

Client Success Story

Lee Silsby Compounding Pharmacy energy-efficiency initiatives



LEE SILSBY
COMPOUNDING PHARMACY



Locally owned by the Israel family, Lee Silsby Compounding Pharmacy is a member of the Greater Cleveland Partnership (GCP), the largest chamber of commerce in the U.S. The company is actively involved in the partnership's Council of Smaller Enterprises (COSE), a supporter and advocate for the region's small businesses. COSE partners with KeyBank through its Energy financing division, Key Equipment Finance Clean Energy. Together, they offer financing with reduced interest rates to GCP members for energy-efficiency projects.

Challenge:

Based in Cleveland Heights, Ohio, Lee Silsby is one of the largest and most respected compounding pharmacies in the country. In fact, Lee Silsby Compounding Pharmacy's impeccable reputation for compounding medications has resulted in such impressive growth that the company has purchased and is renovating a new facility in nearby Beachwood that will quadruple its current size.

As the Israel family began its search for larger space for their growing company, they knew it would be difficult to find just the right place. They plan to grow the company from 38 to 81 employees over the next four years, more than doubling its current size. And because the company prepares hazardous and sterile products, its laboratory and clean-room requirements are very specific.

When the Israels found a 20,620 square-foot bus garage the company could purchase and renovate, they knew that turning it into the perfect space would become a labor of love – and one that

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would require significant energy-efficiency upgrades.

“The building we purchased was built in the 60s and is very energy-inefficient, with huge, overhead light fixtures with large, old light bulbs,” said Rachael Israel, who serves as the company's general counsel. “We decided to start with an energy-efficiency audit, which COSE provides for free to members, because we knew there were big gains to be found. When it came to energy efficiency, we had nowhere to go but up.”

Solution:

COSE performed a comprehensive (ASHRAE Level II) energy assessment



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“We are so grateful to the Greater Cleveland Partnership team, who helped guide us through this entire process and, importantly, introduced us to Key Equipment Finance. Once we saw how helpful they were on the energy efficiency side, we moved our entire business banking relationship to Key.”

- Rachael Israel, Lee Silsby

of the new Lee Silsby building to assess the potential for cost-effective Energy Conservation Measures (ECMs). Each year, COSE conducts more than 100 energy audits for local small businesses, courtesy of FirstEnergy Ohio Utilities and as a benefit to COSE and GCP members.

The GCP/COSE energy team identified 23 main ECMs for consideration during the audit. Performing these ECMs would provide the maximum utility and operations expenditure reduction for the raw space and its intended new usage.

COSE brought in Omar Kalim from Key Equipment Finance’s Clean Energy team, which is uniquely qualified to

provide equipment finance solutions for energy-efficiency projects. With funding from Key and an interest rate reduction through COSE, extensive upgrades are currently being made to the building to accommodate the pharmacy, including energy-efficient LED lighting and HVAC.

In addition to the equipment loan for the HVAC and lighting upgrades, Key also financed the property purchase and renovation. Lee Silsby also received a \$700,000 interest-free loan from the City of Beachwood, as well as several tax incentives.

Results:

By working with COSE and KeyBank, Lee Silsby was able to capitalize on the following benefits:

Received
\$2,698



in **cash rebates**
for lighting

Leveraged COSE’s
Interest Rate
Buy-down Program



and saved
\$62,422

on its loan for LED lighting
and HVAC measures through

KeyBank 

at a **3.5%**
interest-rate reduction

GCP/COSE team



Leveraged more than

\$73,000

in total value through
their relationship

In early 2019, Lee Silsby plans to move into its new space, which will include five laboratories with tightly-controlled air pressure, humidity and temperature controls and access, as well as plenty of room for its growing team. The company credits the Greater Cleveland Partnership, COSE and KeyBank for helping them realize their dreams for their growing business.

The Greater Cleveland Partnership looks forward to helping even more local businesses take advantage of energy-efficiency upgrades through the partnerships and resources available to them through COSE.

“We value our partnership with KeyBank very much,” said Nicole Stika, vice president, Energy services with GCP/COSE. “We appreciate that Key is a local bank that has really become a leader nationwide when it comes to financing energy-efficiency and renewable-energy projects, which provides real value to local businesses.”

To learn more:

Contact Omar Kalim, Key Equipment Finance Clean Energy at 216-689-4345 or omar_kalim@keybank.com
Nicole Stika, Vice President, Energy Services at 216-592,2338 or nstika@gcpartnership.com

Visit www.keyequipmentfinance.com/business/clean-energy, www.cose.org/energy or www.leesilsby.com

