DEPARTMENT OF ECONOMIC DEVELOPMENT

SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 864-2019

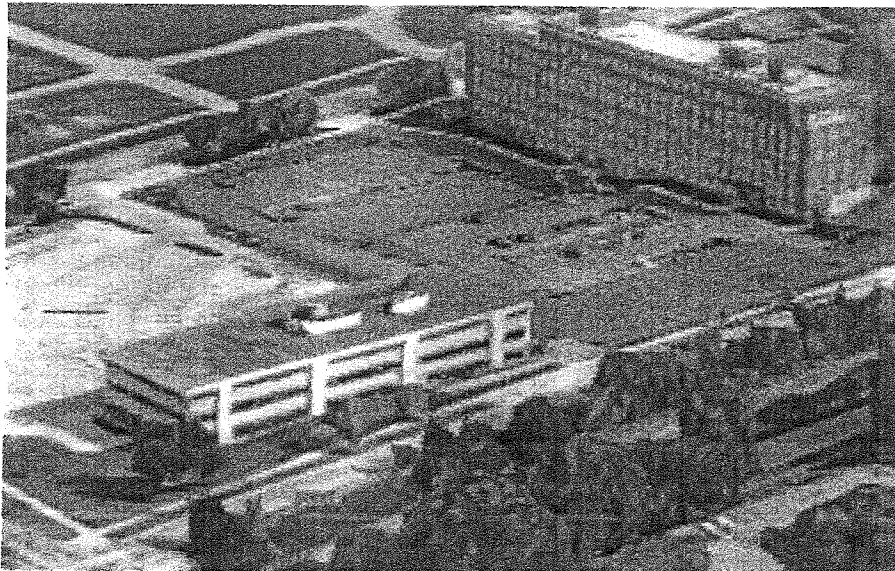**Project Name:** 11201 Shaker Blvd. PACE Energy Loan Special Assessment
Recipient: Superior Road Apartments LLC or designee
Project Site: 11201 Shaker Blvd.
Project Manager: Nick Zingale
Ward/Councilperson: 6 - Griffin
City Assistance: N/A – not a financial incentive

Project Site
11201 Shaker Blvd., is a 52,836 square feet office building constructed in 1970. (County PPN Number: 128-08-009)

Company Background
Superior Road Apartments LLC is a privately held real estate investment firm which specializes in acquiring and rehabilitating undervalued or underperforming properties, with a focus in affordable housing and commercial property.

Project Summary
Superior Road Apartments LLC recently acquired 11201 Shaker Blvd. from the St. Vincent Charity Medical Center. The building will undergo a series of upgrades and improvements with the objective of creating green, sustainable office space.

Greenworks Lending LLC, a Connecticut-based PACE lender, has committed to issue financing for special energy improvements at 11201 Shaker Blvd. The loan is currently estimated to be for $425,365 at a fixed rate of 6.45%, amortized over twenty (20) years. PACE financing will be used for the following special energy improvements:

- Installation of LED lighting
- Installation of a gas boiler
- Installation of automated HVAC controls to lower energy use
- Solar panels to cover a significant portion of building electricity needs

These improvements are designed as energy efficiency improvements to create energy efficiency savings greater than that required by basic building codes. Additionally, certain cosmetic improvements of the building outside the scope of PACE will occur and be funded by Superior Road Apartments LLC.

Special Assessment

The proposed security for the project is a Special Assessment under the authority of the Northeast Ohio Advanced Energy District (formerly known as the City of Cleveland-First Suburbs Development Council Advanced Energy Special Improvement District), created pursuant to Ohio HB-1 and City Ord. 1078-10. The Special Assessment was approved by the Board of the Advanced Energy District on April 24, 2019 to add the proposed property and improvement to the District.

Under the proposed terms, Superior Road Apartments 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 to be $39,043.66 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 Superior Road Apartments LLC's petition for the Special Assessment and levy the Special Assessment as described above.
- Coordinate with the Advanced Energy District to implement the Special Assessment, including amending the SID documents to include the 11201 Shaker Blvd. property.
- Enter into agreements with the County Fiscal Officer, Greenworks Lending LLC, and the Advanced Energy District to implement the Special Assessment, including collection of the Special Assessment and disbursement of the Special Assessment to Greenworks Lending LLC, as lender.

The City will not be obligated under these agreements to make any payments other than those of any Special Assessments collected. The total Special Assessment amount (all payments over the 20 years including interest) is $780,873.20.

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.

The fee will be 0.25% of any Special Assessments collected by the City annually.

Proposed City Assistance
- N/A

City Requirements
- N/A – not a financial incentive