

DEPARTMENT OF ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY ORDINANCE NO: 546-2020

The 2020 Budget included an appropriation of \$3,000,000 for the Department of Economic Development to conduct economic development activities. This ordinance authorizes the transfer of those funds to Economic Development and authorizes the use of these funds to make economic development loans and grants under existing authority including:

- Neighborhood Retail Assistance Program
- Neighborhood Development Program
- Loans & Grants under \$250,000 pursuant to Ord. 90-10

Additional legislation may authorize the use of these funds for loans that do not fall within the existing authority.

Neighborhood Retail Assistance Program (NRAP):

This program provides loans up to \$50,000 to assist our small neighborhood retail businesses with improvements to the property. Retail businesses and restaurants play a major role in keeping our main streets active and vibrant. These businesses struggle to obtain financing through typical lending channels, especially for start-up businesses and in weaker markets. In order to fill this market financing gap, Economic Development implemented this program to help grow retail in our neighborhoods.

Neighborhood Development Program (NDP)

This program is administered by the Department of Economic Development and provides grants of up to \$50,000 to support neighborhood development projects. This grant is primarily designed to offset predevelopment costs such as brownfield assessment, site planning, and geotechnical concerns. This flexible funding source is used to help move projects off the drawing board and into the ground.

Loans & Grants under \$250,000

Vacant Property Initiative

This program provides loans and forgivable loans to help redevelop and reactivate vacant properties in the City of Cleveland. Many buildings that go

vacant are decades old and require significant upgrades to be competitive in the modern market. As they sit on the market, the buildings deteriorate and become more challenging to rebuild. The VPI program helps to offset these costs.

Tech Delta Program

This program provides small grants to help offset the costs of bringing technology improvements to leased spaces in the City. Many buildings that are even ten or fifteen years old require upgrades to accommodate modern technology needs; especially for businesses in the technology or research fields. This program helps to support the upgrades necessary to support these tenants while keeping rents competitive.

A copy of the Department's 2020 Annual Report is attached for examples of the programs.