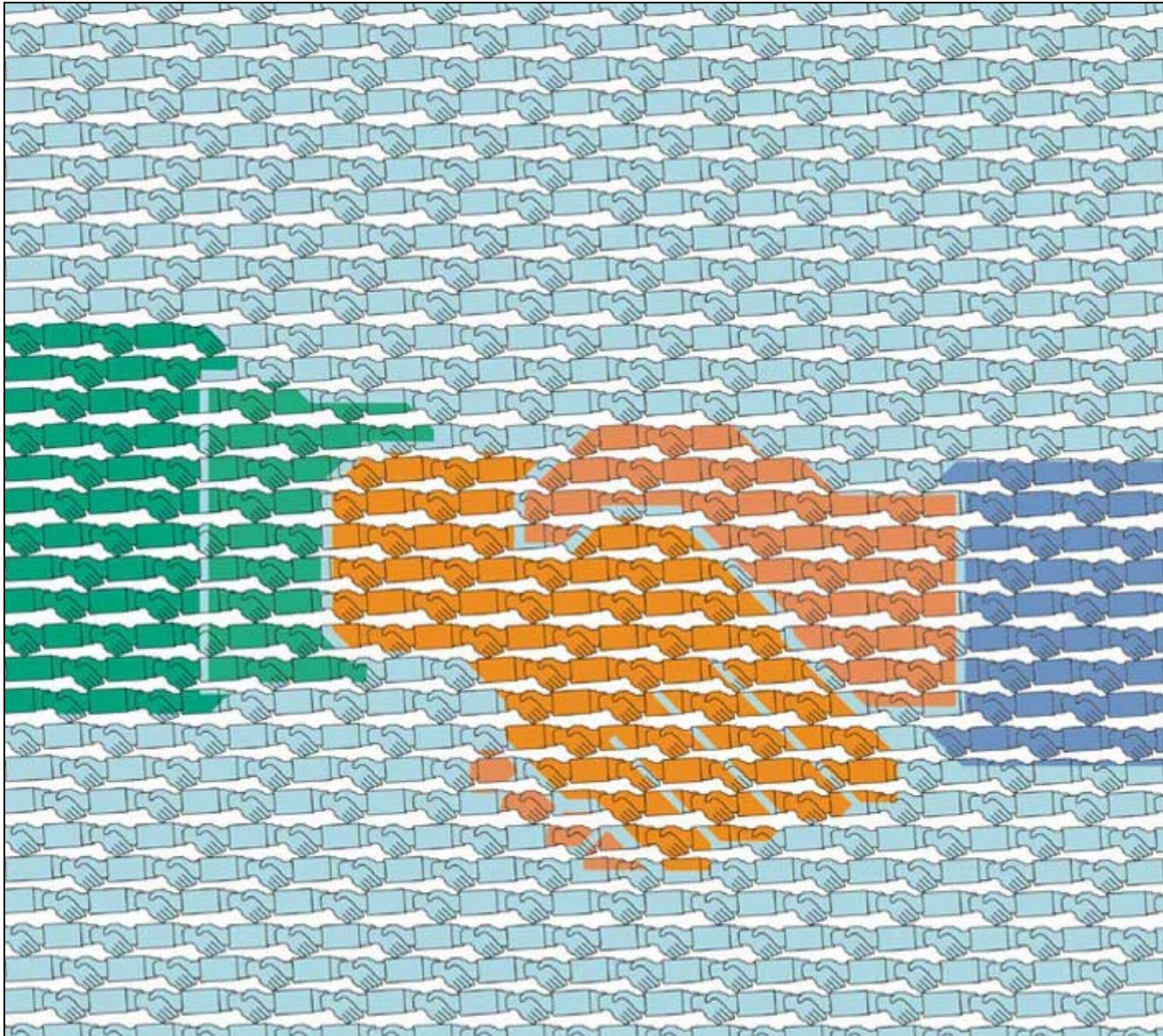


ECONOMIC DEVELOPMENT ASSISTANCE HANDBOOK



Information Compiled by the Cuyahoga County Department of Development 2007



COMMISSIONERS

Jimmy Dimora
Timothy F. Hagan
Peter Lawson Jones

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JIMMY DIMORA



TIMOTHY F. HAGAN



PETER LAWSON JONES

Cuyahoga County Commissioners Timothy F. Hagan, Jimmy Dimora and Peter Lawson Jones remain committed to enhancing the economic vitality and well-being of Cuyahoga County through their leadership of, and support for the Development Department. The creation and retention of good jobs and the attraction of private investment remain key objectives of the Cuyahoga County Development Department's strategy. That strategy features a number of new and innovative programs and is implemented by a dedicated team of economic development professionals. These programs are diverse in nature and were designed to meet the changing needs of the local economy. The staff of the Department of Development is committed to working with community leaders, project developers and business owners like yourselves, to ensure the continued economic growth of this region.

This handbook was compiled by the Cuyahoga County Department of Development staff as an overview of the programs we offer, to individuals, business owners, and project developers who are interested in expanding or relocating their business in Cuyahoga County. In addition to the programs that Cuyahoga County offers, this comprehensive resource directory provides you with programs offered by the State of Ohio, the City of Cleveland, the Federal Small Business Administration, as well as other local public and quasi-public economic development agencies.

I hope you find this handbook a valuable resource as you consider Cuyahoga County as a potential place to grow your company. All of us in the Cuyahoga County Development Department are available to answer any questions you may have regarding the programs listed, and we look forward to working with you in the future.

Sincerely,

A handwritten signature in black ink that reads "Paul Oyaski". The signature is written in a cursive style.

Paul Oyaski, Director
Cuyahoga County Department of Development

PUBLIC FINANCING ASSISTANCE

The goal of public financing assistance is the creation, retention or expansion of jobs and/or the creation of new revenues to local government. This process encourages public/private partnerships to leverage the benefits of lower equity injections, lower interest rates and/or longer terms. When considering utilizing one of the programs outlined in this handbook, remember that this is a detailed process that involves private lender participation and in most cases equity contribution from the principal owners of the company. As in the private sector, most public financing programs will require detailed information in order to make an educated credit decision. A list of information that **may** be needed to complete a credit request package is listed below:

- Application fee
- Previous Three (3) Years of Historical Business Financial Statements and/or Corporate Tax Returns (Balance Sheet, P&L, Cash Flow)
- Current and Previous Year Comparative Interim Business Financial Statement (Balance Sheet, P&L, Cash Flow current within 90 days)
- Aging of Accounts Payable and Accounts Receivable (current within 90 days)
- Two (2) Years of Projected Business Financial Statements (Balance Sheet, P&L, Cash Flow)
- Personal Financial Statements (20% ownership or more) Including Previous Two (2) Years of Personal Tax Returns on Each Owner
- Resumes of Officers and Key Management Personnel
- Summary Describing:
 - Existing Business
 - Date Established or Purchased
 - Current Ownership or Previous Ownership and/or use
 - Products Sold and/or the Services Rendered
 - Geographic Market
 - Marketing Methods
 - Strengths of the Business
- List of Customer and Suppliers That Comprise 10% or More of the Company's Business
- Summary Highlighting the Proposed Project Including, Unique Features, Enhancements and Benefits
- Third Party Appraisal(s) on the Collateral (real estate and/or equipment)
- Letter(s) of Intent or Letter(s) of Commitment from Private Lender(s) and/or any Other Funder(s)
- Governing Instruments Including Articles of Incorporation, Partnership, Articles of Organization and Operating Agreement(s)
- Copy of the Construction / Rehabilitation Cost Estimates and the Scope of Work
- Copy of the Existing or Proposed Purchase Agreement or Option
- List of Equipment to be Purchased Including the Purchase Invoice or Requisition
- Tenant(s) Letter of Commitment or Copy of the Lease Agreement
- Environmental Clearance Evidence – Phase I / Phase II Environmental Review Reports

This handbook contains several Cuyahoga County area assistance programs that are available to assist businesses looking to expand or relocate in Cuyahoga County. Although not all programs available are listed below, this list provides a starting point for businesses and provides information regarding program parameters, eligibility and requirements for these programs to help a business get started on the path to future growth. Should more information be needed, contact the provider or call the Cuyahoga County Department of Development at 216-698-2851.



COMMISSIONERS

Jimmy Dimora
Timothy F. Hagan
Peter Lawson Jones

Cuyahoga County Department of Development

The mission of the Department of Development is to foster strong neighborhoods, support safe, decent and affordable housing, and promote economically sound communities through programs that address issues vital to local business growth and enhanced employment opportunities within Cuyahoga County.

The Department of Development provides financial and technical assistance to businesses and communities through a number of economic development programs designed to assist businesses in locating or expanding in Cuyahoga County. County staff is also familiar with other area programs and will work with businesses to create the best financing package. By locating your business in the County, you will be able to take advantage of the convenient location, strong infrastructure, affordable housing, advanced workforce training, excellent universities, world renowned arts, outstanding recreation and green space, major league sports, and the many other features contributing to the high quality of life in Cuyahoga County.



The National Acme Building

The county, together with the State of Ohio and other local communities, works to help businesses with many issues regarding expansion and new investment that creates local jobs and new revenues for communities. Two recent projects include the Handle-It National Acme Brownfield Redevelopment Project in Cleveland and the Taylor Chair expansion project in Bedford. Both projects helped local companies grow and expand and create jobs for our citizens.

The Taylor Chair Company



Cuyahoga County Department of Development

Due to the passage of Issue 18, this program is currently *on hold* and is expected to become part of the issue 18 programming. We are excited that the region has new funding for an important part of our economy- the Arts. We look forward to bringing information on funding when it becomes available.

ARTS AND CULTURE AS ECONOMIC DEVELOPMENT PROGRAM (ACE)

The ACE program was created as a public-private partnership between Cuyahoga County and the Community Partnership for Arts and Culture (CPAC), the ACE Program annually awards grants for new arts and culture programs based on measures of economic impact, innovation, collaboration and audience expansion. Applicants must be 501(c)(3) organizations, working on a new arts and culture program or activity in Cuyahoga County that goes beyond the organization's normal programming. Goals of the program include:

- Maximizing the economic impact of Cuyahoga County's arts & cultural industry.
- Raising awareness of Cuyahoga County's cultural products and stimulate increased participation and engagement by residents and visitors.
- Strengthening Cuyahoga County as a unique cultural destination to attract new visitors and their spending.
- Building a solid, sustainable infrastructure of arts and cultural organizations and events as a component of Cuyahoga County's overall economic development.
- Supporting new arts & cultural events.
- Improving Cuyahoga County residents' quality of life and educational opportunities that result from the events.

ACE Development Grants are designed to support programs, projects, and activities that serve the stated goals. In addition, funding opportunities are designed to:

- Encourage and develop imaginative collaborations and productive public/private partnerships between arts and cultural organizations .
- Develop new arts and cultural products to increase economic impact in Cuyahoga County.
- Encourage non-profit organizations to go above and beyond their normal programming to reach new or expanded audiences through arts and cultural activities.
- Attract and retain arts and cultural visitors to continue Cuyahoga County's reputation as a cultural destination.
- Build local participation in arts and cultural products.

Grants are awarded through an open and transparent evaluation process by an adjudication panel comprised of out-of-county cultural professionals and local civic leaders.

Cuyahoga County

Department of Development

BROWNFIELD COMMUNITY ASSESSMENT INITIATIVE

The Cuyahoga County Brownfield Community Assessment Initiative provides professional services to conduct "Phase I" and "Phase II" environmental site assessments on brownfields contaminated with hazardous substances and/or petroleum products in Cuyahoga County. The initiative was established through a cooperative agreement with the U.S. Environmental Protection Agency (EPA).

The County is directly contracting with experienced environmental consulting firms to conduct the assessments. The most appropriate consultants will be assigned to a selected project. All Phase I assessments will at minimum meet the U.S. EPA's "All Appropriate Inquiry" criteria for brownfields, but there is the option to complete all assessment activities under the standards of the Ohio EPA's [Voluntary Action Program](#) (VAP) and/or State of Ohio's [Bureau of Underground Storage Tank Regulations](#)' (BUSTR) 3-Tier Evaluation process.

Eligible applicants are public entities, non-profit organizations, businesses, and developers located in the county. Funds are not available to any parties that caused or contributed to the contamination of the site.

Interested applicants can download applications from County's Brownfields Internet site at www.brownfields.cuyahogacounty.us. A committee, consisting of the County's brownfields staff and local community organizations, reviews and makes recommendations for suitable sites to the Development Director on a first-come-first-serve basis. All project funding support requires final approval by the Cuyahoga County Board of Commissioners.

BROWNFIELD REDEVELOPMENT FUND (BRF)

The Brownfield Redevelopment Fund (BRF) is designed to overcome environmental barriers to reuse and obtain full use of underutilized commercial/industrial properties within Cuyahoga County. The primary focus is directed toward "urban" and "first-ring" suburban communities. Job creation is an expected outcome of cleanup and redevelopment. Eligible applicants include Cuyahoga County municipal corporations, non-profit community development corporations, and private developers/businesses.

There are four program areas which are fully described on the county website at www.brownfields.cuyahogacounty.us. The table below highlights aspects of the different program areas. A pre-application/interview process is required to facilitate the formal financing process, and best utilize limited resources. A \$150 non-refundable application fee is due when the application is submitted.

Note: For all projects, the applicant and project site cannot have any outstanding tax liabilities with Cuyahoga County and the project must have a committed for-profit end user. All Projects require a shared 1st Priority Lien on the property and/or a standby irrevocable letter of credit. All project financing should be committed or secured.

Program	Eligible Applicants	Other Requirements	Funding Levels	Loan Forgiveness	Loan Terms
Commercial Industrial	<ul style="list-style-type: none"> *Local Municipal Corporations *Non-Profit CDC's (on behalf of a for-profit project) *Private developers/Businesses 	<ul style="list-style-type: none"> *Applicant must own the property *PRP's are not eligible *Municipal solid waste facilities are not eligible 	<ul style="list-style-type: none"> *Up to \$1,000,00 *Acquisition costs cannot exceed 50% of County funding request 	<ul style="list-style-type: none"> *Municipal Corporations may receive a subsidy *Non profit CDC's, private developer/businesses may receive loan forgiveness *An additional 5% forgiveness is available for green/sustainable initiatives 	<ul style="list-style-type: none"> *5 years, can be extended to 15 years * Must be repaid upon any transfer of property
Prevention/Site Expansion	<ul style="list-style-type: none"> *Private businesses 	<ul style="list-style-type: none"> *Applicant must own the property *Must be an adjacent parcel *Applicant must agree to own and operate the property for 5 years *There must be job creation 	<ul style="list-style-type: none"> *Up to \$500,000 *\$35,000 per new job created within 3 years * Acquisition costs cannot exceed 50% of County funding request 	<ul style="list-style-type: none"> *Private businesses may receive loan forgiveness (up to 100%) 	<ul style="list-style-type: none"> *5 years, can be extended to 15 years * Must be repaid upon any transfer of property
For-Sale Housing	<ul style="list-style-type: none"> *Non-Profit CDC's (on behalf of a for-profit project) *Private developers/Businesses 	<ul style="list-style-type: none"> *PRP's are not eligible *Existing Building must be at least 90% vacant *A housing developer must be committed to the project 	<ul style="list-style-type: none"> *Up to \$1,000,000 * Acquisition costs cannot exceed 50% of County funding request 	<ul style="list-style-type: none"> *Municipal Corporations may receive a subsidy *Non profit CDC's, private developer/businesses may receive loan forgiveness *An additional 5% forgiveness is available for green/sustainable initiatives 	<ul style="list-style-type: none"> *5 years, can be extended to 15 years * Must be repaid upon any transfer of property
Multi Family Rental Housing	<ul style="list-style-type: none"> Private developers/Businesses 	<ul style="list-style-type: none"> *Property Acquisition is not an eligible cost *Applicant property must have at least 20% vacancy *End use must be multi-family rental housing *For removal of asbestos and lead paint *PRP's are not eligible 	<ul style="list-style-type: none"> *Up to \$500,000 per project 	<p>No loan forgiveness is available</p>	<ul style="list-style-type: none"> *5 years maximum * Must be repaid upon any transfer of property

Sites with prior commercial, industrial or institutional usage, which are eligible for the State of Ohio's Voluntary Action Program (VAP), qualify for the BRF. The applicant must have at least a completed VAP Phase I environmental assessment that identifies the environmental problem, to be eligible for funding. Locations with housing or no prior development and former municipal solid waste facilities do not qualify. Funding for remedial actions to prepare a site for VAP eligibility under Section 3746.02 of the Ohio Revised Code will be considered. Gas station sites will only be considered when presented as part of a larger, comprehensive redevelopment project.

In 2005, the County established the Brownfields Prevention/ Site Expansion Loan under the BRF program. The Brownfields Prevention Loan is designed to prevent the creation of brownfields by assisting land-locked companies to expand rather than relocate. A no interest rate, deferred loan up to \$500,000 is available to provide businesses looking to expand at their existing location or an adjacent parcel. Up to \$35,000 in loans are available for every new or retained job. The loan is forgiven in equal amounts over a 5-year period.

All project funding support requires recommendation by the county's Loan Committee and final approval by the Cuyahoga County Board of Commissioners.

More information about Cuyahoga County's Brownfield Redevelopment Fund can be found at www.brownfields.cuyahogacounty.us.

DESTINATION CLEVELAND

Destination Cleveland was created in 2004 by the County Commissioners in partnership with local events, sports and film-making industries. Organizations producing major events that will draw visitors to shop, dine and stay in Cuyahoga County are eligible to apply for a grant of up to \$100,000 based on the generation of sales tax revenue to the County. It was designed to:

- Expand tourism and create an environment of economic and community vitality.
- Encourage large events that will bring residents from throughout Cuyahoga County and visitors together for youth and adult sports competition, the richness of our County's ethnic and cultural heritage, events, and film-making opportunities.
- Leverage private investment in local entertainment and sports industries.
- Support, encourage and attract new event venues to Greater Cleveland.

All funding is provided in the form of forgivable loans. Loans are forgiven after successful completion of the event and submission of final reporting documents to the Department of Development. Requests are reviewed by the DOD and are subject to availability of funds. Funding recommendations will be made to the BOCC for final approval. All applications for event funding must be submitted **at least 12 weeks** prior to the event. Applications are available online at www.development.cuyahogacounty.us

Cuyahoga County

Department of Development

ECONOMIC DEVELOPMENT LOAN PROGRAM

The Economic Development Loan Program provides businesses with financial assistance to support the creation of jobs for County residents. The fund provides long term, fixed-rate financing at interest rates lower than conventional financing. The interest rate is typically three and a half percent (3.50%). The fund is intended to fill a financing gap beyond the amount of private participation and equity investment that can be raised. Loans generally range from a minimum of \$35,000 to a maximum of \$350,000, up to forty percent (40.00%) of total project cost. Loan terms are typically seven (7) years on equipment and up to fifteen (15) years on land and building. Loans can be used to finance the acquisition of land, buildings, machinery and equipment as well as for new construction, renovation, expansion and/or conversion of facilities. Loans cannot be used to refinance debt, purchase inventory, pay other non-capital costs, finance restaurants or on speculative projects. The County will take a subordinated collateral position provided there is adequate collateral available as security, up to a ninety percent (90.00%) loan to value ratio or an irrevocable letter of credit.

Business Requirements

- \$150 nonrefundable application fee, plus a loan fee equal to .5% of County loan amount.
- For-profit commercial, industrial or service businesses that expand or move to the County qualify for consideration, if registered to do business in Ohio. The County does not finance restaurants or speculative projects
- Businesses are required to create one new, full time, permanent job for every \$35,000 loaned within three years of loan closing.
- Businesses must provide a minimum of ten percent (10.00%) equity. The business owner or majority stockholder must provide a personal guarantee for the loan amount, unless a letter of credit is provided.
- The business must execute Workforce Cooperation Agreement with the County that designates as first source of referral for mutually agreed positions at the company.
- Business must demonstrate the ability to repay the loan as well as have adequate collateral and acceptable credit.
- Prevailing wage rates must be paid when loan funds are used for construction.

M.A.D.E. IN CUYAHOGA COUNTY (Manufacturing Assistance, Development and Expansion Program)

The M.A.D.E. in Cuyahoga County Program provides manufacturing businesses with financial assistance to support the creation of jobs for County residents. The fund provides long term, fixed-rate financing at interest rates lower than conventional financing. Interest rate is currently two percent (2.00%). The fund is intended to fill a financing gap beyond the amount of private participation and equity investment that can be raised. Loans generally range from a minimum of \$35,000 to a maximum of \$200,000, up to forty percent (40.00%) of total project cost. Loan terms are typically seven (7) years on equipment and up to fifteen (15) years on land and building. Loans can be used to finance the acquisition of land, buildings, machinery and equipment as well as for new construction, renovation, expansion and/or conversion of facilities. Loans cannot be used to refinance

debt, purchase inventory, pay other non-capital costs or on speculative projects. The County will take a subordinated collateral position provided there is adequate collateral available as security, up to a ninety percent (90.00%) loan to value ratio or an irrevocable letter of credit.

Business Requirements

- \$100 nonrefundable application fee, plus a loan fee equal to .5% of County loan amount.
- For-profit manufacturing or industrial businesses that expand in or move to the County qualify for consideration, if registered to do business in Ohio.
- Businesses are required to create one new, full time, permanent job for every \$35,000 loaned within three years of loan closing.
- Businesses must provide a minimum of ten percent (10.00%) equity. The business owner or majority stockholder must provide a personal guarantee for the loan amount unless a letter of credit is provided.
- The business must execute Workforce Cooperation Agreement with the County that designates as first source of referral for mutually agreed positions at the company.
- Business must demonstrate the ability to repay the loan as well as have adequate collateral and acceptable credit.
- Prevailing wage rates must be paid when loan funds are used for construction.

ENTERPRISE ZONE TAX INCENTIVES

A business enterprise located within a Cuyahoga County Enterprise Zone is eligible for negotiated property tax abatement for new investment. Currently there are twenty six (26) enterprise zones designated in Cuyahoga County municipalities which include: Bedford, Bedford Heights, Berea, Brook Park, Cuyahoga Heights, Euclid, Garfield Heights, Glenwillow, Highland Heights, Highland Hills, Maple Heights, Mayfield Heights, Newburgh Heights, North Olmsted, North Royalton, Oakwood, Olmsted Falls, Parma, Richmond Heights, Shaker Heights, Solon, South Euclid, Strongsville, Valley View, Walton Hills and Westlake.

Business Requirements

- Businesses must apply directly to the municipality that is the site of the new investment. Local governments can grant exemptions of up to seventy five percent (75%) on eligible new investments. The term of these incentives can be for up to ten (10) years. Once an agreement is negotiated between the company and the municipality, the Board of Cuyahoga County Commissioners must approve the agreement. The project cannot begin prior to the Commissioners' approval.
- The companies are required to negotiate and execute a Workforce Cooperation Agreement with the County, which designates the County as the first source of referral for mutually agreed entry-level positions at the company.
- All intra-state relocations require a relocation waiver issued by the Ohio Department of Development. A letter from the mayor of the exited community is required on intra-county relocations.
- Fees include a one-time application fee of \$750.00 payable to the Ohio Department of Development. There is also an annual monitoring fee charged by the municipality and split with the County. This fee is equal to one percent (1%) of the taxes exempted, minimum \$500 and not to exceed \$2,500 per year for the life of the agreement.

Cuyahoga County

Department of Development

Housing Development - Multifamily Housing Revenue Bonds:

Multifamily Housing Bonds are available to nonprofit and for profit developers for the purposes of financing the cost to acquire and rehabilitate or construct multiple rental housing units, of which a percentage must be affordable. The advantage of using a tax-exempt housing revenue bond is its lower rate of interest. Applications can be obtained from the Department of Development or bond counsel, and turned in to the Department of Development. Generally, there are two steps to the bond issuance. The first step is adoption of a resolution of inducement by the Board of County Commissioners. The second step is approval of the issuance of the bonds with the execution of the loan and associated agreements. In order to be eligible for review by the Department of Development, a project must meet the following requirements:

- The housing development must be located entirely within the County of Cuyahoga or have a signed agreement to issue from the municipality in which the development is located.
- Request must be accompanied by a letter of support from the highest elected official in the municipality.
- Discrimination based on race, sex, age, family status, religion, sexual orientation, or national origin is prohibited.
- Units consisting of ten or more units are required to have at least five percent of its units designed for handicapped accessibility and/or adaptation in accordance with the American National Standards Institute (ANSI), A-117.1 as amended.
- At least twenty percent of the units must be affordable to households earning 50% of area median income, as determined annually by the United States Department of Housing and Urban Development.
- Displaced residents not covered by federal relocation regulations, regardless of the entity causing the displacement, must be assisted in accordance with the developer's approved relocation plan.
- Prevailing wages are required on all projects funded with Bonds issued by Cuyahoga County.
- Rate of Return cannot exceed twenty five percent (higher returns will require a greater debt coverage ratio).

Cuyahoga County Department of Development

SITE SELECTION PROGRAM

Cuyahoga County offers many amenities that make it a great place to live and work. By locating your business in the County, you will be able to take advantage of the convenient location, strong infrastructure, affordable housing, advanced workforce training, excellent universities, world-renowned arts, outstanding recreation and green space, major league sports, and the many other features contributing to the high quality of life in Cuyahoga County. Located within a 500 mile radius of Cuyahoga County your company can access:

- 42% of U.S. Households
- 51% of Fortune 500 U.S. Headquarters
- 44% of U.S. Effective Buying Income (EBI)
- 43% of U.S. Total Employment
- 48% of U.S. Manufacturing Employment
- 42% of U.S. Population

The Board of Cuyahoga County Commissioners through the Department of Development and Team NEO can assist you in your search for the perfect location within our great County. Briefly describe the type of building you are looking for and a representative from the Cuyahoga County Department of Development will contact you with information on available sites in the County that meet your needs within one week.

STOREFRONT RENOVATION PROGRAM

The Storefront Renovation Program assists businesses and property owners to make exterior improvements to their commercial buildings and repair interior code violations. Properties must be located in Improvement Target Areas within the Cuyahoga Urban County. Loans of up to \$75,000 per parcel are provided at below prime, fixed rates for up to twelve (12) years with monthly payments beginning three (3) months after closing. Projects are subject to Davis-Bacon prevailing wage and reporting requirement in most cases. Grants for architectural services not to exceed \$2,000 or eight (8) percent of the total project costs are also provided. Exterior improvements include: brick re-pointing and cleaning, painting, roof replacement, window and door replacement and awning installation. Code improvements include: electrical, plumbing, heating and structural repairs. Signage permitted when affixed to the structure and building code improvements are made. 20% of Storefront Renovation funds may be applied to parking lots and sidewalks.

Properties located in eligible Design Review Districts (DRD) are also eligible for a grant for up to twenty (20) percent of the project costs not to exceed \$12,000 (all grant funds must be used on eligible exterior improvements). Grants are available in conjunction with the loan portion and with private financing.

Applicant Requirements

- Applicant must have title to property and sufficient equity (Loan to Value-80%) to secure loan.
- Applicant must provide ten (10) percent cash equity based on the material and labor cost.
- Applicant must complete improvements within one year of loan/grant approval.
- All property taxes must be paid up to date at loan/grant closing.
- Commercial building inspections as determined by the local community.
- Commercial building must be located in a recognized Improvement Target Area (ITA) within the Urban County.

Cuyahoga County Department of Development

THE GROW CUYAHOGA COUNTY FUND

The Grow Cuyahoga County Fund is a unique economic development partnership between Cuyahoga County and the Grow America Fund (GAF), established to assist eligible small businesses within Cuyahoga County obtain the financing required to grow their businesses. It offers affordable growth capital on advantageous terms to borrowers who create jobs and investment in Cuyahoga County. In order to qualify, a business must be for profit, and meet the size and eligibility requirements of the U.S. Small Business Administration (SBA). Grow Cuyahoga County will look to finance healthy, successful small businesses that need expansion capital. Loans can range from \$350,000 to \$1 million, at or below market rates, for up to 25 years depending on proposed use of funds. Loan proceeds may be used for any legitimate business purpose, such as working capital, machinery and equipment, acquisition of land and building, construction, renovations and tenant improvements. They may not be used for venture capital, research and development, or equity or near-equity needs. All loans must be adequately collateralized and require personal guarantees of the owner.

Typical Loan Structures are:

- Working Capital: 3-10 years (normally 5-7 years)
- Machinery & Equipment: 5-10 years or life of the asset
- Tenant Improvements: term of the lease
- Acquisition of Real Estate: Up to 25 years of the borrower

The application process requires a brief description of the project including proposed sources and uses of funds; a corporate financial statement or tax returns for the previous three years; a current financial statement (may be in-house); a personal financial statement of all principals who own more who own more than 20% of company stock; and a credit release, authorizing GAF and the Grow Cuyahoga County Fund to obtain personal and corporate credit records.

CONTACT:

DEPARTMENT OF DEVELOPMENT

Annex Building, 4th Floor

112 Hamilton Avenue

Cleveland, Ohio 44114

Telephone: 216-698-2851

Fax: 216-348-4479

www.development.cuyahogacounty.us

Partnerships With Cuyahoga County

EAST CLEVELAND ECONOMIC DEVELOPMENT INITIATIVE

The East Cleveland Economic Development Initiative is a joint partnership designed to provide greater access to capital for businesses in East Cleveland. The Initiative combines local public resources with the U.S. Small Business Administration (SBA) loan programs to assist with small business startups, expansions, and relocations. At least a 10% equity contribution is required for all projects. The City of East Cleveland and Cuyahoga County have partnered to establish the Supplemental Equity Pool, which provides forgivable loans of up to 15% of the total project costs, not to exceed \$20,000, to supplement SBA financing of projects located in East Cleveland. Participating local banks provide the following SBA Loans:

- 7(a) Loan: used for working capital, machinery and equipment, furniture and fixtures, land and building acquisition, construction, leasehold improvements, and debt refinancing.
- 504 Loan: finances major fixed assets (land, buildings, machinery).

Sample Project Financing

- 10% Equity Contribution
- 15% Supplemental Equity Pool
- 75% SBA 7(a) Loan

Additional business assistance may be obtained from the City of East Cleveland, who may offer a waiver of city permit fees, façade and demolition grants of up to \$5,000 each and 75% tax abatement. The Urban League of Greater Cleveland offers business plan and technical assistance. Business operating assistance and support is available from Case Western Reserve University's Weatherhead School of Management.

CONTACT:

CITY OF EAST CLEVELAND

William Ellington

13601 Euclid Ave.

East Cleveland, Ohio 44112

Telephone: 216-681-2398

<http://www.eastcleveland.org/>

Partnerships With Cuyahoga County

NEW PRODUCT DEVELOPMENT AND ENTREPRENEURSHIP PROGRAM (NPDF)

Research and Development (R & D) Funding for Small Businesses

The New Product Development and Entrepreneurship Loan Fund was created in 2005 to encourage innovation and new business ventures, provide research and development (R & D) funding assistance to small businesses and grow new job opportunities in Cuyahoga County.

Administered by the Department of Development in partnership with MAGNET, Inc., the Program competitively awards ten year, 3.5% interest deferred loans to entrepreneurs and companies with annual sales of less than \$50 Million. Payments of interest and principal are deferred for a period of three years to provide the client time to bring the product to market. The County holds a security interest only on intellectual property funded through the program.

Up to a total of \$115,000 is available in three applicant phases:

- I. \$15,000: Product Feasibility
- II. \$40,000: Concept Development, and
- III. \$60,000: Engineering and Prototype Development.

Through the County's partnership with MAGNET, successful applicants are provided access to professional market analysis, product design and engineering, prototype testing and business plan development services

Two competitive Loan Application Reviews are announced annually. Applications (available at <http://www.magnetwork.org/>) are reviewed, scored and ranked by a panel of engineers, designers, venture capitalists and marketing professionals. All Applications and attachments are confidentially retained by MAGNET, Inc. to protect the intellectual property rights of the applicants.

CONTACTS:

DEPARTMENT OF DEVELOPMENT

Madeline Cain
Annex Building, 4th Floor
112 Hamilton Avenue
Cleveland, Ohio 44114
Telephone: 216-698-2851
Fax: 216-348-4479
<http://development.cuyahogacounty.us/>

MAGNET (CAMP SERVICES, INC.)

Wayne Zeman
1768 East 25th Street
Cleveland, Ohio 44114
Telephone: 216-432-4197
www.magnetwork.org





COMMISSIONERS

Jimmy Dimora
Timothy F. Hagan
Peter Lawson Jones



Mayor
Frank G. Jackson

City of Cleveland and Cuyahoga County Department of Workforce Development

Services for Jobseekers:

Employment Connection is the collaborative workforce system of the Cuyahoga County and City of Cleveland Departments of Workforce Development who have partnered with educational and training institutions, supportive service providers, and social advocacy groups. Our focus is to provide jobseekers with the tools and services necessary to obtain employment. We also assist customers who are currently employed and in need of additional training to expand their employment options. One of the primary goals is to ensure access to useful and efficient services so that job seekers may become employed as quickly as possible.

Our Centers Offer:

Employment Opportunities Boards listing job openings with employers names, addresses, and job descriptions.

Books, video, classifieds, fax machine and other materials to help you in your job search.

Telephones for contacting employers and scheduling interviews.

Computers to strengthen your typing skills, create resumes and cover letters and for online job searching, including computer access for disabled jobseekers.

Workshops designed to help you polish the skills needed to become employed, including resume writing and interviewing techniques.

Job Search and Employment Assistance.

Specialized assistance for ex-offenders, disabled, youth, veterans, and jobseekers 55 and older.

Basic literacy skills training and GED test preparation

Scholarships may be available to customers that need to enhance or acquire new skills to gain full-time employment (eligibility requirements apply)

Workforce Agreements:

Are negotiated by staff of the County's Workforce Development Department and are designed to assist those looking for jobs with companies who are hiring. The agreement is basically a pre-screening tool to send qualified applicants to companies receiving County financing assistance.

City of Cleveland and Cuyahoga County Department of Workforce Development

Main Locations:

Employment Connection - Downtown

1701 East 13th Street
Cleveland, Ohio 44114
216-664-4673 Fax: 216-664-2951
Employer Contact: Randy Hill
Employer Fax: 216-420-8237

Employment Connection - Brookpark

11699 Brookpark Road
Parma, Ohio 44130
216-898-1366 Fax: 216-898-1497
Contact: Mike Longo
Employer Contact: Tony Schweppe
Employer Fax: 216-898-1497

Satellite Offices:

<p><i>Employment Connection – Fairfax Career Center</i> 8111 Quincy Avenue, 2nd Floor Cleveland, Ohio 44104 216-391-5847 Fax: 216-391-5280</p>	<p><i>Employment Connection - Glenville Career Center</i> 12212 St. Clair Avenue Cleveland Ohio 44108 216-541-2267 Fax: 541-2265</p>	<p><i>Employment Connection - Mature Services</i> 333 Babbitt Road, Suite 343 Euclid, Ohio 44123 216-731-4664 Fax: 216-731-4890</p>
<p><i>Employment Connection - Mt. Pleasant Career Center</i> 13815 Kinsman Avenue Cleveland, Ohio 44120 216-561-5649 Fax: 216-561-5644</p>	<p><i>Employment Connection - Ohio City Career Center</i> 2012 West 25th Street Cleveland, Ohio 44113 216-556-8859 Fax: 216-987-8422</p>	<p><i>Employment Connection - Southgate Career Center</i> 5398 ½ Northfield Road Maple Heights, Ohio 44137 216-518-4954 Fax: 216-518-4819</p>
<p><i>Employment Connection - United Labor Agency</i> 3328 Carnegie Avenue Cleveland, Ohio 44115 216-391-0900 Fax: 216-391-6959</p>	<p><i>Employment Connection - Virgil E. Brown Career Center</i> 1641 Payne Avenue, 1st Floor Cleveland, Ohio 44114 216-987-7944 Fax: 216-987-7913</p>	<p><i>Employment Connection - Westshore Career Center</i> 9830 Lorain Avenue Cleveland, Ohio 44102 216-939-2599 Fax: 216-939-2596</p>
<p>OPENING FALL 2006: ADDITIONAL SATELLITE OFFICES AT CLEVELAND PUBLIC LIBRARIES For information on Cleveland Public Library sites, call David Thompson at 216-664-4673</p>		
<p style="text-align: center;">Memorial-Nottingham 17109 Lake Shore Boulevard Cleveland, Ohio 44110</p>	<p style="text-align: center;">Hough 1566 Crawford Road Cleveland, Ohio 44106</p>	<p style="text-align: center;">South Brooklyn 4304 Pearl Road Cleveland, Ohio 44109</p>

City of Cleveland and Cuyahoga County Department of Workforce Development

Business Services:

Employment Connection is the collaborative workforce system of the Cuyahoga County and City of Cleveland Departments of Workforce Development who have partnered with educational and training institutions, supportive service providers, and social advocacy groups. We are committed to developing a working relationship with your business by assisting you in your workforce needs. We oversee training programs and can supply you with information concerning hiring and financial incentives that your business can benefit from including:

- Labor Market Research and Industry Information
- Recruitment and Screening services
- Employee Training and Retention
- Layoff Aversion and Assistance
- Information on Tax Credits for Your Business
- Federal Bonding Information

To become fully aware of all services available, call or schedule a visit from your Business Service Representative today. Employment Connection Business Service Representatives concentrate their efforts in various workforce sectors:

Recruitment Assistance:

Through Employment Connection and our Partners, we provide comprehensive services that can maximize all your human resource efforts. Many services are offered at no cost, whether you are seeking to fill one position or 30, hire entry-level positions or executive staff, Employment Connection can save you time and maximize your recruitment efforts in the following ways:

Job Posting

You can reach hundreds of qualified jobseekers who are looking for opportunities to be a valuable part of a business just like yours. For information about posting your job openings at Employment Connection locations, call Tony Schweppe at 216-898-6100.

Interview and on-site recruitment at Employment Connection

Employment Connection provides comprehensive services that can maximize your human resource efforts, whether you are seeking to fill one position or 30, hire entry-level workers or executive staff. Employment Connection can offer you private interviewing space and office resources that will make your recruitment session convenient, productive, and discreet.

Let Employment Connection assist you with your large-scale recruitment needs. Our staff can conduct on-site recruitment for you at one of our offices.

City of Cleveland and Cuyahoga County Department of Workforce Development

Workforce Agreements:

Are negotiated by staff of the County's Workforce Development Department and are designed to assist those looking for jobs with companies who are hiring. The agreement is basically a pre-screening tool to send qualified applicants to companies receiving County financing assistance.

Pre-Screening and Referral

You can avoid the foot traffic by letting us refer to you qualified applicants to you based on your criteria. Call 216-898-6100 or 216-664-4673 and let us help you make your recruiting easy and efficient.

Assessment and Testing

Reduce hiring costs with our specialized testing services, including career and basic skills testing.

Rapid Response for Closings and Layoffs

If your business is experiencing a closure or layoffs, Employment Connection can conduct a Rapid Response session for your separated employees. We provide job search assistance, access to education and training, applications for unemployment insurance, and links to community services.

Workforce Advisory Councils

The Workforce Investment Board (WIB) serves as the advisory body for Employment Connection which includes the City's Division of Workforce Development, Cuyahoga County Department of Workforce Development, and partners representing workforce, education & training, and supportive service organizations. The board is made up of local community business leaders, educators, career center partners, non-profit agencies and public employees. The WIB utilizes information from four advisory councils (in healthcare, manufacturing, construction and small business) to help determine the workforce training needs in the area. These councils also collaborate with the WIB in applying for training grants. If you are interested in becoming a part of either the Healthcare or Construction Advisory Council, contact Allison Motz at 216-664-4673, ext. 350. If you are interested in becoming a part of the small business or manufacturing advisory council, call.

Schedule a visit with your Business Services Team Representative today!

CONTACT:

EMPLOYMENT CONNECTION – DOWNTOWN

Randy Hill
1701 East 13th Street
Cleveland, Ohio 44114
Telephone: 216-664-2951
Fax: 216-420-8237

EMPLOYMENT CONNECTION – BROOKPARK

Mike Longo / Tony Scheppe
11699 Brookpark Road
Parma, Ohio 44130
Telephone: 216-898-1497
Fax: 216-898-1366

State of Ohio

Department of Development

Economic Development Division

The Ohio Department of Development's Economic Development Division works to create, retain and expand job opportunities for all Ohioans. The Division focuses on issues affecting Ohio's economy and provides a variety of business development resources to help Ohio remain at the forefront of economic development. The Division offers companies direct financial assistance in the form of low-interest loans, grants, bonds, and state and local tax incentives. The Division also offers assistance with employee training and infrastructure development.

The Economic Development Division provides Ohio businesses with access to technical assistance, counseling and training programs. Programs such as the 1st Stop Business Connection offer comprehensive information designed to assist small start-up firms with business development. The first in the country to offer electronic site selection information, Ohio's electronic site location proposals drastically cut response time while enhancing the quality of information available.

From new entrepreneurs starting small businesses to large corporations, the Economic Development Division provides business owners and executives with the information and support they need to make informed, critical decisions on location, infrastructure, job creation and retention, training and financial assistance.

OHIO ENTERPRISE BOND FUND

The fund provides long-term, fixed-rate, one-stop financing for qualifying industrial and commercial businesses throughout the state. The bonds may be either tax-exempt or taxable. Funds can be used for land, building, machinery, and equipment. Loan amounts range from \$1 million to \$10 million for up to 90 percent of the total project amount. A participating lender is not required. Real estate loans can range up to 20 years, while equipment loans are limited to 120 percent of the average life of the project. All borrowers will receive a market interest rate, fixed for the life of the loan. Since the Enterprise Bond Fund has received an investment grade rating of AA minus from Standard & Poor's, all borrowers utilizing this fund will receive this same rating for the issuance of their debt. Rates are finalized at the time bonds are issued. Counties and municipalities also issue tax-exempt industrial development bonds to provide private manufacturing companies with lower cost financing for locating or expanding in the state.

166 DIRECT LOAN

The 166 Direct Loan Program provides loans for 30 percent of eligible project costs up to \$1 million at low interest rates to businesses that are locating or expanding in Ohio. Loans can be used to purchase land and buildings, undertake new construction or renovation, and acquire machinery and equipment. At least one job must be created for every \$15,000 of state funds.

State of Ohio

Department of Development

166 REGIONAL LOAN

Provides loans for land and building acquisition, expansion or renovation, and equipment purchase. Twelve local economic development agencies administer the program. At least one job must be created for every \$35,000 of state funds. Loan can be up to \$350,000.

THE BOND FUND – MINORITY DIVISION

MINORITY DIRECT LOAN

The Office of Minority Business Financial Incentives helps minority businesses establish and expand their enterprises through state loans and bonds. At least one job must be created for every \$15,000; and can be up to \$1 million. The borrower finances 60 percent of the project. Loans can be used for land, building, equipment, and machinery.

MINORITY BUSINESS BONDING PROGRAM

Administered by the Ohio Department of Development's Division of Minority Business Affairs, this program assists certified minority businesses that provide goods and services, as well as contractors. Companies must be state certified as a minority business enterprise. In addition, the applicant company must have been denied bonding by two surety companies within its current fiscal year. The applicant must not have defaulted on a previous bond, and the project must be economically feasible and sound. This program provides surety bonding. Maximum bond prequalification is set at \$1 million with a premium not in excess of 2 percent of the face value of the bonds.

SMALL BUSINESS INNOVATION RESEARCH (SBIR)

The program is designed to help Ohio's small, research-oriented businesses use the federal SBIR program to research, develop, and commercialize new products, technologies, and processes in selected areas. The federal program requires 10 federal agencies to allocate a small percentage of their research and development budgets to projects involving small business. Companies must be American-owned, for-profit businesses employing 500 or fewer persons at the time the terms of the grant or contract are finalized.

Funds are provided in two stages. Phase I awards of up to \$100,000 are available for feasibility research. Two-year prototype development awards of no more than \$750,000 are available to companies whose Phase I results are viewed favorably by the funding agency. Money provided through SBIR may be used to cover costs directly related to the proposed research project. Subcontractors may perform a maximum of one-third of the

project. Indirect costs may be included. Ohio's SBIR program offers assistance in notification of solicitations from federal agencies, topic selection, proposal review, and winner's support.

State of Ohio

Department of Development

INNOVATION OHIO LOAN FUND (IOF)

The IOF was created to assist existing Ohio companies develop next generation products and services with certain targeted industry sectors by financing the acquisition, construction and related costs of technology, facilities and equipment. The IOF will finance projects that will positively impact Ohio by creating high-value jobs, increased tax revenues and improve the economic welfare of the State of Ohio. The IOF is intended to supply capital to Ohio companies having difficulty securing funds from conventional sources due to technical or commercial risk factors associated with the development of the new product or service. Maximum amounts are \$5 million and a minimum of \$250,000 for four to seven years through a competitive Request for Loan process.

RESEARCH AND DEVELOPMENT INVESTMENT LOAN FUND

The R&D Investment loan fund was created to position Ohio to compete aggressively for private-sector R&D investments that will create and retain high-wage jobs. The R&D investment loan fund targets large investments from companies with significant assets and sales. The loan can finance up to 50% of the project's allowable costs for a term of up to 15 years on real estate and up to 10-years on machinery and equipment.

CAPITAL ACCESS PROGRAM

Encourages lending by establishing a unique loan "guarantee" reserve pool at a participating lending institution. The borrower must contribute 1.5%-3% of the principal amount; the lender must match the borrower's contribution. And the state contributes an amount equal to 25% of the principal amount of the capital access loan to be enrolled.

OHIO INDUSTRIAL TRAINING PROGRAM (OITP)

The program is designed to provide financial assistance and resources for customized training involving employees of new and expanding Ohio businesses on a reimbursement basis. Funding is provided on a reimbursement basis for a portion of the training expenses incurred, including (but not limited to) instructor costs, educational materials, curriculum development, software rental, and compliance with Equal Opportunity Employer regulations. Funds can be up to 50% of eligible costs. The company must be retaining and/or creating jobs and making a capital investment.

OHIO JOB CREATION TAX CREDIT (JCTC)

The program provides a refundable tax credit against a company's corporate franchise or income tax based on the state income tax withheld from new, full-time employees. The Ohio Tax Credit Authority (Authority), a five-member independent board consisting of taxation and economic development professionals from throughout the state, is responsible for reviewing and approving applications for tax credit assistance and setting the benefit level. The Authority also has oversight responsibilities that include monitoring and reporting the progress of approved tax credit projects.

State of Ohio

Department of Development

OHIO TRAINING TAX CREDIT (OTTC)

This is a nonrefundable franchise tax credit designed to encourage Ohio's corporations to provide necessary training to its current Ohio workforce that is at risk of being displaced because of skill deficiencies or the inability to use new technologies, or to provide job skills to eligible employees that enable them to perform other job duties for the taxpayer. The program will provide a wide range of Ohio employers with a tax credit of up to \$100,000 a year to help offset the costs of training incumbent workers.

TECHNOLOGY INVESTMENT TAX CREDIT (TITC)

The program offers a variety of benefits to Ohio taxpayers who invest in small, research and development and technology-oriented firms. Through this innovative program, Ohio investors may reduce their state taxes by 25% (or 30%, see the FAQ's) of the amount they invest in qualified, technology-based Ohio companies. The tax credits may be applied to personal income tax, corporation franchise tax, public utility excise tax or the tax on dealers in intangibles.

WAREHOUSE EQUIPMENT SALES TAX EXEMPTION

Provides an exemption from state and county sales tax for companies that purchase eligible warehouse equipment. This includes machinery and equipment used primarily (51%) in storing, transporting, mailing or handing inventory in a warehouse distribution center or similar facility if the inventory handled by the facility is primarily distributed outside Ohio to retail stores owned by the business or affiliated group that owns the Ohio facility or distributed by means of direct marketing.

COMMUNITY REINVESTMENT AREA PROGRAM

Under the Community Reinvestment Area Program (<http://www.odod.state.oh.us/edd/cra/>), municipalities and counties may designate an area within their jurisdiction to grant a real property tax exemption of up to 100 percent on the value of improvements. The term of the exemption can be:

- Up to 10 years on residential rehabilitation exceeding \$2,500
- Up to 12 years on multiunit dwellings, commercial or industrial remodeling/improvements exceeding \$5,000.
- Up to 15 years on new construction activities

State of Ohio

Department of Development

ENTERPRISE ZONE

Under Ohio's Enterprise Zone Program (<http://www.odod.state.oh.us/edd/ez/>), local governments may grant an eligible business investing in a new plant or equipment in a designated enterprise zone a tax exemption of up to 75 percent (municipal location) or 60 percent (unincorporated location) of the value of the eligible improvements for up to 10 years. Eligible improvements include new construction, renovation of existing structures, new machinery, equipment and fixtures, and new inventory. A project must create or retain Ohio job opportunities.

Recent changes in the Ohio Tax System will affect the value of the tax exemption. The tax law changes include a phase-out of the tangible personal property (TPP) tax on most businesses inventory, manufacturing machinery and equipment, and furniture and fixtures over four years at about 25 percent annually beginning in tax year 2006, and an immediate elimination of new manufacturing machinery and equipment that would have been first taxable in tax year 2006. The tax reform also eliminates the ten percent property tax rollback on most commercial and industrial real property. For questions regarding the CAT and other major changes, taxpayers are encouraged to visit the ODT web site (tax.ohio.gov) for information and updates.

RESEARCH AND DEVELOPMENT SALES TAX EXEMPTION

Provides an exemption from the usual state and county sales tax for companies that purchase equipment for research and development activities. Vendor needs a blanket exemption certificate.

OHIO JOBS READY SITES (JRS) PROGRAM

The Ohio JRS program is intended to stimulate the compilation and development of large parcels of land, and in some cases large buildings, that ultimately will attract significant investments and create high wage job opportunities for Ohioans. The maximum grant award is \$5 million per project site and the grant amount cannot exceed 75% of the total project cost. Eligible projects include sites intended for manufacturing, distribution, research and development, and corporate office developments. Retail, residential, and government uses are not eligible. Project site costs that can be covered by JRS funds include land and building acquisition, infrastructure and utility improvements, site preparation, building construction and demolition, environmental assessments, wetland mitigation, brownfield remediation, and professional services (capped at 10% of the grant amount). A minimum 25% local match is required. The match can include local, federal, or private funds. The project site should be appropriately zoned for the intended use, or zoning proceedings should be well underway at the time of application. Recipients will be required to submit annual reports to the Ohio Department of Development (ODOD) for a term defined in the grant agreement and grant recipients will be subject to audit.

State of Ohio
Department of Development
Office of Urban Management

CLEAN OHIO FUND

The Clean Ohio Fund was approved by voters in 2000 to preserve green space and farmland, improve outdoor recreation, and revitalize blighted neighborhoods by cleaning up and redeveloping polluted properties. Four funding programs have been designed under this fund. The Cuyahoga County Department of Development works with development partners to prepare applications for two of these, the Clean Ohio Assistance Fund (COAF), and the Clean Ohio Revitalization Fund (CORF). These grant applications are then submitted by the Cuyahoga County Commissioners. A CORF project can receive up to \$3 million and must have 25% matching funds (County Brownfield money can be used for this.). A COAF project can receive up to a \$750,000 grant. In order to receive COAF funds, the project must be in the City of Cleveland or East Cleveland. Activities eligible for funding include environmental assessments (under COAF), cleanup and remediation of hazardous substances and/or petroleum, demolition, and limited infrastructure improvements. Applications are evaluated based on economic benefit, environmental improvement (including public health benefit), appropriateness and reasonableness of the proposed project, the financial condition of the community, and other factors as determined by Ohio's Director of Development.

CONTACT:

OHIO DEPARTMENT OF DEVELOPMENT

77 South High Street

Columbus, OH 43216

Telephone: 614-466-4551

Telephone: 800-848-1300

<http://www.odod.state.oh.us/>



Build Your Business. Love Your Life.

OHIO TAX REFORM

“Ohio Means Business” and the Ohio Department of Development works to provide assistance to firms of all sizes and backgrounds in an effort to cultivate a successful business climate. Sweeping Ohio Tax Reform Enacted Gov. Bob Taft signed H.B. 66, into law on June 30, 2005, thus enacting sweeping Ohio Tax Reform. The bill, effective July 1, 2005, made a number of significant changes to Ohio’s tax code. This reform of Ohio tax law affects most Ohio business and Ohio income taxpayers. Among the changes are an income tax cut, the phase-out of the tangible personal property and corporation franchise taxes, the elimination of a 10 percent tax rollback on real property classified as commercial, and the introduction of a new low-rate, broad-based Commercial Activity Tax (CAT) on a business's gross receipts.

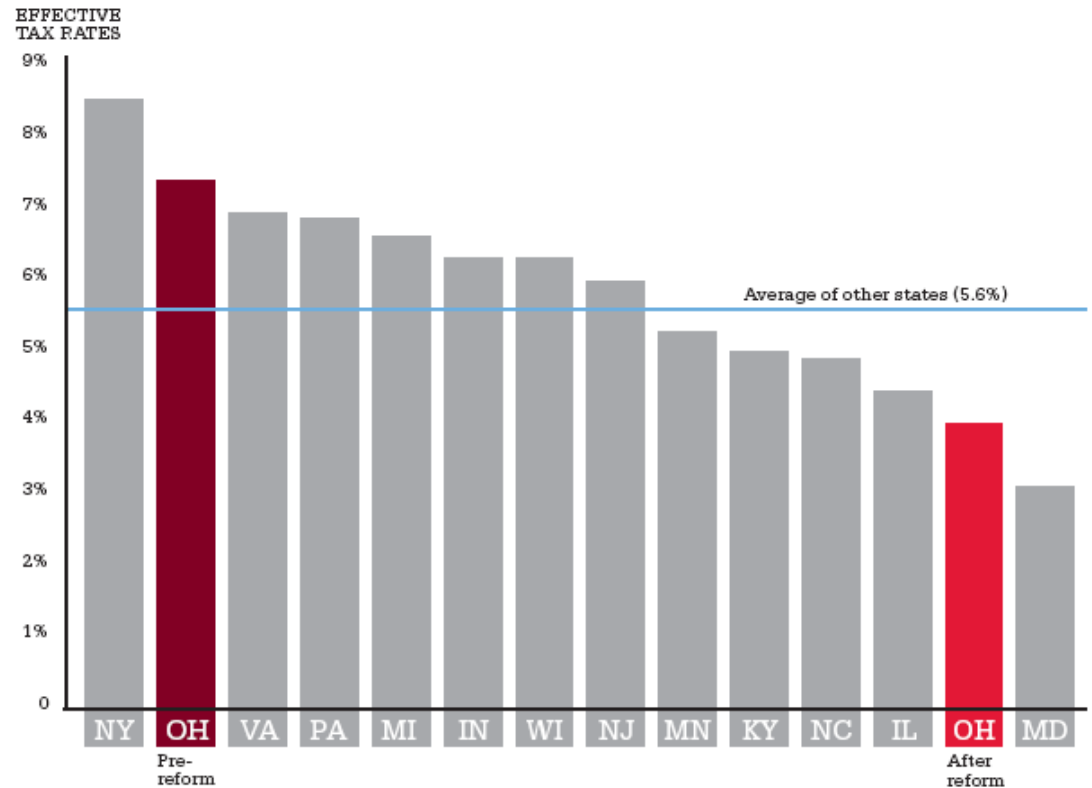
Learn Why Ohio is the right place for your company to do business. www.ohiomeansbusiness.com

CONTACT:

OBDC
41 S. High Street
Columbus, Ohio 43215
(614) 466-4551
(877) 466-4551

www.ohiomeansbusiness.com

Comparison of average effective tax rates on new investments by state



Source: Ernst & Young analysis, prepared for the Ohio Business Roundtable.



Growth Capital Corporation

Growth Capital Corp. is a Certified Development Company (CDC), which is a private nonprofit corporation, certified by the SBA to process 504 loans, formed for the purpose of reviewing and processing loan requests and contribute to the economic development of the community. Growth Capital is affiliated with the Greater Cleveland Partnership.

OHIO 166 REGIONAL LOAN

The purpose of the Ohio 166 Regional Loan Program is to make term financing for fixed assets available to small businesses in Ohio with lower, fixed interest rates and longer loan terms. At Growth Capital we work together with business owners and commercial loan officers to administer the Program. Funds can be used for fixed asset financing of land & building acquisition, purchase of machinery & equipment, building improvements or renovations and new construction. Eligible for profit businesses include Manufacturing, Distribution, Wholesale and Commerce. In certain instances Service companies may qualify; Point of Sale businesses are not eligible.

Available Financing

- From 30-50% of Total Project Cost May be Financed by Ohio 166
- Minimum Equity Requirement of 10% of Total Project Cost
- 166 Loan Sizes from \$25,000 to \$350,000
- Interest rates are fixed at 2/3's of the Current Prime Rate
- Interest rates can be as low as 4% in economically distressed communities including Cleveland, East Cleveland and Lorain
- 166 Loan Terms match the Bank Loan Term up to 15 years for Real Estate and up to 10 years for Machinery & Equipment
- Participating Bank Term, Rate, and Fees are Negotiated between the Customer and the Bank Loan Officer

Associated Costs and Terms

- Processing Fee of 1.5% of the 166 Loan Amount is due at Closing
- Application Fee of \$350.00 is due to Growth Capital upon Processing
- Ongoing Servicing Fee of % of the 166 Loan is added to the Interest Rate
- Ohio 166 Loan Closing and Legal Costs are the Responsibility of the Customer
- State of Ohio Prevailing Wage Rates apply to Construction and Installation Labor
- Job Creation Requirement of 1 New Job for each \$35,000 of 166 Funding up to \$350,000
- The Participating Bank must advance an interim loan for up to 90% to fund the 166 portion; Ohio 166 is "take-out" permanent, shared collateral financing

Growth Capital Corporation

SBA 504 LOAN

The SBA 504 Loan Program was developed by the U.S. Small Business Administration (SBA) to make available long term, fixed interest rate loans with lower down payment requirements to existing small businesses with fixed asset financing needs. At Growth Capital we work together with business owners and bank loan officers to administer SBA 504 loan participation. Funds can be used for fixed asset financing of land & building acquisition, purchase of machinery & equipment, building improvements or renovations and new construction. Eligible for profit businesses include manufacturing, industrial, service, retail, wholesale, and distribution businesses with net worth less than \$7 million, businesses with profit after tax less than \$2.5 million.

Available Financing

- Up to 40% of Total Project Cost may be Financed by SBA 504 WITH A minimum Equity Requirement of 10% of Total Project Cost
- SBA Loan Sizes from \$50,000 to \$4,000,000
- SBA Loan Terms are 10 or 20 years (fully Amortizing)
- Interest rates are fixed at the time of the SBA loan *closing* based on *Current market* U.S. Treasury rates plus approximately 1.5%
- Participating Bank Financing Terms, Rates, & Fees are Negotiated between the Customer & Bank Loan Officer Associated Costs and Terms
- Processing Fee of 2.65% of the SBA loan amount is financed into the SBA loan
- Fee of 1/2% on the Bank's First Mortgage Amount collectable at the SBA closing
- Ongoing Servicing Fees totaling 1.2% of the outstanding SBA loan balance are included into the *Effective Interest Rate*
- SBA 504 loan Closing and Legal Costs (\$2,500) are the Responsibility of the Customer but may be financed in the SBA loan
- The Participating Bank must advance an interim loan for up to 90% to fund the SBA portion. SBA 504 is "take-out" permanent, second mortgage financing.

The maximum SBA debenture is \$1,500,000 for meeting the job creation criteria or a community development goal. Generally, a business must create or retain one job for every \$50,000 provided by the SBA. The maximum SBA debenture is \$2.0 million for meeting a public policy goal and \$4.0 million for Manufacturing companies. The public policy goals are as follows:

- Business district revitalization
- Expansion of exports
- Expansion of minority business development
- Rural development
- Enhanced economic competition
- Restructuring because of federally mandated standards or policies
- Changes necessitated by federal budget cutbacks
- Expansion of small business concerns owned and controlled by veterans
- Expansion of small business concerns owned and controlled by women
- Job Creation Requirement of 1 New Job for each \$35,000 of SBA Funding

CONTACT:

GROWTH CAPITAL CORP

Tower City Center, Suite 200

50 Public Square

Cleveland, Ohio 44113

Telephone: 216-621-3300 Fax: 216-621-4616



Cleveland/Cuyahoga County Port Authority

The Cleveland-Cuyahoga County Port Authority through their Development Finance Group offers solutions to your capital financing challenges. Our creative financing options can accommodate your individual needs. Our customized lending tools can be used for equipment, construction, land and building acquisition, and facility improvements.

The Development Finance Group offers creative solutions and flexibility, not restrictive limitations. One-stop shopping through our extensive financing network ties together the combined experience of financial and legal experts, giving even small businesses access to the U.S. capital market. We can complete your financing in 45-90 days.

FIXED-RATE FINANCING

The program makes it possible for smaller businesses to access the U.S. capital market and borrow money at investment grade rates. The program also benefits many larger businesses that find an investment grade rating costly and difficult to maintain.

Additional Highlights:

- Financing between \$1.5 million to \$6 million
- Transaction capacity may exceed \$20 million when combined with other financing sources
- Financing for fixed assets, such as land, buildings and equipment
- Fixed interest rates for up to 25 years

OFF-BALANCE SHEET FINANCING & LEASING

The program is ideally suited for companies and nonprofit organizations that want to obtain a new facility but do not want the asset to appear on their balance sheet. This financing vehicle allows the port authority to own the facility and lease it to the company.

Additional Highlights:

- 100% financing
- Lower costs for materials used in the construction of a building
- Choose from three types of leases: financing, operating or synthetic

Cleveland/Cuyahoga County Port Authority

INFRASTRUCTURE FINANCING

The program makes it possible for developers, cities and other regional organizations to finance public infrastructure projects, such as streets, roads, underground utilities, sidewalks, street lights, landscaping and public parking garages. This type of financing is particularly attractive for mixed-use developments and can be financed using tax increment or special assessment as the revenue stream to pay for the public improvements.

Additional Highlights:

- Elimination of equity
- 100% financing
- Lower costs on project materials
- Long-term financing

The Development Finance Group has helped businesses and communities in northeast Ohio prosper by providing financing for diverse clients and projects, including The Rock and Roll Hall of Fame and Museum, Applied Industrial Technology, OfficeMax Corporate Headquarters, The MetroHealth System, Jergens, Inc. Council for Economic Opportunities in Greater Cleveland and Parma Community General Hospital.

FOREIGN TRADE ZONE

The Foreign Trade Zone program encourages businesses to locate in the United States by removing various disincentives commonly encountered. Under the program, companies may reduce, defer or eliminate Customs duties on imported parts, materials or components entered into the Zone. Since 1978, the Cleveland-Cuyahoga County Port Authority has served as Northeast Ohio Grantee #40 for the FTZ Program.

Foreign Trade Zone Benefits:

- Deferral of Duties - Customs duties are paid only when and if merchandise is transferred into U.S. Customs territory and thereby benefits the cash flow operation of the business.
- Reduction of Duties - If the rate on the items admitted to the zone is higher than the rate applied to the finished product, the company can choose to pay the lower duty rate.
- Elimination of Duties - No customs duties are paid on merchandise exported from a FTZ. Generally, customs duties are also eliminated for merchandise that is scrapped, wasted, destroyed or consumed in a zone.
- Elimination of Drawback - Through the use of a FTZ, the need for drawback – refund of duties previously paid on exported merchandise - may be eliminated, allowing these funds to remain in the operating capital of the company.
- Labor, Overhead and Profit - Customs duties are not owed on labor, overhead and profit attributed to production in a FTZ.
- Taxes - By federal statute, tangible personal property imported from outside the U.S. and held in a zone, as well as that produced in the U.S. and held in a zone for exportation, are not subject to State and local ad valorem taxes. In Ohio, companies that are located within a General Purpose Zone and are “Activated” within the Foreign Trade Zone Program are exempt from State of Ohio Inventory Taxes.
- Quotas - U.S. quota restrictions do not apply to merchandise admitted to zones, though quotas will apply if and when the merchandise is subsequently entered into U.S. commerce.

Cleveland/Cuyahoga County Port Authority

FOREIGN TRADE ZONE (cont.)

- Zone-to-Zone Transfer : An increasing number of firms are making use of the ability to transfer merchandise from one zone to another. Because the merchandise is transported in-bond, Customs duty may be deferred until the product is removed from the final zone for entry into the U.S. Customs territory.

Grantee #40 currently has approved General Purpose Zone sites in Cuyahoga, Lorain and Ashtabula Counties. The Cleveland-Cuyahoga County Port Authority is responsive to northeast Ohio's communities that wish to promote economic development and provide Zone benefits to local businesses. As Grantee #40, the port will partner with interested communities and businesses to provide access to the FTZ program.

Existing sites include:

Cleveland

- Collinwood Industrial Park
- Port of Cleveland
- Pubco Corporation
- IX Center
- Towpath Valley Industrial Park
- Cleveland Hopkins International Airport & Burke Lakefront Airport
- Chelm Industrial Park

Brook Park

- Brookpark Road Industrial Park
- Snow Road Industrial Park

Solon

- Solon Industrial Park

Glenwillow

- Emerald Valley Business Park

Strongsville

- Strongsville Industrial Park

Ashtabula

- Frane Industrial Park

Vermilion

- Harbour Point Business Park

CONTACT:

CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY

1375 E. Ninth Street
Cleveland, Ohio 44114
Phone: 216-241-8004
Fax: 216-241-8016



Small Business Administration (SBA)

The mission of the SBA is to maintain and strengthen the nation's economy by aiding, counseling, assisting and protecting the interests of small businesses and by helping families and businesses recover from national disasters. The SBA offers numerous loan programs to assist small businesses. It is important to note, however, that the SBA is primarily a guarantor of loans made by private and other institutions.

BASIC 7(a) LOAN GUARANTY

Serves as the SBA's primary business loan program to help qualified small businesses obtain financing when they might not be eligible for business loans through normal lending channels. It is also the agency's most flexible business loan program, since financing under this program can be guaranteed for a variety of general business purposes.

Loan proceeds can be used for most sound business purposes including working capital, machinery and equipment, furniture and fixtures, land and building (including purchase, renovation and new construction), leasehold improvements, and debt refinancing (under special conditions). Loan maturity is usually up to seven years for working capital and generally up to 25 years for real estate purchase or improvement. Target customers are start-up and existing small businesses. SBA offers multiple variations of the basic 7(a) loan program to accommodate targeted needs.

CERTIFIED DEVELOPMENT COMPANY (CDC), 504 LOAN

The program provides long-term, fixed-rate financing to small businesses to acquire real estate or machinery and equipment for expansion or modernization. Typically a 504 project includes a loan secured from a private-sector lender with a senior lien, a loan secured from a CDC (funded by a 100 percent SBA-guaranteed debenture) with a junior lien covering up to 40 percent of the total cost, and a contribution of at least 10 percent equity from the borrower. The maximum SBA debenture generally is \$1.5 million (and up to \$2 million for Public Policy Goals and up to \$4 million for Manufacturing Companies). Target customers are small businesses requiring "brick and mortar" financing. Delivered through certified development companies (private, nonprofit corporations set up to contribute to the economic development of their communities or regions)(See Growth Capital, page 30).

MICROLOAN, 7(m) LOAN

The program provides short-term loans of up to \$35,000 to small businesses and not-for-profit child-care centers for working capital or the purchase of inventory, supplies, furniture, fixtures, machinery and/or equipment. Proceeds cannot be used to pay existing debts or to purchase real estate. The SBA makes or guarantees a loan to an intermediary, who in turn, makes the microloan to the applicant. These organizations also provide management and technical assistance. The SBA does not guarantee the loans. The microloan program is available in selected locations in most states. Target customers are small businesses and not-for-profit child-care centers needing small-scale financing and technical assistance for start-up or expansion. Delivered through specially designated intermediary lenders (nonprofit organizations with experience in lending and in technical assistance).

Small Business Administration (SBA)

EXPORT WORKING CAPITAL

The Export Working Capital Program (EWCP) was designed to provide short-term working capital to exporters. The SBA's Export Working Capital Program (EWCP) supports export financing to small businesses when that financing is not otherwise available on reasonable terms. The program encourages lenders to offer export working capital loans by guaranteeing repayment of up to \$1.5 million or 90 percent of a loan amount, whichever is less. A loan can support a single transaction or multiple sales on a revolving basis.

Designed to provide short-term working capital to exporters, the EWCP is a combined effort of the SBA and the Export-Import Bank. The two agencies have joined their working capital programs to offer a unified approach to the government's support of export financing. The EWCP uses a one-page application form and streamlined documentation with turnaround usually 10 days or less. A letter of prequalification is also available from the SBA.

CONTACT:

SMALL BUSINESS ADMINISTRATION

1350 Euclid Avenue

Suite 211

Cleveland, Ohio 44115-1815

216-522-4180

City of Cleveland
Department of Economic Development
Small Business Development

NEIGHBORHOOD DEVELOPMENT PROGRAM GRANT (NDP)

Small discretionary grant to assist new businesses that contribute to the City's economic development and/or eliminate blighting influences. Terms are determined on a case by case basis and subject to availability of funds. May be used for predevelopment costs.

SMALL BUSINESS REVOLVING LOAN PROGRAM

A "gap" financing tool to assist small businesses with retention, expansion and/or relocation in the City of Cleveland. Creative financing packages can be structured specifically to assist the needs of the business. Benefits can include sub-prime interest rates, lower equity participation, repayment grace periods, longer amortization schedules and subordinated financing.

NEIGHBORHOOD RETAIL ASSISTANCE PROGRAM

Structured to provide grant and loan assistance to small retail related businesses or micro-businesses. Maximum amount is \$40,000.

JOB CREATION INCENTIVE GRANT PROGRAM

An annual grant for a five-year term for for-profit businesses that move into the Central Business District with at least 25 new jobs, or existing businesses in the Central Business District that add at least 10 jobs. The grant is roughly equivalent to 1% of the payroll generated by the new employees.

CONTACT:

CITY OF CLEVELAND

Kevin Schmotzer

Executive, Small Business Growth

601 Lakeside Avenue

Suite 200

Cleveland, Ohio 44114

216-664-3720



Mayor
Frank G. Jackson

City of Cleveland Department of Economic Development

CORE CITY LOAN FUND - The fund provides financial assistance for projects that have strategic business retention, expansion and/or relocation implications for job creation. The fund has been allocated into pools designated to support technology development, commercial, retail, and housing projects in the central business district and in the neighborhoods.

ENTERPRISE ZONE - The City of Cleveland is a designated Enterprise Zone to offset real & personal property taxes on new project investment. Terms of the tax abatement are determined by the number of jobs retained and/or created, project investment, removal of blight and the overall benefit to the community.

WORKFORCE TRAINING GRANTS - Provides financial assistance and workforce training resources for customized training involving new or retrained employees of new and expanding business. The program can pay up to 50% of eligible training costs. In addition, the success of Cleveland's Workforce Training Program links local vocational and technical schools and universities to the needs of businesses by acting as a resource of specialized training services.

SMALL BUSINESS REVOLVING LOAN PROGRAM- A "gap" financing tool to assist small businesses with retention, expansion and/or relocation in the City of Cleveland. Creative financing packages can be structured specifically to assist the needs of the business. Benefits can include sub-prime interest rates, lower equity participation, repayment grace periods, longer amortization schedules and subordinated financing.

NEIGHBORHOOD DEVELOPMENT PROGRAM GRANT (NDP)-Small discretionary grant to assist new businesses that contribute to the City's economic development and/or eliminate blighting influences.

NEIGHBORHOOD DEVELOPMENT INVESTMENT FUND- Structured to provide gap financing for large-scale economic development projects involving 100 or more jobs and/or housing ventures in the City of Cleveland. Gap financing can cover up to 25% of total project cost. Terms are determined on a case-by-case basis and subject to availability of funds.

CONTACT:
CITY OF CLEVELAND
Bob Berstch
Executive, Small Business Growth
601 Lakeside Avenue
Suite 200
Cleveland, Ohio 44114
216-664-3175



Mayor
Frank G. Jackson

Greater Cleveland Partnership

REVENUE BOND PROGRAM

Private activity bonds are interest-bearing certificates issued to raise money. They are generally tax-exempt and are known as municipal bonds, qualified mortgage revenue bonds or industrial revenue bonds. They are bonds where the interest is exempt from federal taxation under the Internal Revenue Code, Section 103. Private activity bonds are subject to annual volume cap limits, under sections 146, except for 501 (C) 3 bonds.

Economic Development - Industrial Revenue Bonds

Industrial Revenue Bonds, also know as IDBs and small issuer manufacturing bonds, are of two basic types taxable and non-taxable. The principle purpose is to assist new and expanding industry while providing employment opportunities. Tax-exempt bonds are not subject to federal income tax and the maximum bond size per project is \$10 million with a maximum three year IRB capital expenditure limitation per manufacture of \$10 million (\$20 million in January 2007). Taxable bonds can exceed \$10 million. The first step in this process is to contact a bond counsel to determine whether a company is eligible. An application can then be acquired from Greater Cleveland Partnership.

501 (C)(3) Bonds

501 (C)(3) Bonds are a special category of tax-exempt bond financing for non-profits who are undertaking capital projects. These bonds are not subject to an annual volume cap limitation, but project must be wholly owned by a 501 (C)(3) organization. The first step in this process is to contact a bond counsel to determine whether a company is eligible. An application can then be acquired from Greater Cleveland Partnership.

CONTACT:

GREATER CLEVELAND PARTNERSHIP

Gerald Meyer

Senior Director

50 Public Square, Suite 200

Cleveland, OH 44113-2291

Phone: 216-592-2262

Fax: 216-621-4616

E-mail: gmeyer@gcpartnership.com

Website: www.gcpartnership.com

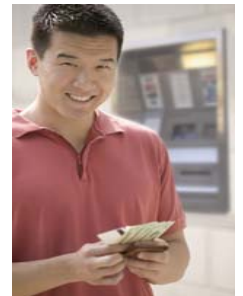


WECO Fund, Inc.

WECO Fund, Inc. is a provider of financial services and programs to low and moderate-income individuals and families and the companies, organizations, and institutions in which they are involved. Their work supports the ambitions of people who want to save money, reduce debt and build wealth. It also supports the ambitions of companies and organizations that want their employees, members, constituents, customers, clients or congregants to be financially stable.

The MicroEnterprise Program

The MicroEnterprise Program offers an opportunity for low to moderate-income entrepreneurs in Cuyahoga County to secure business financing and technical support by providing loans of \$500 to \$35,000 to new and emerging micro businesses. WECO targets the "pre-bankable" market – people to whom the banks will not consider loaning money, yet who have the necessary ambition, skills and work ethic to develop a successful business that within a few years may employ other individuals. Applications to the MicroEnterprise program are accepted on a rolling basis and are available on WECO's website. A \$40 non-refundable application fee is due upon submittal.



The activities of the MicroEnterprise Program include a "Microloan Program Workshop" to provide training, technical assistance and loan services to prospective applicants. The training and technical assistance is conducted via class sessions and one-on-one counseling. Business Plan Writing classes focus on producing a business plan that will support small business development and success as well as addressing existing barriers for entrepreneurs. Contact WECO for upcoming dates and registration.

CONTACT:

WECO FUND INC.

MicroEnterprise Program

1745 Rockwell Avenue

Cleveland, OH 44114

Phone: 216-458-0250

Fax: 216-458-0257

Website: www.wecofund.com



Council of Development Finance Agencies

The Council of Development Finance Agencies is a national association dedicated to the advancement of development finance concerns and interests. CDFA is comprised of the nation's leading and most knowledgeable members of the development finance community representing over 165 public, private and non-profit development entities. The organization relocated from Washington, DC in 2005 to downtown Cleveland.

Members are state, county and municipal development finance agencies and authorities that provide or otherwise support economic development financing programs, including tax-exempt and taxable bonds, credit enhancement programs, and direct debt and equity investments as well as a variety of non-governmental and private organizations ranging from regional and large investment banks to commercial finance companies to bond counsel, bond insurers, trustees, venture capital companies, rating agencies, and other organizations interested in economic development finance.

Originally created to support the specific application of Industrial Development Bonds (IDB's) as an economic development tool, CDFA has since expanded its mandate to reflect the broader needs of economic development finance specialists. Today the organization has a broad coverage that encompasses research and education on tax credit finance, tax increment financing, bond finance and many other subject areas.

Today, CDFA has one of the strongest voices in the development finance industry. The Council provides a number of avenues for assisting the development finance industry including a two highly acclaimed bond finance training courses, the premier annual development finance conference in the country, a monthly finance newsletter, a comprehensive on-line database of finance resources and ultimately a conduit with which to link development finance professionals to one another.

CDFA provides the following services:

Online Research – CDFA has the most comprehensive online resource database strictly dedicated to development finance in the country. The database can be broken down into topic specific section such as TIF, tax credits and bonds. The database currently houses over 600 development finance resources including case studies, guiding principals, program descriptions, fact sheets, etc. CDFA also publishes *CDFA Update*, a monthly e-newsletter the features the latest news on the development finance industry



Council of Development Finance Agencies

Training Courses – CDFA offers four training courses including

- 1) The Industry Primer: Development Bond Finance Course – a basic overview course on how to use and implement a small issue tax exempt bond program
- 2) The Advanced Bond Finance Course – a in-depth examination of the tax-exempt and taxable bond industries for economic development
- 3) The Tax Credit Finance Course – a comprehensive course highlighting both state and federal tax credit programs covering housing, brownfields, new markets, historic rehab and venture capital
- 4) The Tax Increment Financing Course – (coming in November 2007) a detailed course covering the nuts and bolts of the use of TIF.

Each of these course are two days in length but can be tailored as part of a one day seminar for client communities.

Technical Assistance – CDFA employs a peer based technical assistance approach to assisting state and local economic development finance agencies with problem solving. The Council has work with state and local agencies on tailored workshops, bond courses, strategic planning, organizational development and program development challenges. CDFA relies on its vast network of industry resources and partners to complete projects at a lower cost alternative to high priced consultants.

CONTACT:

Toby Rittner

Executive Director

815 Superior Avenue

Suite 1301

Cleveland, Ohio 44114

Phone: (216) 920-3073

Fax: (216) 771-4938

Email: trittner@cdfa.net

Web: www.cdfa.net



Team NEO is Northeast Ohio's central economic development hub. We offer a central point of contact for business growth in the region. We assist in the retention, expansion and attraction of business to accelerate economic growth in Northeast Ohio by connecting companies to obtain: city/county/state tax credits, grants & incentives; low cost capital; workforce training and incentives; relocation services; location searches and industry networking, sourcing/customer development.

By working with all of the major chambers of commerce - from Cleveland to Akron/Canton and from Youngstown to Lorain - Team NEO unites the region, harnessing Northeast Ohio's power and resources to accelerate business growth. As such, we market the region's assets nationally to targeted industries and businesses, and provide econometric research to support initiatives.

Connect with Team NEO at 1.888.NEO.1411.

CONTACT:

TEAM NEO

737 Bolivar Rd., Suite 2000

Cleveland, Ohio 44115

Phone: (216) 363-5400

Website: www.teamneo.org

JumpStart, Inc.

JumpStart Inc. is a venture development organization that advises, invests in, assists, and accelerates Northeast Ohio's early-stage ideas and companies. JumpStart accelerates the growth of early stage businesses and ideas into venture-ready companies by providing vital, focused resources to entrepreneurs and the community. JumpStart's targeted assistance to early-stage high potential small businesses will ultimately create new employment opportunities for Northeast Ohio residents, which will alleviate economic distress and reduce the burden on government. The wealth created and jobs that result from our activities will help to revitalize the economy in Northeast Ohio.

JumpStart was formed to help accelerate the growth of early-stage ideas and business into venture-ready companies. JumpStart accelerates the growth of early stage businesses in Northeast Ohio in three fundamental ways:

1. **JumpStart Exchange:** JumpStart's Exchange team creates networking events that enable entrepreneurs and supporters of entrepreneurship to gather and exchange ideas. By promoting and celebrating entrepreneurial success (and failure), we aim to motivate the NEO business community. We facilitate programming across the 16 counties of Northeast Ohio, connecting the entrepreneurial community from Ashtabula to Ashland, Columbiana to Lorain, Canton to Cleveland - and all areas in between! For a current list of available programs, please click [here](#).
2. **Investments:** JumpStart's Investments team advises entrepreneurs interested in applying for funding from JumpStart, works with entrepreneurs to ensure their application is as good as possible, and then makes direct investments in carefully selected companies. On average, we invest \$300,000 in our portfolio companies. Individual investments will range from \$50,000 to \$800,000, depending on a company's needs and how it progresses through mutually determined milestones. About ten to twelve companies per year receive a JumpStart investment.
3. **Acceleration:** Companies interested in presenting to JumpStart receive assistance from the JumpStart Acceleration team, namely the group's team of Entrepreneurs/Executives-in- Residence ("EIRs"). Additionally, each JumpStart portfolio company receives extensive guidance from EIRs, who work with them to hit milestones, advance rapidly through growth stages, and attract follow-on funding. EIRs have deep experience in growing and running businesses, as well as raising various types of funding.

INVESTMENT PROCESS

JumpStart usually invests in its portfolio companies using convertible debt (i.e. a loan that eventually converts to equity). This avoids placing a value on the company at this early stage (which is often very difficult to do). This enables the focus of the and so we can focus all of our attention on getting the company up-and-running.

Although the loan is interest-bearing, interest can be accrued until such time as the company raises equity capital. a personal guarantee is not require, but the loan is required to be guaranteed by assets of the company such as patents, patent applications, property, equipment and the like.

Finally, when the time comes to convert the loan into equity, a multiple of loan amount will be converted in order to compensate for the early risk JumpStart has taken. For example, if the loan is \$100,000, JumpStart will require principal plus interest multiplied by two, or \$215,000 worth of equity upon conversion after one year. Note that a full term sheet will be provided if once the Acceleration stage is reached.

JumpStart investment for Entrepreneurs are divided it into the four sequential phases:

1. **ADVISE** - Submit some general information so that we can mutually determine whether your business is a good fit for a JumpStart investment. In order to receive a JumpStart investment, a business must, without exception, be headquartered in Northeast Ohio (or must be willing to relocate its headquarters to Northeast Ohio) and have less than \$10 million in annual revenues. Furthermore, the entrepreneur must have a plan and a desire to grow the business to \$30-\$50 million in annual revenues. JumpStart typically assesses whether an idea or company can reach this level by analyzing if the business is based on a highly differentiated technology, if there is a large potential market for the idea/technology, if there is a committed management team, and if the business has a sale opportunity to a strategic buyer or an initial public offering.
2. **APPLY** - Based on the outcome of the ADVISE process, the entrepreneur may be invited to apply for funding. JumpStart accepts applications on a rolling basis, but all applicants must first have an advise session with a JumpStart professional. If it is mutually determined between JumpStart and the applicant that a good match for potential JumpStart investment exists, the applicant will be invited to submit an executive summary.
3. **ASSIST** - Based on the merits of the application, the entrepreneur may be invited to present to JumpStart's presentation panel. The presentation consists of a 10-minute product/service demonstration, as well as a 15-minute presentation that makes the case for how the applying business can reach \$30-\$50 million in annual revenues within five to seven years. Depending on the company's specific needs, a JumpStart Executive/Entrepreneur-in-Residence may work with the applicant to develop a clearly articulated and concise presentation conveying the unique technology/product idea and identifying the market potential.
4. **ACCELERATE** - Based on the outcome of the presentation, JumpStart will decide to conduct intensive due diligence on the applicant business and make an investment. JumpStart and the company will intensively work to prepare a 24-month budgets and set milestones for success, conduct business and legal due diligence, complete documentation for the investment, including Securities Agreements, Operating Agreements, and other agreements. Depending on the specifics of the company, especially its capital structure and outstanding debts, this can take ten weeks or it can take up to six months. Assuming that these steps go well, JumpStart will then close on the investment.

Lynn-Ann Gries
Chief Investment Officer
JumpStart Inc.
737 Bolivar Road, Suite 3000
Cleveland, OH 44115
Voice: 216.363.3400
Fax: 216.363.3401



INFORMATION RESOURCE LIST

Educational Organizations

	<u>Phone</u>	<u>Website</u>
Baldwin-Wallace College – Business Plan Clinic	(440) 826-6547	www.bw.edu
Baldwin-Wallace College – Professional Development Center	(440) 826-2253	www.bw.edu/academics/cpd
Cleveland Public Library	(216) 623-2930	www.cpl.org
Cleveland State University – Executive Development Center	(216) 875-9715	www.csu.ohio.edu/cba/
Cuyahoga County Public Library	(216) 475-5000	www.cuyahoga.lib.oh.us
John Carrol University – Center for Entrepreneurship	(216) 397-4573	www.jcua.org/index.asp
Lakeland Community College	(440) 354-7120	www.lakelandcc.edu
Lakeland Community College - Woman's Center	(440) 525-7491	www.lakelandcc.edu/comeduc/women/women
Corporate College of Cuyahoga Community College	(216) 987-5875	www.corporatecollege.com
Ohio SBDC at the Urban League of Greater Cleveland	(216) 812-3161	www.ulcleveland.org/sbdc

Professional Organizations

	<u>Phone</u>	<u>Website</u>
Business Advisers of Cleveland	(216) 426-2053	www.busadvcl.org
Consortium of African American Organizations	(216) 432-9481	www.caaonet.org
Council of Development Finance Agencies	(216) 920-3073	www.cdfa.net
Growth Capital Corp	(216) 592-2343	www.growthcapitalcorp.com
Hispanic Business Association	(216) 281-4422	www.hbahcco.org
International Trade Assistance Center	(440) 357-2290	www.trade.gov/td/tic
Minority Contractor's Assistance Program	(216) 377-2121	www.dnmyers.edu
National Association of Woman's Business Owners	(216) 265-4600	www.nawbo.org
Northeast Ohio Government Contract Assistance Center	(440) 357-2294	www.lcedc.org
Northern Ohio Minority Business Council	(216) 363-6300	https://app.suppliergateway.com/nombc/Login.aspx
Ohio SBDC at EDI	(216) 229-9274	www.edinc.org
Plain Dealer Market Research	(216) 999-5000	www.plaindealer.com/advertising/research/index.php
Service Corps of Retired Executives	(216) 522-4194	www.members.stratos.net/score
Shorebank Enterprise Group	(216) 681-8950	www.shorebankenterprise.org
Starting Point	(216) 575-0061	www.startingpoint.org
The Urban League of Greater Cleveland	(216) 622-0999	www.ulcleveland.org
Veteran's Business Resource Council	(216) 431-3247	www.qcvbrc.org
WECO Fund, Inc.	(216) 458-0250	www.wecofund.com
Team NEO	(216) 363-5400	www.teamneo.org

Governmental Organizations

	<u>Phone</u>	<u>Website</u>
City of Cleveland Economic Development	(216) 664-2406	www.city.cleveland.oh.us/government/departments/econdev/edind.html
City of Cleveland Empowerment Zone Program	(216) 664-4165	www.city.cleveland.oh.us/government/departments/econdev/empzone/ezind.html
City of Cleveland Office of Equal Opportunity	(216) 664-3870	www.city.cleveland.oh.us/government/departments/oeo/oeoind.html
Cuyahoga County Department of Development	(216) 443-7260	www.development.cuyahogacounty.us
Internal Revenue Service - Taxpayer Education	(216) 522-8243	www.irs.gov
Ohio Department of Development	(800) 848-1300	www.odod.state.oh.us
SBA Business Information Center	(216) 522-7579	www.sba.gov/oh/cleveland
SBA Government Contracting & Business Development	(216) 522-4180	www.sba.gov/expanding
United States Export Assistance Center	(216) 522-4731	www.sba.gov/oit & www.export.gov

Information contained in this handbook was compiled and updated by Department of Development intern JP Kilroy in the Spring and Summer of 2006.