

DEPARTMENT OF ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY

Project: CentroVilla 25
Address: 3140 W. 25th Street
Ward: 14

CentroVilla25 is a collaborative effort between MetroHealth, the Hispanic Business Center, Hispanic Alliance and Metro West Community Development Center to develop the W. 25th/Clark area as the economic and cultural center of the Latino Community in Greater Cleveland. The stretch south of Clark Avenue to MetroHealth contains several vacant buildings and empty land. The surrounding neighborhood is one of the poorest neighborhoods in the City and is a target for redevelopment through the Neighborhood Transformation Initiative. The proposed

Building Programming:

- El Mercado: 20+ retail kiosks
- Commercial Kitchen w/ Storage & Wholesale production/distribution capacity
- Speciality Grocery
- Community Gathering Space & Outdoor Plaza
- MetroWest & Hispanic Business Center offices

The development faces several challenges. The building is an outdated industrial structure that will require significant work to be converted to this type of use. Inflationary pressures on construction are driving costs. The development team has acquired the property for the purpose of

Proposed Financial Assistance

Economic Development Permanent Loan: \$650,000.

Term: 30 years, 7 years Interest-Only, then 23-year amortization

Rate: 2%

Collateral:

- Department to secure loan against property or other assets as required through NMTC structure.
- Clark-Metro Steelyard TIF allocation to be used as annual repayment reserve

Repayments:

- Department shall impose a 30-year Non-School TIF; to fund debt service for this loan
- Repayments shall be made from revenue or from Steelyard TIF Allocation

Economic Development Forgivable Loan: \$500,000

Term: 10 years, 7 years Interest-Only, then 3-years deferred.

Rate: 1%

Collateral:

- Department to secure loan against property or other assets as required through NMTC structure.

Forgiveness:

- Loan to be forgiven at the end of the 10-year period if El Mercado remains operational as a micro-retail facility.

Steelyard TIF Grant: \$100,000

- Project to receive a grant from current balance of Steelyard TIF Fund allocation for Clark-Metro area.

Job Creation Requirement

The project is required to create 10 jobs, through the creation of entrepreneurial opportunities. In addition, the anchor tenants are expected to retain their current employment when they move to the new site.

Fundraising Bridge Loan: \$1,000,000

Source of Funds: Economic Development Resources

Term: 3 years; extendable up to 7 additional years at the City's option

Interest Rate: 5%

Security: Pledge of certain donations to be fundraised for the project

Est. TIF Value: \$640,000

Estimated Sources & Uses

SOURCES		USES	
PRIVATE DEBT (Key)	\$1,952,350	Acquisition	\$939,000
HHS Grant	\$440,000	Construction	\$6,841,000
State Capital Grant	\$100,000	Soft Costs	\$1,720,000
City – Steelyard TIF Grant	\$100,000		
City – Forgivable Loan	\$500,000		
City – Permanent Loan	\$650,000		
NMTC	\$1,800,000		
Finance Fund Grant	\$100,000		
Foundations & Fundraising	\$3,815,000		
TOTAL	\$9,457,350		\$9,500,000

Community Benefits:

- Chapter 187 Applies
- Chapter 188 Applies