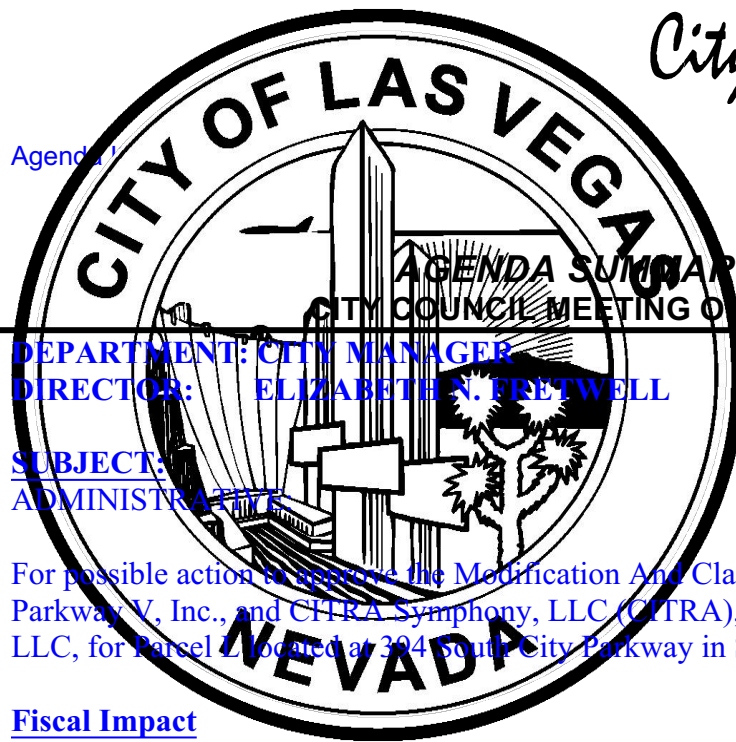




AGENDA SUMMARY PAGE

CITY COUNCIL MEETING OF: JULY 1, 2015

DEPARTMENT: CITY MANAGER
DIRECTOR: ELIZABETH N. FRETWELL

☒ **Consent** ☐ **Discussion**

SUBJECT:
ADMINISTRATIVE

For possible action to approve the Modification And Clarification Agreement between City Parkway V, Inc., and CITRA Symphony, LLC (CITRA), formerly CITRA Real Estate Capital, LLC, for Parcel L located at 394 South City Parkway in Symphony Park - Ward 5 (Barlow)

Fiscal Impact

☐

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

City Council approved the Disposition and Development Agreement (DDA) on November 20, 2013. On May 6, 2015 the City Council approved the extension of time of certain milestones in CITRA's Schedule of Performance. This agenda item would extend the Closing Date to July 31, 2015 and replace Exhibit D Schedule of Performance from the Disposition and Development Agreement with Exhibit A of the Agreement modifying the performance milestones that are affected by extending the Closing Date.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

1. Modification And Clarification Agreement
2. Disclosure of Principals
3. Site Map
4. Submitted at Meeting - PowerPoint Presentation by Staff

Motion made by RICKI Y. BARLOW to Approve

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

BOB COFFIN, RICKI Y. BARLOW, LOIS TARKANIAN, CAROLYN G. GOODMAN, STEVEN D. ROSS, STAVROS S. ANTHONY, BOB BEERS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

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Minutes:

BILL ARENT, Director of Economic and Urban Development, appeared with MICHAEL SALTZMAN, principal of CITRA, and stated that this item is an amendment to the existing development agreement. The development agreement originated in November 2013, and on May 6, 2015, the City Council approved an extension of time for certain milestones regarding the scheduled performance. This second amendment extends a milestone by 30 days for closing escrow on the land and closing financing on New Market Tax Credits.

In response to MAYOR GOODMAN'S inquiry, MR. ARENT referred to a PowerPoint presentation which was submitted as backup, and pointed out Parcel E in Symphony Park.

MR. ARENT explained that the project is a mixed use facility which will contain medical office space, a skilled nursing facility, assisted living, independent living and a parking structure. The agreement allows for two construction phases; the first phase is the assisted living, independent living and the parking structure. There will be a second closing on a larger construction loan with the deadline being extended to November 2, 2016. The second construction phase will include the medical office and the skilled nursing facility. Financing will close in March 2016 and construction will start on April 4, 2016. The dates are included in Exhibit "A" to the agreement.

MR. SALTZMAN stated that he worked on schedule with staff that is good for both partners. The project has benefits to the City and the Redevelopment Area as it has a residential component that will serve as a park for the residential needs of the Symphony Park neighborhood, and the skilled nursing and the medical office will serve as a link to the Cleveland Clinic and an expansion to the medical district. The project forms continued care that is geared for senior citizens, so will provide economic growth and a social need for the seniors in a downtown living environment.

In response to MAYOR GOODMAN'S inquiries, MR. SALTZMAN stated that first closing of financing will occur on July 31; in order to close, they had to have a commitment for all of the financing for Phase I. Vertical construction will begin when the construction loan is closed approximately three months later.

MAYOR GOODMAN hoped that the building would have architectural interest and character like the surrounding buildings, and MR. SALTZMAN stated that they hired a nationally renowned architect who is a specialist in both healthcare and urban mixed use development. In the context of the neighborhood, the building has a beautiful design but will be more of a backdrop to the Lou Ruvo Center for Brain Health and the Smith Center signature buildings in the district. MAYOR GOODMAN hoped to see the look of the building prior to the final design, and that it would not look like a box.

COUNCILMAN COFFIN was not convinced that this would be harmonious with its surroundings and thought it was important to protect the visual impact of the Smith Center.

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Because of the residential component and having to be further away from the railroad tracks, the plans for the visual look of the building changed. He was concerned about the height and look of the front of the building and stated that they need to pay attention to the surrounding area. MR. SALTZMAN replied that the architects have taken an enormous amount of pride in the design and he thought it was important to bring the team in to make a presentation to the Council.

COUNCILMAN COFFIN asked how high the parking structure would be, and MR. SALTZMAN explained that there was a different design for the parking structure and orientation of the uses, but after meeting with the fire department, the parking structure was placed as a buffer between the train tracks and the other uses. That put limitations on the layout, but they adhered as closely as possible to the design guidelines and the vision in the master plan development, giving attention to materials, breaking up the facades and using a comprehensive design approach.

COUNCILMAN COFFIN stated that the master plan was developed long before the Smith Center was constructed, and suggested that to gain his support, the height of the elevations on the north end of the property needed to be de-emphasized. This project works perfectly with the medical component in the area and he did not want the building to look like a box.

MAYOR GOODMAN was very excited about this project and understood that the residents needed to be away from the railroad tracks.

