



CRAIN'S
CIO 2013
OF THE YEAR

NE Ohio's **cutting-edge IT executives**
Awards Gala • April 16 - 5:30PM

Event Tickets
CLICK HERE

PRESENTED BY
NEOSA.
The CIO's Technology Network

CRAIN'S **CLEVELAND** **BUSINESS**

Athletic club redo may get moving

New investor plans hotel for downtown building

Court filings signal the long-planned renovation of the former Cleveland Athletic Club Building may be starting to come together, albeit at the hands of a different investor than Eli Mann, who has owned the property since 2007 and secured state aid to remake it into apartments.

By [STAN BULLARD](#)

Court filings signal the long-planned renovation of the former Cleveland Athletic Club Building may be starting to come together, albeit at the hands of a different investor than Eli Mann, who has owned the property since 2007 and secured state aid to remake it into apartments.

A suit filed by lender Waring Investments Inc. of Clifton, N.J., in Cuyahoga County Common Pleas Court to collect a past-due, \$2.9 million loan to CAC Buildings Properties LLC, which is controlled by Mr. Mann, was settled out of court June 30, according to court records. Terms of the settlement were not disclosed, although Judge Brian J. Corrigan retained authority to enforce the private settlement.

Investor Ned Weingart of Cleveland Heights views the settlement as good news because his investor group, CAC Club Ventures LLC, will demand clear title to close the purchase of the 15-story building at 1118 Euclid Ave. before its option to buy expires next month.

Tom Yablonsky, executive vice president of the Downtown Cleveland Alliance, which promotes downtown redevelopment, said, "Anything that clears up the situation with the property might help get the project started." The four buildings Mr. Mann controls just east of East Ninth Street are the most blighted set of properties on Euclid between Public Square and the city's Theater District.

Although a settlement with Mr. Mann's lender may go far toward advancing a sale of the CAC Building, other unpaid bills linger for entities controlled by Mr. Mann.

For one, the Kohrman, Jackson & Krantz law firm of Cleveland sued another of Mr. Mann's legal entities involved in the CAC deal for \$45,504 in county court for unpaid legal fees — nearly half of it incurred for work involving the CAC Building. The case is pending before Judge Joseph Russo.

The CAC Building's ownership also owes \$518,000 in current and back property taxes and assessments for the Downtown Cleveland Alliance, according to county tax records.**A big plus: tax credits**

A big inducement for Mr. Weingart's group in securing the CAC Building is the \$4 million in Ohio Historic Preservation Tax credits approved in 2007 for the planned renovation project. Mr. Weingart said he's negotiating with a lender to obtain loans for the project, which also would benefit from federal New Markets Tax Credits. The credits provide another equity source that increases lender appetite for such development loans, which are scarce in the real estate credit crunch.

Rather than create 103 apartments as envisioned by Mr. Mann, Mr. Weingart said he wants to put a hotel with more than 160 units in the CAC Building. The landmark club's fitness center and pool would serve as an amenity for hotel guests and the community.

Reached by phone last Wednesday, July 14, Mr. Mann said he was on a conference call and would not discuss the lawsuit settlement or the projects. He did not return four other calls from *Crain's*.

Mr. Mann has been a quizzical figure since he surfaced in 2005 as the buyer of first one, then two more empty office buildings on the north side of Euclid Avenue just east of East Ninth Street; those buildings run from 1001 to 1101 Euclid. He has rebuffed requests for detailed interviews. Most news about his activities comes from county and state records.**Tax bills overdue**

Industry insiders say Mr. Mann is in talks to dispose of those buildings along with the CAC Building, which is on the south side of Euclid. County tax records show Mr. Mann's partnership owes more than \$300,000 in current and back taxes on the properties on the north side of Euclid.

Cuyahoga County had considered in 2006 providing a \$1 million brownfield loan to aid the makeover of the three buildings on the north side of Euclid. County commissioners adopted a preliminary measure in 2006 to allow Mr. Mann's groups to issue \$25 million in tax-exempt housing bonds to advance his plans. However, he never followed through with the issue and county officials said they have not seen him since.

James Herron, the county's chief development officer, said the loan applications never proceeded, as Mr. Mann was not able to obtain loan commitments.

"I don't think he has the ability to do it," Mr. Herron said. "It seems the investors he relied on went away."

Moreover, that was in 2006 — a few years before the real estate credit crunch set in. However, those buildings still have state OKs for \$5.8 million in historic tax credits.

Waring Investments did not return three phone messages and two e-mails; its attorney, Robert Weltman, did not return

three calls. Mark Schlachet, the Cleveland attorney for Mr. Mann's partnerships, declined comment, as did Marc Krantz, managing partner of Kohrman Jackson.

© 2013 Crain Communications Inc.
