



December 11th, 2020

Timothy M. Boland
Director of Economic Development
City of Cleveland Heights
Via e-mail: nrpphase1@clvhts.com

RE: Developer Qualifications for the Neighborhood Redevelopment Program – Phase I

Dear Mr. Boland-

Please find included here Liberty Development Company and Amato Home's collaborative proposal and qualifications for the Neighborhood Redevelopment Program (NRP).

As you will see from the outline of our experience, our proposed approach and the concept designs for these homes, we have a market viable and neighborhood appropriate strategy to help lead housing reinvestment in the Desota Avenue neighborhood in 2021.

We appreciate the opportunity to be part of Cleveland Heights' continued residential evolution and look forward to having a chance to discuss a partnership with the City in more detail soon.

Please feel free to contact us if you have any questions or require additional information from our team.

Sincerely,

Dru Siley

Dru Siley
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Liberty Development Company
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Frank Amato

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President
Amato Homes
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A. Development Team Information

Liberty Development Company was founded in 1996 is a full-service real estate development, management, and construction company with a diverse portfolio of commercial, retail, residential, industrial, and master land-use projects. As one of Northeast Ohio's most active and respected real estate developers, we've built a reputation for tackling complex issues with experience, creativity and vision, while remaining true to our core values of integrity, honesty, and transparency. In real estate development, we create practical, long-term partnerships founded on shared interests and goals.

The lead team member and development lead for our partnership with Cleveland Heights will be Dru Siley, Liberty's VP of Development. Dru's public-sector development experience blends well with cultivating effective public – private partnerships between our company and the communities where we work.

Amato Homes was founded in 2020 by Frank Amato following on more than 25 years of experience as a home builder in Northeast Ohio. Prior to launching his company, Frank worked for K. Hovanian Homes for nearly 16 years most recently as the Director of Construction Services. Currently, Amato Homes has projects in Vermillion, Middleburg Heights and has just broken ground on a group of landbank lots in partnership with the City of Euclid.

Frank's attention to detail and commitment to quality is also rooted in his 20 years of service as a Warrant Officer in the United States Army. Working with teams, successfully coordinating the complex logistics of managing home construction and creating value in the communities are the core competencies of Amato Homes.

This partnership will create an LLC to function as the operational entity during development and construction. The proposed homes would be for sale, owner occupied single-family houses.

B. Relevant Development Experience

As mentioned in the previous section, Amato homes is currently under construction in Vermillion, Middleburg Heights and Euclid creating new single-family homes in those communities. Vermillion and Middleburg Heights are the completion of the last phase of existing subdivisions and Euclid is 3 new homes on City land bank lots.

Liberty Development's currently has four residential projects under construction in the region, Fairlawn, Bay Village, Westlake and Lakewood. All these projects are redevelopment sites, previously occupied by an obsolete use such as a shuttered bank, furniture store or vacant school, and are all for sale townhome projects.

C. Financial Capacity

Liberty Development and Amato Homes both have the financial capacity to develop and construction the proposed houses. Should we be selected as part of the next round of review we can provide more detailed financial information.

D. Proposed Development Vision

- We are interested in developing the lots on Desota Avenue.
- Home sizes range from approximately 1,546-2,000 square feet, 3-bedroom, 2.5-bath with option to upgrade to 4 or 5 bedrooms.
- Proposed use is single-family, for sale homes.
- Capital investment = approximately \$140 per sf constructed.
- Development standards would focus on more traditional architectural style, four-sided design, quality, low maintenance and in line with the neighborhood market.
- Ownership target is a direct sale to future homeowner.
- The objective is to create a single-family home that has a sale price in the low-mid \$200k range. Much of the existing housing stock is value between \$125-\$150k. However, we feel that new single-family houses in the suggested price range would successful due to the following factors:
 - Neighborhood compatible design
 - Proximity to neighborhood schools, synagogues, churches and retail.
 - Proximity to Cain Park and open space amenities.
 - 15-year, 100% tax abatement on the improved value.
- Related to parking and traffic, the new homes are replacing previously demolished homes so historic traffic volumes will not be impacted. Each home will have a two-car garage and driveway to accommodate parking needs for these residents.
- The design of the new homes will strive to be compatible with the existing neighborhood with respect to walkability and the allowance for on site yard for the enjoyment of the owners. The new homes will also be energy efficient above and

beyond the adjacent 100-year old homes due to the type of construction, insulation, windows and efficient heating and cooling systems.

- We are proposing to compensate the City \$1.00 per lot with a negotiated split on the transaction costs.
- We would consider developing homes on other City and Land Bank lots beside the Desota lots but would need more context to the specific locations and conditions. For example, are other developers working in the area, does the City have infrastructure investment budget for a certain neighborhood and what are the existing amenities in the suggested neighborhood?
- Please refer to included concept drawings for the proposed homes.

E. Community Engagement

Our team would spend time in the neighborhood meeting with current owners, tenants and non-profits working in the neighborhood to share our vision for the new homes. We would connect with the adjacent religious and educational institutions to share ideas and receive feedback. Additionally, we would spend time with the local branch real estate offices to better understand the needs and wants of potential buyers.

F. Proposed Process and Timeline

Total project timeline from award to sale is approximately 9 months.

- Site, market and financial analysis is in progress but would include another 90 days once the specific lots have been committed and awarded.
- Financial commitments would begin in that same 90-day period and be complete prior to executing a development agreement.
- Design development is in the work currently but would be refined based on neighborhood and City feedback – timeline TBD.
- Permitting is typically a 60-day process with the City with variables being approval from the Water Department and the County.
- Construction is approximately 150 days.
- Sales efforts would begin at construction with the expectation that the first home would be committed prior to completion.

G. Economic Impacts

- Projected capital investment (hard and soft costs) = \$140 sf x 1,800 (avg) sf home x 10 homes = \$2,500,000 approximate investment.
- Proposing 10 residential units, 1546-2,000 sf per unit.

- Projected new employment and payroll would depend on the number of lots awarded and the proximity of those lots. The efficiency created by proximity allows for the same crews to be in place and consistently working allowing the builder to manage overhead.
- In our experience, new residential investment in a neighborhood that has not seen much new construction or significant renovation tends to encourage additional independent investments from adjacent homeowners.

H. Resources Required from the City and Other

The primary key is the lot price and keeping the acquisition cost low to help us maintain the home pricing targets that we feel fit the market. The City's assistance and commitment to streamlining the review process and advocating expedited review from the City and other agencies will be an important commitment necessary to be successful. We also will need the City to identify a specific staff member who has the authority and time to be a consistent and vocal advocate for our projects. Relief on permit fees and review fees to help maintain budget. Any due diligence information that City can provide such as environmental reports, geotechnical information, documentation of the demolition and backfill and documentation of the condition and location of the utility disconnects.

I. Minority and Female Business Enterprises Inclusion; Prevailing Wage & Local Hiring

Acknowledged related to making commercially reasonable efforts. These are worthy objectives for the project but being able to deliver quality, sustainable homes for 2021 at the price points we've proposed is the primary goal.

J. Development Agreement

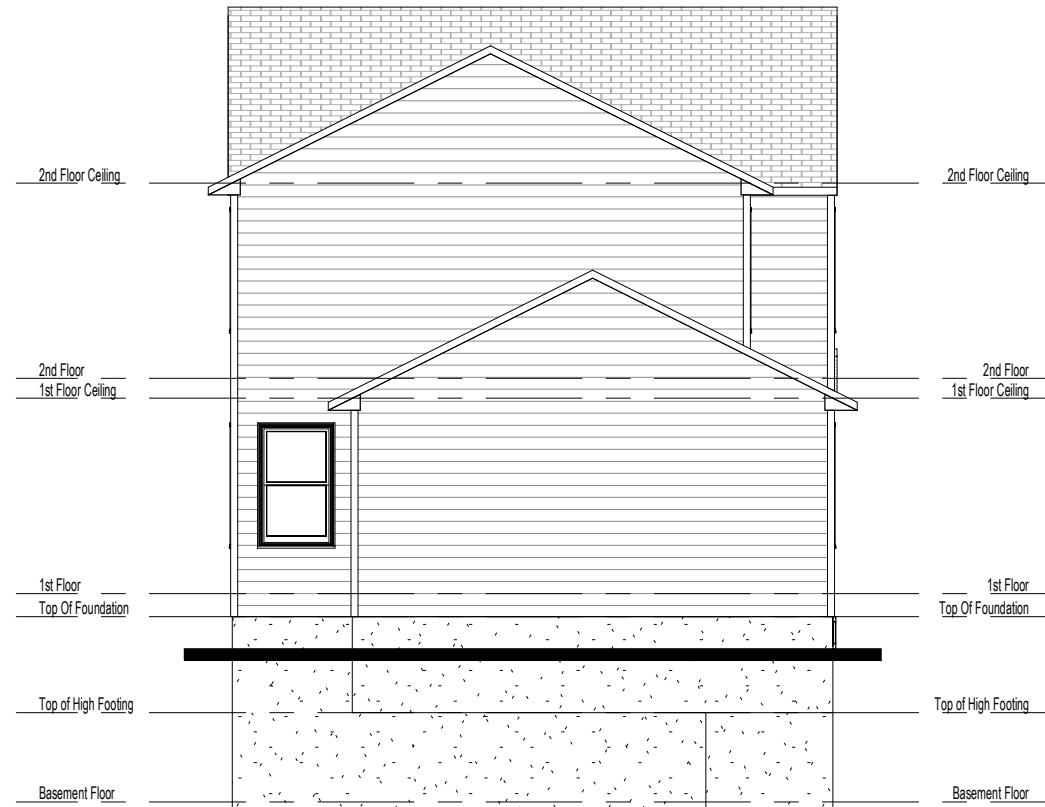
We've indicated key elements related to price point, product type, timing and support throughout this response. We look forward to learning more about the City's intended deal structure as this process progresses.

K. Project Summary

Company Information	
Founded	LDC 1996, Amato Homes 2020
Employees	LDC 8, Amato Homes 1
Headquarters	LDC in Westlake, Amato Homes, Akron
Development Partners	
Timeline	
Groundbreaking to Completion	150 days
Financing	
Equity Source	Development and Builder Team
Personal guarantee of debt financing from firm's principal(s)	TBD depending on lending partner requirements
Tax Increment Financing required?	NO
Guarantee of Public Infrastructure Financing?	More info required
Tax abatement required?	YES
Development contingent on availability of any county, State and Federal funding sources outside of City control?	NO
MBE and FBE Inclusion	
MBE and FBE inclusion	Commercially reasonable efforts
Project Team	
Development Partner	Liberty Development
Architect	TBD
MBE and FBE participation	TBD
Public Finance	Liberty Development
Construction	Amato Homes



① Front Elevation - Elev A
1/8" = 1'-0"



② Rear Elevation - Elev A
1/8" = 1'-0"

Elevation A - Sheet List

Sheet Number	Sheet Name
ElevA-Pg1	Front & Rear Elevations
ElevA-Pg2	Side Elevations
ElevA-Pg3	Basement Floor Plan
ElevA-Pg4	1st Floor Plan
ElevA-Pg5	2nd Floor Plan
ElevA-Pg6	Roof Plan
ElevA-Pg7	Electrical & Flooring Plan
Pg8	Optional 2nd Floor Plans
Pg9	Interior Elevations
Pg10	Stair Section
Pg11	Details 1
Pg12	Details 2

2019 RESIDENTIAL OHIO CODE
ENERGY EFFICIENT COMPLIANCE - OHBA COMPLIANCE PATH #2
(SECTION 1112 - INCLUDING ALL MANDATORY ITEMS)

- CEILINGS - R 49
- EXTERIOR SIDEWALLS - R 13
- RIM JOISTS - R 13
- FLOOR OVER UNHEATED SPACES - R 30
- FOUNDATION WALLS - R 10 minimum 4 FT. DOWN (ALL WALLS)
- WINDOWS .32 U VALUE



CONTRACTOR AND BUILDER SHALL REVIEW ENTIRE PLAN TO VERIFY CONFORMANCE WITH ALL CURRENT APPLICABLE CODES IN EFFECT AT TIME OF CONSTRUCTION. BY USING THESE DRAWINGS FOR CONSTRUCTION IT IS UNDERSTOOD THAT CONFORMANCE WITH ALL APPLICABLE CODES IS THE RESPONSIBILITY OF THE BUILDER AND CONTRACTOR.

1575 RH - Elevation A

Front & Rear Elevations

Area Schedule (Elev A)

Name	Area
Heated	
1st Floor	1082 SF
2nd Floor	493 SF
Basement	703 SF
	2278 SF
Unheated	
Front Porch	64 SF
Garage	249 SF
	313 SF
Under Roof	2591 SF

Lot #:

Job #:

Address:

Community:

Last Revision Date:

12-9-20

Sheet #:

ElevA-Pg1



1 Right Elevation - Elev A
1/8" = 1'-0"



2 Left Elevation - Elev A
1/8" = 1'-0"



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1575 RH - Elevation A

Side Elevations

Lot #:

Job #:

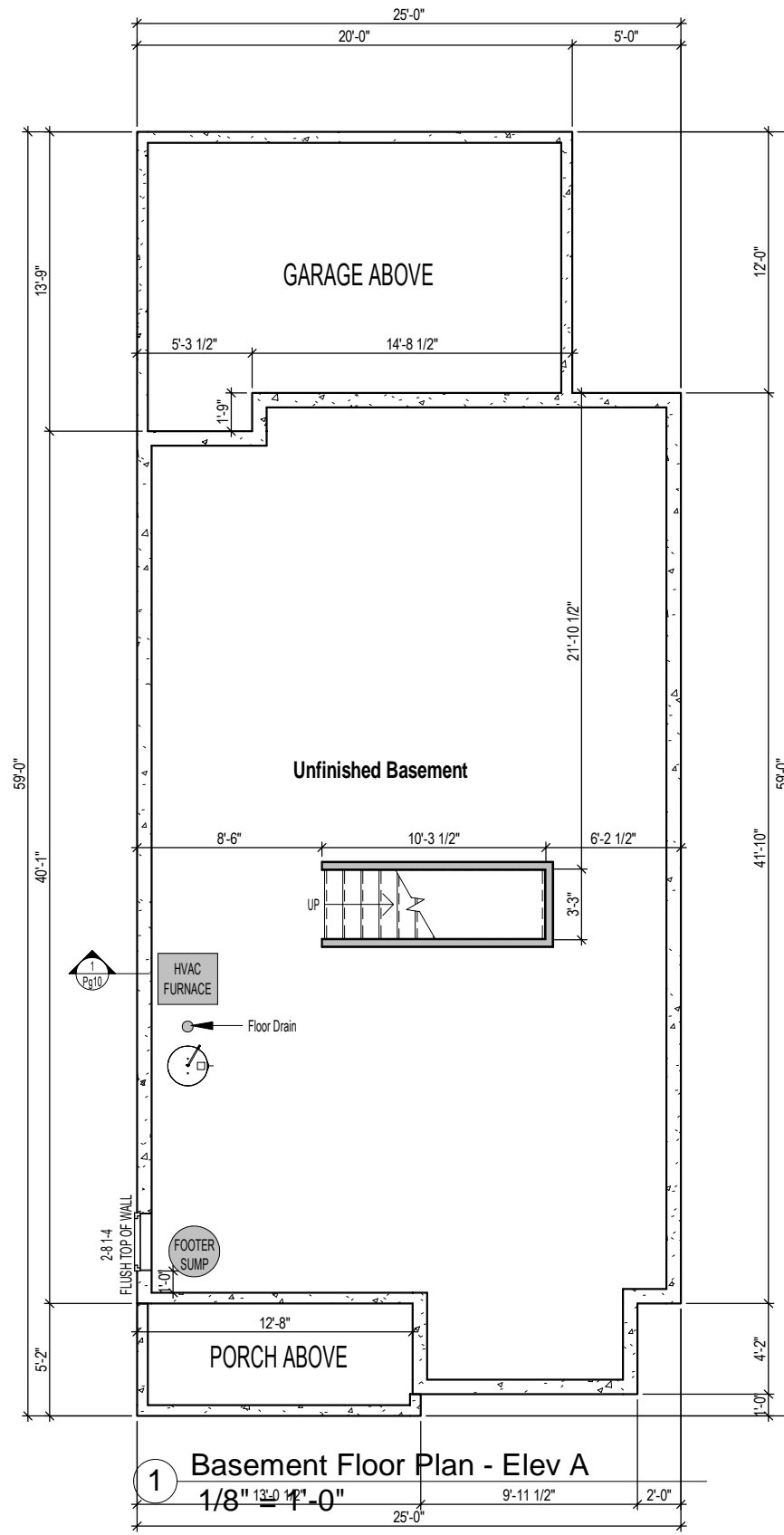
Address:

Community:

Last Revision Date:
12-9-20

Sheet #:
ElevA-Pg2

Wall Stud Size
 — = 2x4
 // = 2x6



1 Basement Floor Plan - Elev A
 1/8" = 1'-0"



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1575 RH - Elevation A

Basement Floor Plan

Lot #:

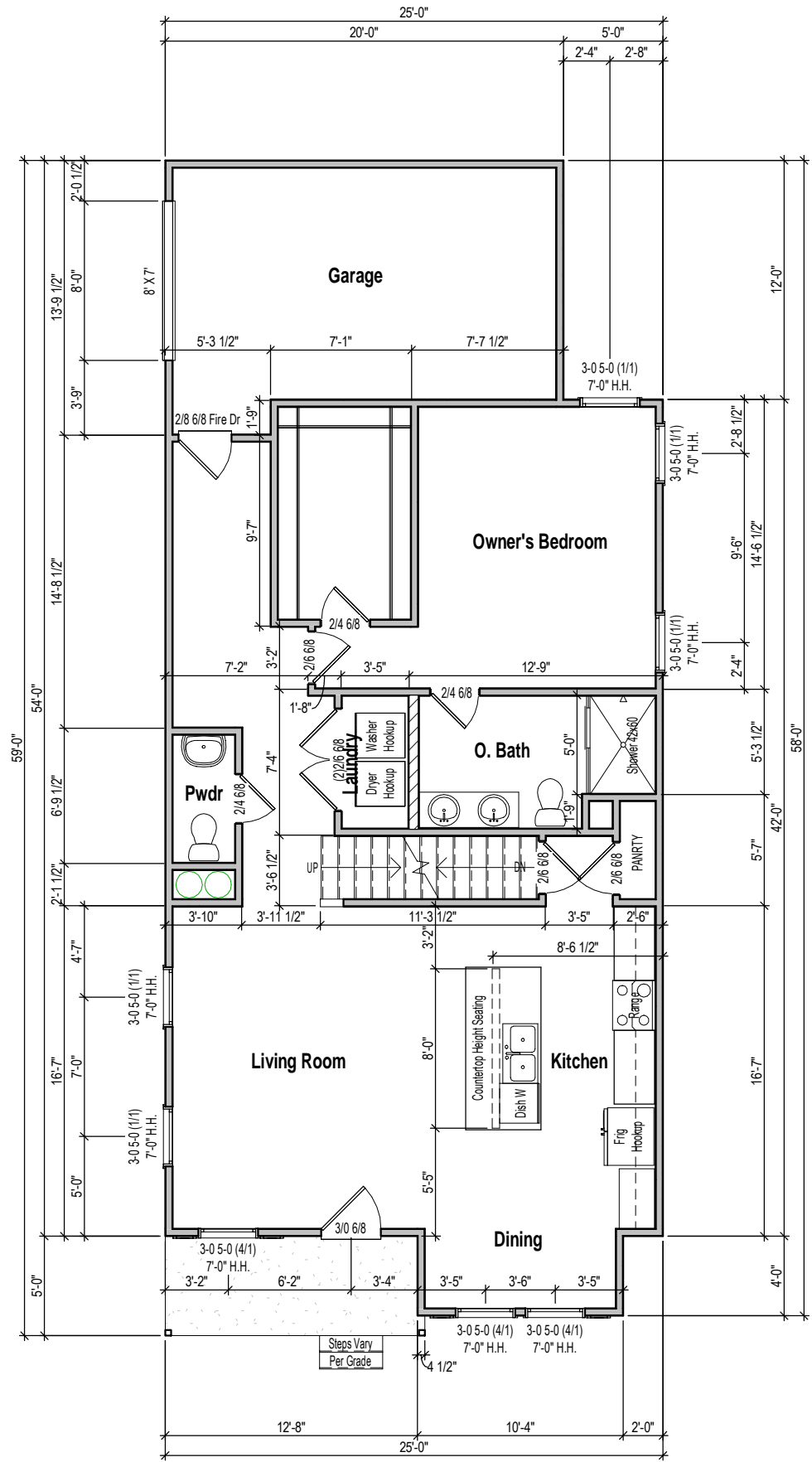
Job #:

Address:

Community:

Last Revision Date:
 12-9-20

Sheet #:
 ElevA-Pg3



Wall Stud Size
 — = 2x4
 // = 2x6

TABLE R302.6 Dwelling/Garage Separation	
Separation	Material
From the residence and attics	Not less than 1/2-inch gypsum board or equivalent applied to the garage side
From all habitable rooms above the garage	Not less than 5/8 -inch Type X gypsum board or equivalent
Structure(s) supporting floor-ceiling assemblies used for separation required by this section	Not less than 1/2-inch gypsum board or equivalent



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1575 RH - Elevation A

1st Floor Plan

1 1st Floor Plan - Elev A
 1/8" = 1'-0"

Lot #:

Job #:

Address:

Community:

Last Revision Date:

12-9-20

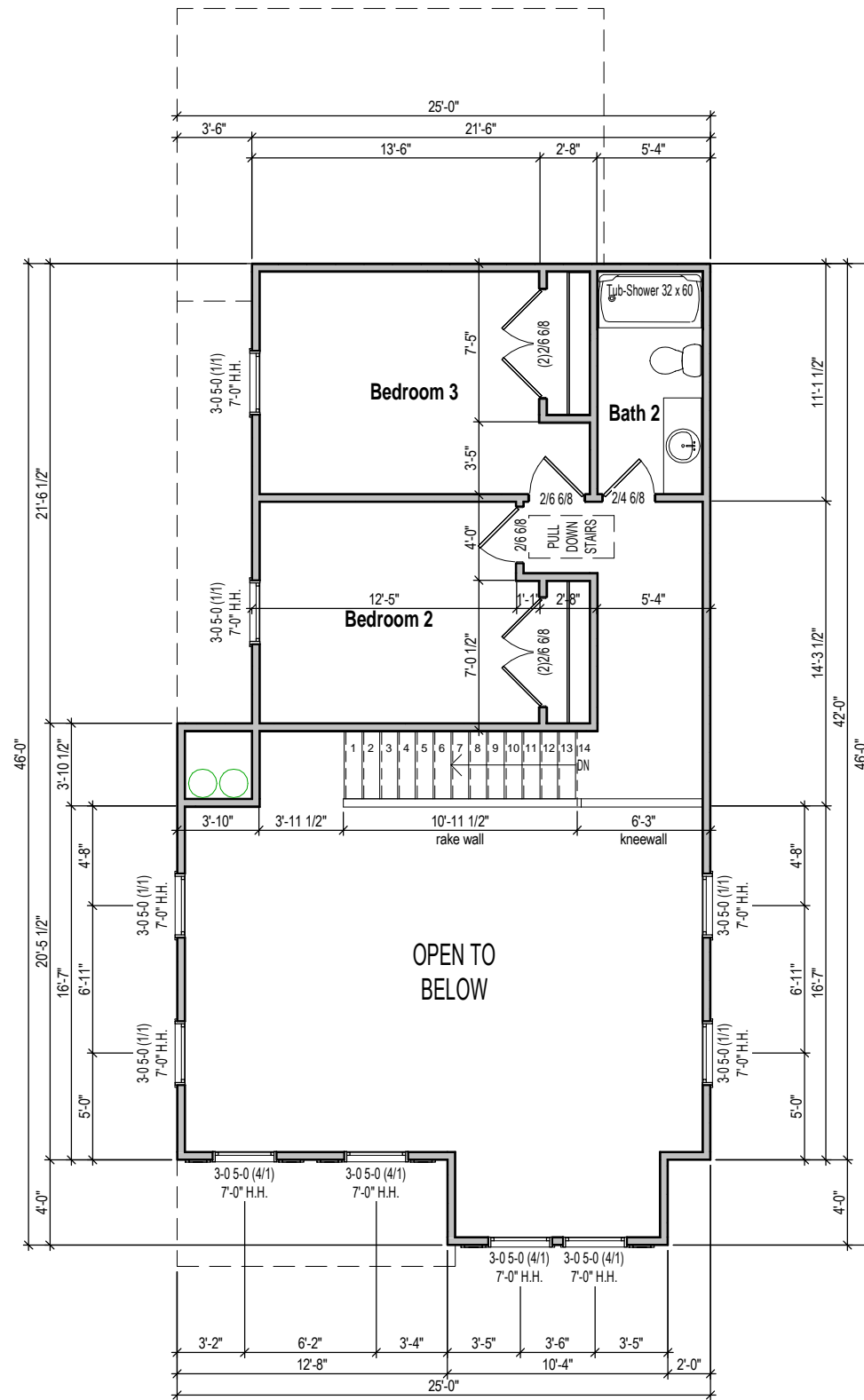
Sheet #:

ElevA-Pg4

Wall Stud Size
 = 2x4
 = 2x6



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1 2nd Floor Plan - Elev A
 1/8" = 1'-0"

1575 RH - Elevation A

2nd Floor Plan

Lot #:

Job #:

Address:

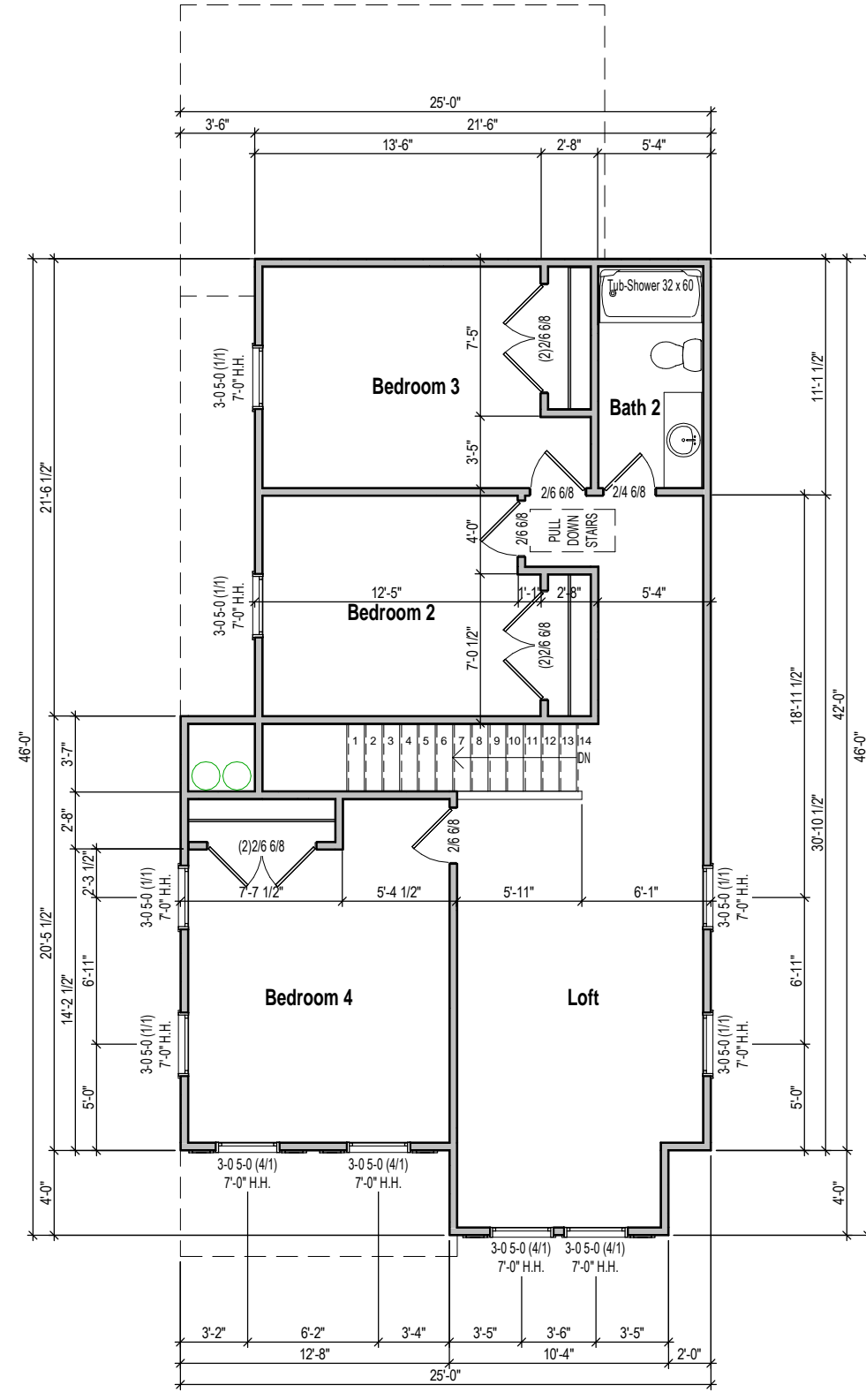
Community:

Last Revision Date:
 12-9-20

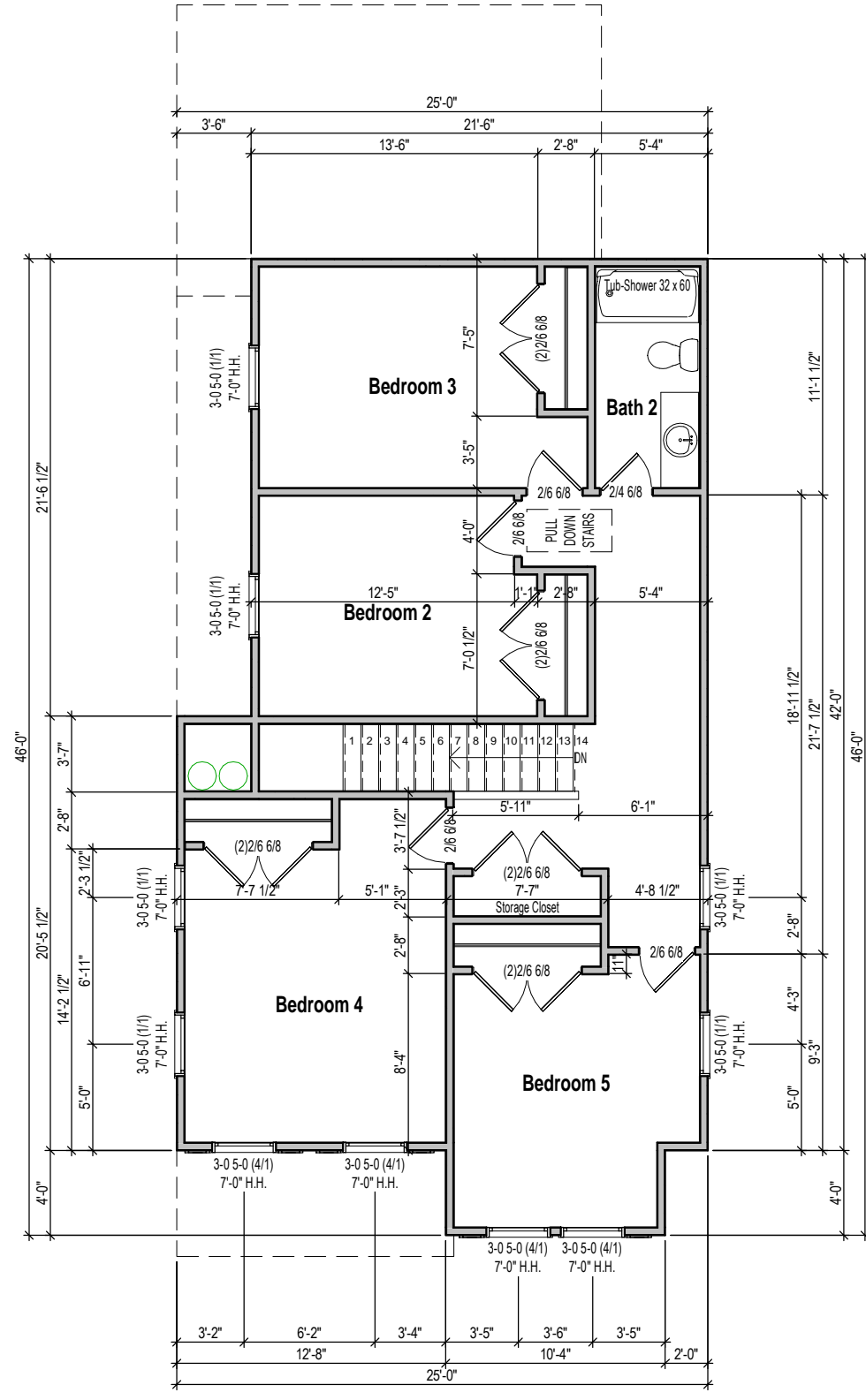
Sheet #:
 ElevA-Pg5



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1 Opt. 2nd Floor Plan - Bdrm 4 / Loft
1/8" = 1'-0"



2 Opt. 2nd Floor Plan - Bdrm 4 / Bdrm 5
1/8" = 1'-0"

1575 RH - Elevation A & B

Optional 2nd Floor Plans

Lot #:

Job #:

Address:

Community:

Last Revision Date:

12-9-20

Sheet #:

Pg8