

## DEPARTMENT OF ECONOMIC DEVELOPMENT

### SUMMARY FOR THE LEGISLATIVE FILE ORDINANCE NO: 330-2021

**Project Name:** 2831 Franklin Boulevard PACE Energy Loan Special Assessment

**Recipient:** Cleveland Rocks Holding, LLC or designee

**Project Site:** 2831 Franklin Boulevard

**Project Manager:** Anthony Svoboda

**Ward/Councilperson:** Ward 3 – Councilman McCormack

**City Assistance:** N/A – not a financial incentive



#### **Project Site**

2831 Franklin Boulevard is a roughly 42,000 square foot building, originally constructed as a Masonic Temple in 1934 (County PPN Number: 003-32-003).

#### **Company Background**

Cleveland Rocks Holding, LLC is a privately held real estate investment entity created for the purpose of redeveloping the space located at the Project Site. The owner, Mr. Kevin Wojton, has worked in the finance, risk analysis, and technology sectors for large banks and investment firms in New York, Tennessee, and Hong Kong. In 2016, Mr. Wojton decided to move back to Cleveland and purchase the proposed Project Site to take on a multifaceted redevelopment of the historic building.

#### **Project Summary**

Cleveland Rocks Holding, LLC recently acquired 2831 Franklin Boulevard from West Side Masonic Temple Co in 2018. The proposed project will primarily be occupied by a recreational rock climbing facility, which will comprise approximately 70% of the building. The remainder of the space will be occupied by various other fitness facilities as well as office space and commercial “makerspaces” for culinary entrepreneurs.

The estimated cost of the PACE project is \$500,000. Northeast Ohio Public Energy Council ("NOPEC") is providing the financing at 3.50% over approximately 14.91 years, with the final payment due on November 15<sup>th</sup>, 2035. Estimated annual debt service payment is anticipated at approximately \$23,042.63. The PACE loan will finance:

- LED Lighting
- Roofing Enhancements
- HVAC System Controls
- And related improvements

These improvements are designed as energy efficiency improvements to create energy efficiency savings greater than that required by basic building codes.

### **Special Assessment**

The proposed security for the project is a Special Assessment under the authority of the City of Cleveland-First Suburbs Coalition Advanced Energy Special Improvement District, created pursuant to Ohio HB-1 and City Ord. 1078-10. The Special Assessment will require the approval of the Board of the Advanced Energy SID to add the proposed property and improvement to the District. The Advanced Energy SID will approve the project in March of 2021.

Under the proposed terms, Cleveland Rocks Holding, LLC, will petition the City to implement an annual Special Assessment with a maximum amount equal to the debt service payment due on the Energy Loan, currently estimated at \$23,042.63 per year, exclusive of additional servicing fees imposed by the City and the County Fiscal Officer. The Special Assessment will be levied and collected in accordance with a semiannual payment schedule to be certified by the City to the County Fiscal Officer.

In order to implement this Special Assessment, the City will be required to do the following:

- Approve Cleveland Rocks Holding, LLC's petition for the Special Assessment and levy the Special Assessment as described above.
- Coordinate with the City of Cleveland-First Suburbs Advanced Energy Special Improvement District to implement the Special Assessment, including amending the SID documents to include the property located at 2831 Franklin Blvd, Cleveland, OH.
- Enter into agreements with the County Fiscal Officer, NOPEC, the Advanced Energy SID and/or Port Authority to implement the Special Assessment, including collection of the Special Assessment and disbursement of the Special Assessment to NOPEC, as the investor.

The City will not be obligated under these agreements to make any payments other than those of any Special Assessments collected. The Department proposes to charge a fee for managing the Special Assessment, which will be set aside in a newly created fund dedicated to funding energy improvement projects.

A closing fee will be charged for \$100 and 0.25% of any Special Assessments collected by the City annually.

### **Proposed City Assistance/Requirements**

- N/A– not a financial incentive