

## SHOWCASE PROJECT: GATEWAY MANAGEMENT: ELK VALLEY MANOR

### SOLUTION OVERVIEW

Elk Valley Manor was built in 1982 and is a three-story apartment complex consisting of 51 one-bedroom units. It was originally financed by a HUD-insured loan through the Pennsylvania Housing Finance Agency and the mortgage was fully amortized in 2013. Gateway Management Services, LLC, purchased and began managing the property in 1997. The property is master-metered; the residents pay no utilities. Prior to being rehabilitated, the unit interiors were extremely dated, and the property was using outmoded, inefficient building equipment.

### SECTOR TYPE

Multifamily

### LOCATION

Erie, Pennsylvania

### PROJECT SIZE

12,355 Square Feet

### FINANCIAL OVERVIEW

Project Cost: \$400,000

### SOLUTIONS

Gateway Management Services, LLC began undertaking a full-scale renovation of Elk Valley Manor in 2014. This included numerous improvements throughout the building including air conditioning, window and roof insulation, and efficient water heating.

Key elements of the retrofit that decreased energy consumption included:

- Replacement of all HVAC units in 2014 for a total cost of \$76,500;
- Replacement of all windows with Low-E Argon filled with DP 35 rating, beginning in 2015, in the amount of \$111,400;
- Installation of new light fixtures in building hallways and other common areas, for a total cost of \$22,580;
- Replacement of in-unit fluorescent fixtures with LED fixtures, in the amount of \$18,350;
- Replacement of the roof and installation of R20.4 insulation in mid-2016, which cost

\$138,000;

- Replacement of rooftop hallway heating and cooling units, which cost \$32,900; and
- Replacement of the central Gas Hot Water heater, which cost \$9,000.

The property always had individual HVAC units in each apartment and still does; however, the old Packaged Terminal Air Conditioning (PTAC) units were replaced by new energy efficient models. The installation of the new equipment has resulted in an average decrease in electricity costs of 15 percent per apartment per year.

The energy efficiency upgrades were part of a larger project, which included numerous upgrades to the unit interiors, such as new kitchen cabinets, carpeting, and appliances costing \$84,500. The energy efficiency upgrades cost approximately \$400,000 and were financed using funds from the property's Replacement Reserve account, which is an account into which property owners deposit funds on a monthly or annual basis to use for future capital improvements.


## **OTHER BENEFITS**

This property is located on the shore of Lake Erie, and thus experiences significant wind and snow for an extended period each year. The energy improvements benefited the owner with significantly reduced operating expenses, but also benefited the residents with improved levels of comfort and enjoyment of their surroundings. Most importantly, the project was completed as a rehabilitation with the residents in place. One of the biggest priorities for the project team was to minimize any negative effects of the rehabilitation on the residents, which required frequent communication and coordination of work. All interior work was done as quickly as possible to minimize the inconvenience to each household.

## Annual Energy Use

(Source EUI)

Baseline(2013)

 112 kBtu/sq.ft.

Actual(2016)

 75 kBtu/sq.ft.

## Energy Savings

**33%**

## Annual Energy Cost

Baseline(2013)

 \$51,200

Actual(2016)

 \$40,200

## Cost Savings

**\$11,000**

Entrance to Elk Valley Manor

Elk Valley Manor Apartments