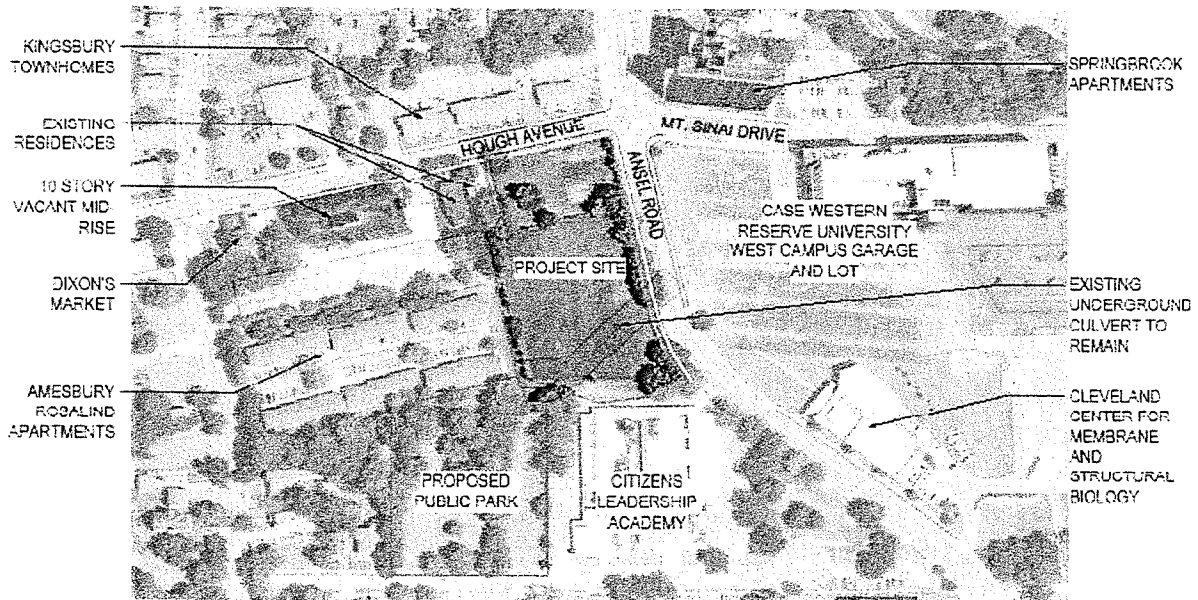


DEPARTMENT OF ECONOMIC DEVELOPMENT

SUMMARY FOR THE LEGISLATIVE FILE

ORDINANCE NO: 1151-2019

**Project Name:** Signet University Circle Housing Development Project PACE Energy Loan Special Assessment  
**Recipient:** Signet AH Housing, LLC, HCLT Holdings LLC and/or designees  
**Project Site:** Hough Ave. & Ansel Rd.  
**Project Manager:** Nick Zingale  
**Ward/Councilperson:** 7 - Jones  
**City Assistance:** N/A – not a financial incentive



**Project Site**

The project site, located on the southwest corner of Hough Avenue and Ansel Road, is a vacant 2.68 acre site. (County PPN Number: 119-13-117). The site will be ground leased by its owner, HCLT Holdings LLC (“Landowner”), to the developer, Signet AH Housing, LLC (“Borrower”), for 40 years with an option to extend.

**Company Background**

Signet AH Housing, LLC, the developer, is a subsidiary of Signet Capital, a Columbus-based investment banking and structured finance services firm. HCLT Holdings LLC, the landowner, is affiliated with New Village Corporation.

### **Project Summary**

Signet AH Housing, LLC, a Signet LLC company, will develop, finance, construct, own, manage and operate a 143,311 SQ FT, 163 unit, 204 bed, student-focused housing project, with +/- 1,000 SQ FT of street front retail, at the corner of Hough Ave. and Ansel Rd ("Project Site"). The Project Site is a 2.68 acre ground leased site, 40 years + extension options, and there will be 149 onsite parking spaces. HCLT Holdings LLC, an affiliate of New Village Corporation, is the lessor.

The Project Site is within walking distance to both Case Western Reserve University and the new Cleveland Clinic and CWRU Health Education Campus opening this July to serve an expected 2,200 students. The nearly \$35 million project is being designed and developed to serve Cleveland Clinic research and clinical trainees as well as CWRU Students.

### **PACE Loan**

Cuyahoga River Capital ("Lender") has committed to issue financing for special energy improvements for the Signet University Circle Housing Development Project. The loan is will be be for \$2,906,388 at 5.45%, amortized over twenty-five (25) years. The loan will be contingent upon an ASHRAE Level II Energy Audit to determine the energy conservation measures undertaken during construction are eligible for PACE. Energy conservation measures will 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 Advanced Energy SID approved the project in August of 2019.

Under the proposed terms, Signet AH Housing LLC and HCLT Holdings LLC, have petitioned the City to implement an annual Special Assessment with a maximum amount equal to the debt service payment due on the Energy Loan plus any additional service fees including one imposed by the City and one by the Advanced Energy SID. This amount will be \$217,120.16 per year for twenty-five years. 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 Signet AH Housing LLC's and HCLT Holdings 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 Project Site.
- Enter into agreements with the County Fiscal Officer, Cuyahoga River Capital, 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 Cuyahoga River Capital, as lender.

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. The fee will be \$100 for the initial services and 0.25% of any Special Assessments collected by the City annually. The Department has briefed the Division of Licenses and Assessments on the project.

**Proposed City Assistance**

- N/A

**City Requirements**

- N/A – not a financial incentive