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CITY OF CLEVELAND
Mayor Frank G. Jackson

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*Built by Industry.
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**VACANT
PROPERTY
INITIATIVE**



**Promoting Reinvestment in
The City of Cleveland**

— City of —
CLEVELAND
ECONOMIC DEVELOPMENT

Program Overview

The Vacant Property Initiative (VPI) is specifically designed to overcome barriers in the full reuse of abandoned, idled or underutilized commercial and industrial properties within Cleveland.

Program Requirements

- \$150 nonrefundable application fee. A loan origination fee of .5% is due after approval and a loan closing fee of 1.5% of City loan amount is due at closing.
- Construction projects where total City assistance is in excess of \$50,000 must comply with City MBE/FBE/CSB regulations.
- Construction projects where City assistance exceeds \$100,000 must hire 20% Cleveland residents for the construction project and 4% of those employees must be certified as low-income residents.
- When the total value of City assistance exceeds \$75,000 to businesses with 20 or more employees, the wage only compensation of all employees must be a Living Wage, currently \$10.00 per hour.
- The Applicant must execute a Workforce Development Agreement. The Workforce Development Agreement works to match unemployed skilled workers with available positions.
- Applicant must be current on all income and property taxes at time of application and be up to date with Workers Compensation.

Program Eligibility



Eligible Activities

- Property acquisition
- Environmental site assessments and remediation costs
- Site clearance and demolition
- "As Is" and "As Completed" property appraisals
- New construction
- Renovation

Eligible Properties

- Must score 50 Points on application score sheet.
- Vacant or underutilized buildings or land with prior commercial, industrial or institutional usage.
- Buildings must be at least 20 years old and 40% or more vacant for at least 2 years.
- Applicant **must own** the property and have a committed **for-profit** end user.
- No "Big-Box" or retail mall developments.

Eligible Applicants

- Private developers/businesses
- Non-profit CDC's (on behalf of a for-profit project).

Loan Structure

Projects under \$2,000,000

- Maximum \$70,000 Forgivable Loan.
- Maximum City Assistance is 25% of total project costs.
- 3 Year subordinate lien to ensure jobs are created and retained.

Projects over \$2,000,000

- \$720,000 VPI Loan.
 - * Maximum amount forgivable is \$180,000.
- Maximum City assistance is 25% of total project costs.
- 1 Year Construction Loan.
 - * Must have commitment from Bank for Take-out Financing.
 - * Non-forgivable loan refinanced at end of construction period but not more than 2 years.
 - * 5 Year subordinate lien to ensure jobs are created and retained.

Job Creation

- Projects under \$2 million must create 1 permanent full time job for every \$10,000 of City funds.
- Projects over \$2 million must create at least 25 new permanent full time jobs.