

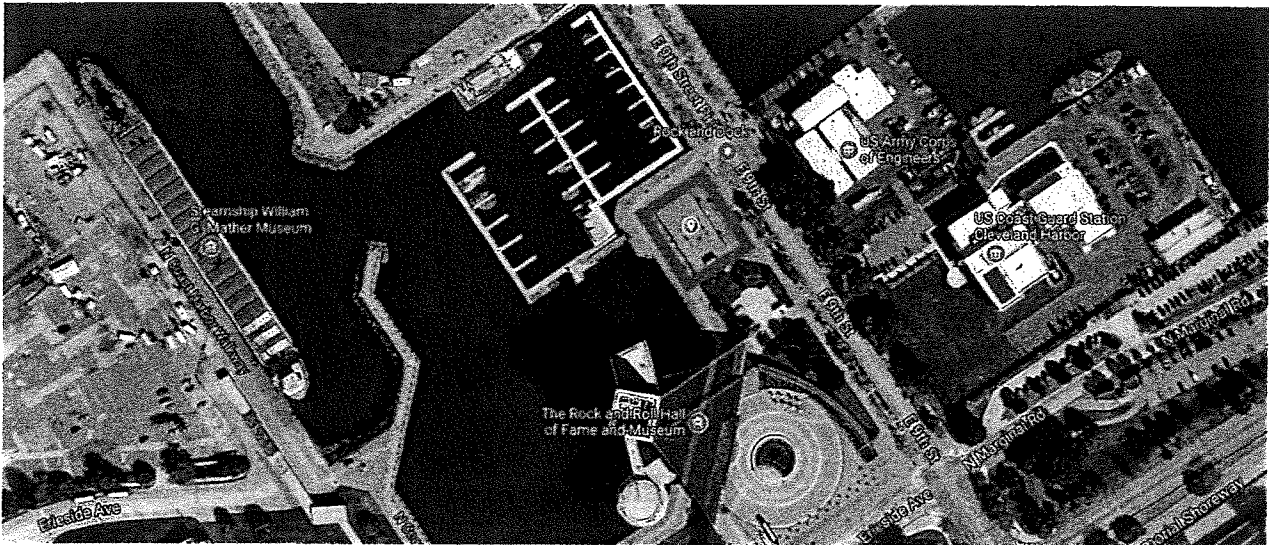
DEPARTMENT OF ECONOMIC DEVELOPMENT
EXECUTIVE SUMMARY
ORDINANCE NO.: 936-17

Project: Alternative Energy District – Downtown Cleveland Lakefront Development Plan Site B

Project Location: 900 E. 9th Street

Project Manager: Briana Butler

Ward: 3– Councilman Kerry McCormack



Background:

Cumberland TCC, LLC is the developer of recent Lakefront improvements, and is continuing development as part of the Lakefront Plan. Cumberland has already opened the Nuevo restaurant on Site A, and has begun pre-development work for Sites B and C. Cumberland is also planning pre-development activities for Sites D, E, and F.

Site B, located north of the Rock Hall, will consist of a mixed-use, three-story 50,981 SF building with an estimated six retail spaces, a 26-space residential garage on the first floor, and 16 apartment units on the second and third floors. Total project cost is estimated at almost \$12.3 million.

Project Description:

To assist with the project, Huntington Bank has committed approximately \$2,658,000 as an Energy Loan to fund project costs. The Energy Loan funds will assist with the HVAC, window system, lighting, elevator systems, and Energy Star appliances. These

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

Proposed 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. 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. Under the proposed terms, Cumberland TCC 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 between approximately \$879,000 and \$450,000 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 Cumberland TCC, LLC's petition for the Special Assessment and levy the Special Assessment as described.
- 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 900 E. 9th Street property.
- Enter into agreements with the County Fiscal Officer, Huntington Bank, 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 Huntington Bank, as lender.

The City will not be obligated under these agreements to make any payments other than those of any Special Assessments collected.

The City will charge a fee of \$100 for the initial assessment and a fee of 0.25% of any special assessments that are required annually to be imposed and collected by the City.