

## DEPARTMENT OF ECONOMIC DEVELOPMENT

### SUMMARY FOR THE LEGISLATIVE FILE

ORDINANCE NO: 1110-18

**Project Name:** Shaker West Professional Building PACE Energy Loan Special Assessment

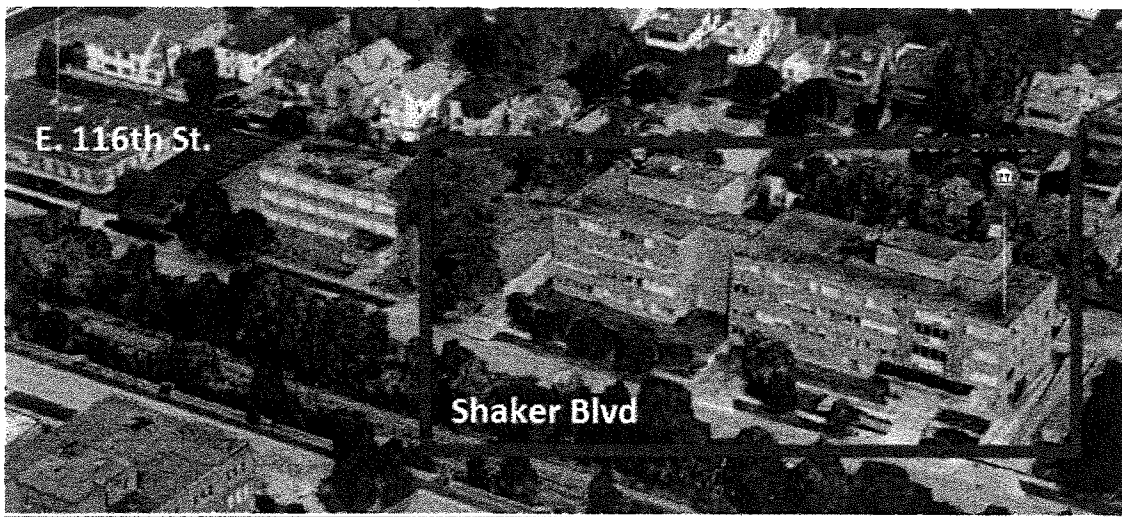
**Recipient:** MAN Holdings LLC or designee

**Project Site:** 11811 Shaker Blvd.

**Project Manager:** Nick Zingale

**Ward/Councilperson:** 6 - Griffin

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



#### **Project Site**

The Shaker West Professional Building, 11811 Shaker Blvd., is a 42,000 square feet office building constructed in 1965.

#### **Company Background**

MAN Holdings 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**

MAN Holdings LLC recently acquired the Shaker West Professional Building from the Greater Shaker Square Development Corporation. The building will undergo a series of upgrades and improvements with the objective of creating green, sustainable office space.

Greenworks Lending, a Connecticut-based PACE lender, has committed to issue financing for special energy improvements at the Shaker West Professional Building. The loan is

currently estimated to be for \$466,780 at a fixed rate of 6.25%, amortized over twenty (20) years. PACE financing will be used for the following special energy improvements:

- Caulking and building envelope sealing
- Installation of LED lighting
- Installation of automated HVAC controls to lower energy use
- Window tinting to maintain building temperature more effectively
- Solar panels to generate about 25% 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, general renovation of the building outside the scope of PACE will also occur.

### **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 was approved by the Board of the Advanced Energy Special Improvement District on August 22, 2018 to add the proposed property and improvement to the District.

Under the proposed terms, MAN Holdings 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 \$40,000 and \$45,000 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 MAN 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 11811 Shaker Blvd. property.
- Enter into agreements with the County Fiscal Officer, Greenworks Lending, 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 Greenworks Lending, 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.

**Proposed City Assistance**

- N/A

**Economic Impact**

- 10 FTE jobs retained by MAN Holdings related to management of all the company's local properties

**City Requirements**

- N/A – not a financial incentive