property within the meaning of "owner" set forth in 36 CFR § 67.2 (2011), and/or
if I am not the fee simple owner of the above described property, the fee simple owner is aware of the action I am taking relative to this application and has no objection, as noted in a written statement from the owner, a copy of which (i) either is attached to this application form and incorporated herein, or has been previously submitted, and (ii) meets the requirements of 36 CFR § 67.3(a)(1) (2011).
For purposes of this attestation, the singular shall include the plural wherever appropriate. I understand that knowing and willful falsification of factual representations in this application may subject me to fines and imprisonment under 18 U.S.C. § 1001, which, under certain circumstances, provides for imprisonment of up to 8 years.
Name Jori Maron Signature (Sign in ink) Date 02/23/2023
Applicant Entity 2168 West 25th Street LLC SSN or TIN
Street 629 Euclid Avenue, Suite 1150 City Cleveland State OH
Zip 44113 Telephone (216) 410-5172 Email Address jmaron@mrnltd.com
Applicant, SSN, or TIN has changed since previously submitted application.

NPS Official Use Only

The National Park Service has reviewed the Historic Preservation Certification Application - Part 2 for the above-named property and has determined that:
the rehabilitation described herein is consistent with the historic character of the property and, where applicable, with the district in which it is located and that the project meets the Secretary of the Interior's Standards for Rehabilitation. This letter is a preliminary determination only, since a formal certification of rehabilitation can be issued only to the owner of a "certified historic structure" after rehabilitation work is complete.
the rehabilitation or proposed rehabilitation will meet the Secretary of the Interior's Standards for Rehabilitation if the attached conditions are met.
the rehabilitation described herein is not consistent with the historic character of the property or the district in which it is located and that the project does not meet the Secretary of the Interior's Standards for Rehabilitation.

Date 6/23/23 National Park Service Authorized Signature (Sign in ink) Jori Maron

NPS conditions or comments attached





### HISTORIC PRESERVATION CERTIFICATION APPLICATION NATIONAL PARK SERVICE CONDITIONS

Historic Property Name Rauch & Lang Carriage Company Building Project Number 46509

Property Address, City, State 2168 W. 25<sup>th</sup> Street, Cleveland, Ohio 44113-4115

The rehabilitation of this property as described in the Historic Preservation Certification Application will meet the Secretary of the Interior's Standards for Rehabilitation provided that the following condition(s) is/are met:

1. **SITWORK:** Site work – including, but not necessarily limited to, any proposed signage, public areas, ADA ramps, retaining walls, gates, fences, canopies, landscaping, parking areas, railings, paving, and exterior/site lighting – must be compatible with the historic character of the building. Detailed plans should be submitted to the Ohio SHPO/NPS via amendment for review and approval prior to starting work.
2. **WINDOWS:** New and replacement windows must be compatible with the historic character of the building. Windows should match the configuration of historic windows in same area of the building based on pictorial and physical evidence, if available, and be installed in the same plane in the wall as the historic windows.
  - A. New and replacement windows in areas of the building that historically had wood hung sash should be installed in rough masonry openings and have offset sash with clear glazing, a putty bevel glazing detail, butt joints instead of mitered corners, proportionate rails and stiles, and a compatible brickmold profile.
  - B. New and replacement windows in areas of the building that historically had steel industrial sash should be installed in rough masonry openings; have component proportionality similar to that of the historic windows, and faithfully replicate the location, size, and configuration of operators.
  - C. Detailed shop-like drawings for all replacement windows providing the measurements specified on the NPS sample drawing (<https://www.nps.gov/subjects/taxincentives/windows-documentation-for-replacement.htm>) should be submitted via amendment for review and approval by the Ohio SHPO and NPS prior to ordering windows or commencing work.
3. **FUTURE WORK:** This approval does not extend to work for which details have not been submitted for review and approval to the Ohio SHPO and NPS, including – but not necessarily limited to – tenant improvements (including related signage and building systems work) in proposed retail, restaurant, and office lease spaces as well as assembly/recreational spaces not fully described in the Part 2. Federal regulations governing this program require evaluation of the entire project. This approval may be superseded if it is found that the overall rehabilitation does not meet the Secretary of the Interior's Standards for Rehabilitation. An amendment providing information regarding any additional work should be submitted to the Ohio SHPO and NPS for review and approval as soon as available to ensure conformance of the overall project with the Standards.
4. **BUILDING SYSTEMS:** New mechanical, electrical, plumbing, sprinkler, life safety, technology, and other building systems must be installed in a manner that has minimal material and visual impact on the historic character of the building and associated components must be compatible. In areas of the building that were historically finished spaces, building systems should be concealed within walls and above ceilings whenever possible, with enclosures held to a minimum size, installed tight to walls and away from windows, and not obscuring character-defining features. In areas of the building that were historically industrial space and in the portions of Building Sections 1 and 2 that have pressed metal ceilings, building systems may be run exposed provided that they are held tight to the ceiling and run neatly. Exposed system components adjacent to pressed metal ceilings must be painted to match while exposed system components in historically industrial spaces must have a compatible finish so as to blend if they are not painted to match the ceiling. Detailed plans for proposed systems work, cut sheets for proposed exterior light fixtures, and any other pertinent information about building systems should be submitted for review and approval by the Ohio SHPO and NPS via amendment before proceeding with this work.

Photographs documenting that the conditions have been met must be submitted with the Request for Certification of Completed Work.

Any substantive change in the work as described in the application should be brought to the attention of the State Historic Preservation Office and the National Park Service in writing, using the Amendment/Advisory Determination form, prior to execution to ensure that the proposed project continues to meet the Standards.

5/30/2023  
Date

Mariangela Pister  
State Historic Preservation Office Signature

DSHPO/Dept. Head, Tech. Pres. Services

The National Park Service has determined that this project will meet the Secretary of the Interior Standards for Rehabilitation if the condition(s) listed above are met.

6/20/23  
Date

[Signature]  
National Park Service Signature



**MIKE DEWINE**  
GOVERNOR OF OHIO



**JON HUSTED**  
LT. GOVERNOR OF OHIO



**Department of  
Development**

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### **Monmouth Building (Cleveland)**

*Total Project Cost:* \$14,770,521

*Total Tax Credit:* \$1,457,710

*Address:* 11619 Euclid Ave.

Constructed in 1915 as a commercial apartment block, the Monmouth Building is located in Cleveland's University Circle. Now vacant, the building will be rehabilitated to house three commercial spaces on the first floor with 12 apartments on the upper floor and contribute to retail, restaurant, and housing options in the growing neighborhood. A new, mixed-use building will be constructed on an adjacent parcel.

### **Rauch & Lang Carriage Company Building (Cleveland)**

*Total Project Cost:* \$63,404,868

*Total Tax Credit:* \$5,000,000

*Address:* 2168 W. 25th St.

Located in Cleveland's Ohio City neighborhood, the Rauch & Lang Carriage Company building was constructed in 18 separate phases, dating from the late 1870s into the early 2010s, with the majority constructed by the early 1920s. The site consists of 240,000 square feet of space where the company manufactured automobile bodies and industrial trucks through 1947. The now-vacant site will be rehabilitated to house retail, restaurant, assembly, and office space, parking, and 92 apartments.

### **Park Synagogue (Cleveland Heights)**

*Total Project Cost:* \$ 143,669,643

*Total Tax Credit:* \$10,000,000

*Address:* 3300 Mayfield Rd.

The proposed project involves rehabilitating the 1945-50 Park Synagogue in Cleveland Heights. The classroom wing of the synagogue will become home to 26

## CUYAHOGA COUNTY TERMS AND CONDITIONS

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<b>BORROWER:</b>	2168 West 25 <sup>th</sup> Street, LLC
<b>LOAN AMOUNT:</b>	Up to Two Million Dollars (\$2,000,000) of Cuyahoga County Economic Development Loan Fund (“Loan”).
<b>USE OF LOAN PROCEEDS:</b>	The loan proceeds may be used for acquisition, construction, costs, and/or other project-related expenses at the project site located at 2168 West 25 <sup>th</sup> Street, Cleveland, Ohio 44113
<b>LOAN INTEREST RATE:</b>	The rate of interest is fixed at four and one-half percent (5.50%) per annum.
<b>LOAN TERM / REPAYMENT:</b>	The loan term shall consist of 3 years of interest-only payments followed by principal and interest payment for a term of 15 years based on a 25-year amortization period. The full term of the loan is 18 years
<b>PROJECT EQUITY:</b>	A minimum of ten percent (10%) of the total Project costs to be injected in cash or deferred development fee by the Borrower.
<b>CONDITIONS:</b>	<p>The loan is predicated upon the Borrower and/or the Tenants creating 60 new full-time equivalent jobs. The jobs must be created within three (3) years of project completion.</p> <p>It will further be necessary to provide copies of any letters of commitment for financing prior to County loan approval.</p>
<b>COLLATERAL:</b>	A lien on the real estate that meets the County’s 90% Loan to Value (LTV) requirement pursuant to an As Complete appraisal.
<b>INSURANCE:</b>	Borrower shall maintain the following insurance, with the County as additional insured: commercial general liability insurance, umbrella/excess liability insurance, workers’ compensation insurance, and property insurance where required by the Loan Agreement. Additional insurance may be required by the County’s Risk Management Office.
<b>WORKFORCE AGREEMENT:</b>	The Borrower will be required to execute a Workforce Development Agreement with OhioMeansJobs for any jobs created as a result of the Project. The Workforce Development Agreement Works to match unemployed skilled workers with available positions.

**SKILL-UP MEETING:**

The Borrower will be required to have a meeting with representatives of the Department of Development's Skill-Up Program in order to assess opportunities to provide new skills to workforce and improve earning potential of employees.

**PREVAILING WAGES:**

Use of County funds for the Project's construction labor components shall require the payment of State of Ohio or Davis-Bacon prevailing wages and benefits rates. Evidence of prevailing wages shall be submitted to the Department of Development, or another Project designated pay authority, through the LCP Tracker@ system designated as the sole system by DOD to receive and review such information and evidence.

**EXPENSES AND FEES:**

Borrower to pay all fees, cost and expenses incurred by the County, including legal fees. Additionally, Borrower will be required to pay an application fee of \$500, and a loan fee of 1% of the loan amount.

**SMALL BUSINESS ENTERPRISE:**

Borrowers receiving economic development assistance valued at \$250,000 or more for projects resulting in improvements to real property are hereby encouraged to hire and provide contract opportunities to qualified Small Business Enterprises (SBE) that have been certified pursuant to Cuyahoga County's SBE program, particularly residents of Cuyahoga County whose income equals or falls below the federal poverty guidelines pursuant to Council Ordinance 2011-0014 and the SBE policy adopted October 29, 2009.

**REGULAR REPORTING:**

The Borrower and Guarantor (s) shall submit, if requested: (i) annual tax returns and financial statements, (ii) evidence of current and continuing general liability insurance, (iii) evidence of current tax payments, (iv) annual current rent roll (if applicable), (v) annual job creation reports (if applicable), and (vi) any other documentation as required under the loan documents.

**JOB CERTIFICATION CONTACT INFORMATION FORM:**

Borrower shall execute a Job Certification Information Form identifying the company's primary contact persons for providing the County's information requirements pertaining to job creation and financial information matters.

**COUNTY TAXES:**

Borrower must be current on all of its Cuyahoga County tax liabilities before presentation of the Loan request to the

**OTHER REGULATIONS:**

Cuyahoga County Council.

Borrower shall also comply, as agreed, with all federal, state, County and local regulations to the extent that they are applicable to the Project.

**MISCELLANEOUS:**

Such other terms and conditions as the County deems necessary and appropriate.

**OnBase Item Detail Briefing Memo - Form**

**Department of Development; 2023; 2168 West 25<sup>th</sup> Street LLC; \$2,000,000; Place Based/Mixed Use Loan; Loan No. 327-01-01**

**A. Scope of Work Summary**

Department of Development requesting approval of a Place Based/Mixed Use Loan with 2168 West 25<sup>th</sup> Street, LLC for the anticipated cost, not-to-exceed \$2,000,000. Redevelopment of this building will create 92 residential apartments, 24,000 SF commercial office and coworking space, 25,000 SF of general retail and restaurant space, 50,000 SF of anchor food/beverage and 305 parking spaces. The project is located in County Council District 7.

**Economic Development Loan**

Borrower/Awardee/Business Entity Name: 2168 West 25<sup>th</sup> Street, LLC.

Project Name and location: 2168 West 25<sup>th</sup> Street, Cleveland, Ohio 44113

Project Goals: Historic renovation of the buildings into a transformational mixed-use project. The project will create a minimum of 60 new full-time jobs in Cuyahoga County.

Purpose – The loan proceeds may be used for acquisition, construction, costs, and/or other project-related expenses at the project site located at 2168 West 25<sup>th</sup> Street, Cleveland, Ohio 44113

Loan Type – Place Based/Mixed Use

Forgiveness Terms – None

Payments Required - Yes

Loan Position – A shared 2nd position mortgage subordinate to Huntington Bank pari-passu with a County Brownfield Loan and tax credit bridge loan subordinate to Huntington Bank, a Corporate Guaranty from AJAPPHR, LLC, and Personal and Trust Guaranties by Ari Maron and Jori Maron.

Number of Jobs created – 60 FTE

Loan amount - \$2,000,000

Loan Terms – 3 years of interest-only payments followed by principal and interest payment for a term of 15 years based on a 25-year amortization period. The full term of the loan is 18 years

Total Project Cost - \$68,800,150

Date Recommended – July 19, 2023

Funding Source: Economic Development Loan Fund