

# SUN PRESS



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**By Thomas Jewell Correspondent  
The Sun**

## **Better late than never**

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**CLEVELAND** After more than four years on the waiting list, the owner of Shaker Square plans to use a \$750,000 federal Urban Development Action Grant to cover the cost of capital improvements that have been mostly completed, a company official said.

At its Jan. 26 meeting, Cleveland City Council passed an emergency measure to release the UDAG grant, originally agreed upon more than four years ago when The Coral Company of University Heights bought Shaker Square for \$7.5 million.

"When we first bought the square, the City of Cleveland agreed to contribute money in gap funding for capital improvements," said Jeff Epstein, director of development for the Coral Company. "Because of the amount of time it's taken, these are largely projects that have already been completed."

"These are projects that were in our original budget, and this (UDAG) grant was part of the original purchase agreement. Those completed improvements include roof replacement on all four quadrants of the square, new signs and security cameras.

Cleveland Councilman Kenneth Johnson, whose Ward 4 includes Shaker Square and who introduced the legislation to council on Jan. 26, said there are still some loose ends to be tied up with the security cameras. "There's some additional stuff with the cameras that still needs to be done," Johnson said. "But we're going to continue that phase because the cameras are an important part of the safety projects at the square."

Arnold Berger, who runs a Website focusing on the square and has been involved with the Shaker Square Area Development Corp., said the money appears to be a "wonderful surprise" that wasn't on the radar until it appeared on Cleveland City Council floor. "I'm puzzled as to why they didn't tell anybody about it, and why SHAD, as the local community development corporation, was left out of the loop," Berger said.

Johnson countered that SHAD wasn't supposed to know about it, since it wasn't directly involved in the application or contracting the work. He said the UDAG money basically amounts a "repayment grant" to Coral, to reimburse the company for a lot of the work that's already been done. Coral hadn't received the money as of last week, but Johnson said the passage on an emergency basis eliminates the standard 40-day waiting period before regular legislation is enacted.

He noted that the original agreement dates back to former Cleveland Mayor Jane Campbell's administration, and at one time, the sum was supposed to be \$1 million. "This was promised from the Campbell administration, but we didn't have the money at the time," Johnson said, explaining that UDAG grants are collected from loans meted out to businesses by the federal government. "So as the money came in, that's when it became available for Coral. It was actually the result of several loans that were paid back early."

Epstein declined to comment on whether the time lapse created a financial hardship for Coral. "Regardless of how long it took, we're happy to have it now, and we appreciate the efforts of the city to work with us," Epstein said, adding that while the city remains supportive of the square, Coral has "no expectations for any additional major funding requests in the immediate future."

With the recent opening of two new restaurants -- Darna, specializing in French Moroccan and the Grotto Italian Wine Bar -- Shaker Square is now operating at 88 percent occupancy of its retail and office space. That leaves a 12 percent vacancy, a number that Epstein and Johnson are both pleased with, especially given current economic conditions. Johnson and Berger both noted that Shaker Square was operating at less than half occupancy when Coral took over.

Berger would still like to see any remaining funding designated for "public spaces" to go toward additional parking. He also noted there are many neighborhood groups and non-profits -- the Ludlow Community Association, Larchmere Merchants Association and Fairhill Center, to name a few -- that are seeking funding.

"Meanwhile, a private businessman gets to buy the square for half price and then gets three-quarters of a million dollars from the government," Berger said. He initially questioned whether the UDAG money might be used to pay off a \$500,000 loan from the Cleveland Foundation to the Coral Company in September 2004.

Cleveland Foundation spokesman Scott Tennant said that the "program-related investment," as the loan is officially called, was intended for general use in "developing and revitalizing" Shaker Square,

The Coral Company has been making semi-annual payments to the Cleveland Foundation on the loan at an annual interest rate of 3 percent, Tennant said, adding that the entire unpaid principal will be due in December 2011.