



REQUISITION
RQS 9501 RL202100000052 07/02/2021
Pending

CITY OF CLEVELAND
Division of Purchases & Supplies
601 Lakeside Avenue
Room 128
Cleveland, OH 44114
Tax ID: 34-6000646

Division: 9501
Requester: Svoboda Anthony
2166643684
asvoboda@city.cleveland.oh.us

Table with 6 columns: Line #, Description, Quantity, Unit, Unit Price, Total Amount. Row 1: 1, \$436,517 EDA CARES Act Loan for 7501 Carnegie, LLC, From 07/02/2021, Service, To 07/02/2026, \$ 436,517.00

ESTIMATED COST \$ 436,517.00

CHART OF ACCOUNTS

Table with 10 columns: LINE #, BFY, FUND, SUB-FUND, DEPT, UNIT, APPR UNIT, OBJECT, PROGRAM, AMOUNT. Row 1: 1, 9999, 17, 087, 9501, 00, 630, 6380, 17087000, \$ 436,517.00

COMMENTS

Large empty rectangular area for comments.

7-14-21



Built by Industry. Inspired by Innovation.

To: Barbara Langhenry, Director
Department of Law

From: David Ebersole, Director
Department of Economic Development

Subject: Request for Legislation – \$436,517 EDA Cares Act Loan for the 7501 Carnegie, LLC Project

Date: 06/29/20

Handwritten: Mantank

Confidential subject to Attorney Client Privileges

Please prepare legislation for introduction at the next meeting scheduled for **July 14th, 2021** that authorizes the following:

Authorizing the Director of Economic Development to enter into appropriate agreements with 7501 Carnegie, LLC, or designee, to implement the following:

Provide a Machinery and Equipment loan of up to \$436,517 to support the purchasing of new machinery and equipment at the Central Kitchen located at 7501 Carnegie Avenue.

DE/dk

cc: D. Kennedy, S. Dumas, A. Svaboda, D. Rehor, file

DEPARTMENT OF ECONOMIC DEVELOPMENT
MEMORANDUM FOR LEGISLATION

DATE OF REQUEST: 06/29/2021

INITIATED BY: Dan Kennedy

DIVISION/PHONE: x3921

COUNCILPERSON CONTACTED ON: 6/29/2021

Legislation to be passed under suspension: Yes _____ No X

ACTION REQUESTED: Apply _____ Enter Into Contract X
Accept _____ Amend Ordinance No. _____
Expend _____ Other (Copy Attached) _____

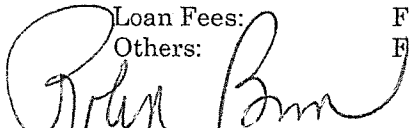
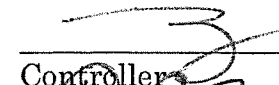

DIVISION OF PURCHASE - REQUEST FOR LEGISLATION FORM:

R.L. X NOT APPLICABLE _____ COMPLETED & FORWARDED _____

Authorizing the Director of Economic Development to enter into appropriate agreements with the 7501 Carnegie, LLC, or designee to implement the following:

Provide an EDA Cares Act, Machinery and Equipment loan of up to \$436,517 to support the purchasing of new machinery and equipment at the Central Kitchen located at 7501 Carnegie Avenue.

TO BE COMPLETED BY MANAGEMENT ONLY:

Disbursement:	Fund <u>17</u>	Subclass <u>087</u>
Repayment:	Fund <u>17</u>	Subclass <u>088</u>
Loan Fees:	Fund <u>17</u>	Subclass <u>305</u>
Others:	Fund <u>N/A</u>	Subclass <u>N/A</u>
		<u>6/29/21</u>
Division Head		Date
		<u>6-29-21</u>
Controller		Date
		<u>6-29-21</u>
Director of Economic Development		Date
<u>A. Swoboda</u>		<u>6/30/21</u>
Legislative Liaison		Date

JUSTIFICATION: The legislation will support the purchasing of machinery and equipment needed for the continued growth of the Central Kitchen project.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: _____**

Project Name: Central Kitchen
Project Address: 7501 Carnegie Avenue, Cleveland, OH 44115
Developer: 7501 Carnegie, LLC and/or Designee
Project Manager: Dan Kennedy
Ward/Councilperson: 5 – Delores Gray
City Assistance: \$436,517 Machinery and Equipment Loan

Project Summary and Discussion

Central Kitchen is a craft food business accelerator and innovation hub that empowers entrepreneurs to achieve their fullest potential; offering classes, a shared kitchen and individual pods, co-packing and productions facilities, warehousing, retail space, offices and distribution partnerships. Central Kitchen has assisted and helped create over three dozen sustainable businesses since 2013.

7501 Carnegie LLC (“Borrower”) requests a loan in the amount of \$436,517 through the Economic Development Administration Cares Act to offset costs associated with purchasing machinery and equipment at 7501 Carnegie Avenue, Cleveland, Ohio 44115 (“Project Site”). Borrower will retain 3 W-2 jobs and create 10 new W-2 jobs at the Project Site with an approximate annual payroll of \$300,000. The Borrower is seeking to purchase new equipment to expand kitchen, warehouse, and co-packing and production spaces throughout the Central Kitchen. New equipment to be purchased include exhaust hoods, hand sinks, 2 and 3-compartment sinks, hot water tanks, kettles, HVAC, and other related and eligible items.

Proposed City Assistance

The request to Cleveland City Council is to authorize the Director of Economic Development to enter into a non-forgivable loan in the amount of \$436,517 through the EDA Cares Act Program to offset costs associated with purchasing machinery and equipment at the Project Site.

Economic Impact

- Creation of 10 jobs in the City of Cleveland
- Project estimates \$7,500 in new annual City tax revenue generated from new employees

City Requirements

- Subject to Chapter 187
- Subject to a Workforce Development Agreement for all new jobs
- Subject to a Community Benefits Agreement

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