



AGENDA
CUYAHOGA COUNTY ECONOMIC DEVELOPMENT & PLANNING
COMMITTEE MEETING
MONDAY, SEPTEMBER 19, 2016
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS
C. ELLEN CONNALLY COUNCIL CHAMBERS – 4TH FLOOR
3:00 PM

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT RELATED TO THE AGENDA**
- 4. APPROVAL OF MINUTES FROM THE AUGUST 1, 2016 MEETING**
- 5. MATTERS REFERRED TO COMMITTEE**
 - a) R2016-0158: A Resolution authorizing an Economic Development Fund Business Growth and Attraction loan in the amount not-to-exceed \$2,000,000.00 to 105th Cedar Partners, LLC for the benefit of a project located at East 105th Street and Cedar Avenue, Cleveland; authorizing the County Executive and/or Director of Development to execute all documents consistent with said loan and this Resolution; and declaring the necessity that this Resolution become immediately effective.
 - b) R2016-0159: A Resolution authorizing an Economic Development Fund loan in the amount not-to-exceed \$2,000,000.00 to JumpStart, Inc. for administration of the Accelerated Growth Program; authorizing the County Executive and/or Director of Development to execute all documents consistent with said loan and this Resolution; and declaring the necessity that this Resolution become immediately effective.
- 6. MISCELLANEOUS BUSINESS**

7. OTHER PUBLIC COMMENT

8. ADJOURNMENT

**Complimentary parking for the public is available in the attached garage at 900 Prospect. A skywalk extends from the garage to provide additional entry to the Council Chambers from the 5th floor parking level of the garage. Please see the Clerk to obtain a complimentary parking pass.*

***Council Chambers is equipped with a hearing assistance system. If needed, please see the Clerk to obtain a receiver.*



MINUTES
CUYAHOGA COUNTY ECONOMIC DEVELOPMENT & PLANNING
COMMITTEE MEETING
MONDAY, AUGUST 1, 2016
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS
C. ELLEN CONNALLY COUNCIL CHAMBERS – 4TH FLOOR
3:00 PM

1. CALL TO ORDER

Chairman Schron called the meeting to order at 3:02 p.m.

2. ROLL CALL

Mr. Schron asked Assistant Deputy Clerk Culek to call the roll. Committee members Schron, Hairston and Germana were in attendance and a quorum was determined. Committee members Greenspan and Simon were absent from the meeting.

3. PUBLIC COMMENT RELATED TO THE AGENDA

No public comments were given.

4. APPROVAL OF MINUTES FROM THE JULY 11, 2016 MEETING

A motion was made by Mr. Schron, seconded by Mr. Hairston and approved by unanimous vote to approve the minutes of the July 11, 2016 meeting.

5. MATTERS REFERRED TO COMMITTEE

- a) O2015-0017: An Ordinance amending Chapter 709 of the Cuyahoga County Code to establish a competitive review process for the award of Casino Revenue Fund loans; enacting Section 207.05 creating the Casino Revenue Development Committee; and declaring the necessity that this Ordinance become immediately effective.

Mr. Schron introduced a proposed substitute to Ordinance No. O2015-0017. Discussion ensued.

Mr. Michael King, Special Counsel, addressed the Committee regarding Ordinance No. O2015-0017. Discussion ensued.

Committee members asked questions of Mr. King pertaining to the item, which he answered accordingly.

A motion was made by Mr. Schron, seconded by Mr. Germana and approved by unanimous vote to accept the proposed substitute [See Exhibit A].

Mr. Chris Glassburn, Senior Policy Advisor, and Mr. Edward Kraus, Director of Regional Collaboration, addressed the Committee regarding Ordinance No. O2015-0017. Discussion ensued.

Committee members asked questions of Mr. Glassburn and Mr. Kraus pertaining to the item, which they answered accordingly.

On a motion by Mr. Schron with a second by Mr. Germana, Ordinance No. O2015-0017 was considered and approved by unanimous vote to be referred to the full Council agenda for second reading, as substituted.

- b) O2016-0001: An Ordinance amending Chapters 802 and 709 of the Cuyahoga County Code regarding the Casino Revenue Fund and Job Creation Fund for consistency with the 2016/2017 Biennial Operating Budget and Capital Improvements Program; and declaring the necessity that this Ordinance become immediately effective.

Mr. King and Mr. Glassburn addressed the Committee regarding Ordinance No. O2016-0001. Discussion ensued.

Committee members asked questions of Mr. King and Mr. Glassburn pertaining to the item, which they answered accordingly.

A motion was made by Mr. Schron, seconded by Mr. Germana and approved by unanimous vote to amend Ordinance No. O2016-0001 by deleting Item C *“For 2018 and thereafter, no less than half of the gross casino revenues are and shall be transferred to the Cuyahoga County Job Creation Fund for purposes consistent with Section 802 of the Cuyahoga County Code; and”* in Section 709.02.

No further legislative action was taken on Ordinance No. O2016-0001.

6. MISCELLANEOUS BUSINESS

Mr. Hairston requested a status update regarding the May Company Building project. Discussion ensued.

Mr. Glassburn provided the Committee with information relating to this project.

7. OTHER PUBLIC COMMENT

No public comments were given.

8. ADJOURNMENT

With no further business to discuss, Chairman Schron adjourned the meeting at 3:35 p.m., without objection.

County Council of Cuyahoga County, Ohio

Ordinance No. O2015-0017

<p>Sponsored by: Councilmember Schron</p>	<p>An Ordinance amending Chapter 709 of the Cuyahoga County Code to establish a competitive review process for the award of Casino Revenue Fund loans; enacting Section 207.05 creating the Casino Revenue Development Committee; and declaring the necessity that this Ordinance become immediately effective.</p>
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WHEREAS, Article VII, Section 7.01 of the Cuyahoga County Charter mandates that “the County shall develop and implement policies, programs and activities for the expansion and enhancement of economic activity in the County so as to create and preserve jobs and employment opportunities for and available to residents of the County;” and

WHEREAS, the Casino Revenue Fund was originally established in October, 2012 to collect and expend the gross casino revenues distributed to Cuyahoga County; and,

WHEREAS, pursuant to Cuyahoga County Code Section 709.02, all gross casino revenues were held in reserve between 2012 and June 30, 2014; and,

WHEREAS, pursuant to Cuyahoga County Code Sections 709.03 and 709.05, between July 1, 2014 and June 30, 2016, casino revenues are authorized to be used to promote economic development in Cleveland’s Downtown District, unless a request for early spending proposed by either the County Executive or County Council was approved by Council; and,

WHEREAS, pursuant to Cuyahoga County Code Section 709.04, effective July 1, 2016, remaining revenues in the Casino Revenue Fund may be used to (1) promote economic development in any area of Cuyahoga County, and (2) provide additional funding for educational initiatives, including the Cuyahoga County Educational Assistance Fund; and,

WHEREAS, it is necessary that this Ordinance become immediately effective in order that critical services provided by Cuyahoga County can continue and to provide for the usual, daily operation of the County.

NOW, THEREFORE, BE IT ENACTED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:

SECTION 1. Chapter 709 of the Cuyahoga County Code is hereby amended to read as follows (additions are bolded and underlined, deletions are stricken):

Section 709.01 The Casino Revenue Fund

The Fiscal Officer is hereby directed to immediately establish a separate fund for the purpose of collecting and expending gross casino revenues distributed to Cuyahoga County (the “Casino Revenue Fund” or “the Fund”). All such revenues shall be automatically transferred from the General Fund into the Fund and may be used only ~~purpose~~ **for the purposes** authorized in this Chapter.

~~Section 709.02 Revenues in Reserve~~

~~All gross casino revenues shall be held in reserve in the Casino Revenue Fund until June 30, 2014 (“the reserve date”).~~ **[Repealed]**.

Section 709.04 Permitted uses of Casino Revenue Funds

Casino Revenue Funds may be used to:

- A. Promote economic and community development in any area of Cuyahoga County; and
- B. Provide additional funding for educational initiatives, including the Cuyahoga County Educational Assistance Fund.

Section 709.05

- ~~A. Notwithstanding Section 709.02 of the County Code, prior to June 30, 2014, the County Executive may propose spending monies from the Casino Revenue Fund on specific “downtown district” development projects. Council shall determine whether any specific project justifies an earlier than anticipated expenditure of funds.~~ **[Repealed]**.

Section 709.06 Evaluation and Approval of Economic and Community Development Projects

- A. All applications for economic development or community development funding for the purposes of this Chapter shall be submitted to the Casino Revenue Development Committee, established pursuant to Section 207.03 of this Code. The Casino Revenue Development Committee shall competitively evaluate and score such applications and make recommendations for consideration of award by County Council. Any award made pursuant to this Section shall require**

recommendation from the Committee and final approval from County Council.

- B. Applications may be submitted to the Casino Revenue Development Committee by any private entity, municipal corporation, or township seeking funding for economic development or community development projects within Cuyahoga County.
- C. No Casino Revenue Funds shall be awarded except pursuant to the procedures established in this Chapter, or as otherwise provided in this Title.
- D. If deemed appropriate, the County may use monies within the Casino Revenue Fund for the payment of debt charges on any bonds, notes, and certificates of indebtedness issued by the County for the purpose of carrying out this Chapter. All economic development or community development awards made from bond proceeds or other revenues derived from notes or certificates of indebtedness credited to the Casino Revenue Fund shall be awarded pursuant to the procedures established in this Section.

SECTION 2. Section 207.05 of the Cuyahoga County Code is hereby enacted as follows (additions are bolded and underlined, deletions are stricken):

Section 207.05 Casino Revenue Development Committee

- A. There is hereby established a Casino Revenue Development Committee, hereinafter the “Committee,” which shall competitively evaluate and score applications for funding for economic development and community development projects within Cuyahoga County. The Committee shall be composed of five members, as follows:
 - 1. Two members appointed by the County Executive, at least one of whom shall be an employee of the Department of Development and one member with experience in economic or community development. Such appointments shall not be subject to confirmation by the Council;
 - 2. Two members appointed by the President of Council, at least one of whom shall be a member of Council;
 - 3. One member with experience in economic or community development shall be jointly appointed by the County Executive and the President of Council;
- B. The Committee members appointed pursuant to paragraph (A) of this section shall each serve for a two year term expiring at the end of each even numbered calendar year. In the event of a vacancy, the respective

appointing authority or authorities shall appoint a member to complete the unexpired term. The members of the Committee shall serve without additional compensation.

C. The Casino Revenue Development Committee shall adopt rules of procedure, which shall include the following:

- 1. Application deadlines, which shall occur no less than biannually;**
- 2. Minimum application criteria applications must meet in order to be eligible for particular rounds of funding;**
- 3. Weighted evaluation criteria by which eligible applications are to be scored and ranked;**
- 4. Procedures for electing a chair and vice chair of the committee, and for setting the regular dates and times of committee meetings; and**
- 5. A plan for public engagement to solicit applications.**

D. The Committee's rules of procedure shall be adopted in accordance with Chapter 113 of the County Code; provided, however that the weighted evaluation criteria by which eligible applications are to be scored and ranked shall instead be subject to amendment and final approval by resolution of County Council.

E. All meetings of the Casino Revenue Development Committee shall be open to the public and time shall be provided for members of the public to comment on matters before the committee. The Committee may go into executive session for the purpose of considering any matter permitted to be heard in executive session by the Ohio Open Meetings Act as codified in Section 122.22 et seq. of the Ohio Revised Code.

F. The County Executive shall designate a staff person to act as clerk of the committee. The clerk shall publish agendas and meeting notices and record and publish minutes.

SECTION 3. It is necessary that this Ordinance become immediately effective for the usual daily operation of the County and the reasons set forth in the preamble. Provided that this Ordinance receives the affirmative vote of at least eight members of Council, it shall take effect and be in force immediately upon the earliest occurrence of any of the following: (1) its approval by the County Executive through signature, (2) the expiration of the time during which it may be disapproved by the County Executive under Section 3.10(6) of the Cuyahoga County Charter, or (3) its passage by at least eight members of Council after disapproval pursuant to

County Council of Cuyahoga County, Ohio

Resolution No. R2016-0158

<p>Sponsored by: County Executive Budish/Department of Development</p>	<p>A Resolution authorizing an Economic Development Fund Business Growth and Attraction loan in the amount not-to-exceed \$2,000,000.00 to 105th Cedar Partners, LLC for the benefit of a project located at East 105th Street and Cedar Avenue, Cleveland; authorizing the County Executive and/or Director of Development to execute all documents consistent with said loan and this Resolution; and declaring the necessity that this Resolution become immediately effective.</p>
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WHEREAS, the County Executive/Department of Development has recommended an Economic Development Fund Business Growth and Attraction loan in the amount not-to-exceed \$2,000,000.00 to 105th Cedar Partners, LLC for the benefit of a project located at East 105th Street and Cedar Avenue, Cleveland; and

WHEREAS, the primary goals of this project are to redevelop a vacant lot located at East 105th Street and Cedar Avenue, Council District 7, for the purposes of a constructing a 43,000 square foot office and research facility for the IBM Exploryst Project; and

WHEREAS, the project is anticipated to retain eighty (80) existing jobs and create sixty (60) news jobs; and

WHEREAS, the total cost of this project is estimated at \$11,121,923.00 of which the County will loan 105th Cedar Partners, LLC the amount not-to-exceed \$2,000,000.00 with a term of ten (10) years at an interest rate of 3%; and

WHEREAS, the proposed funding source for the loan is the Cuyahoga County Western Reserve Fund; and

WHEREAS, the project will be subject to the following, as applicable, and without limitation: the County's SBE Policy, adopted October 29, 2009, execution of a Workforce Development Agreement, submission of annual job creation/retention reporting and payment of prevailing wages for that portion of the project funded by the County loan authorized herein; and

WHEREAS, it is necessary that this Resolution become immediately effective in order that critical services provided by Cuyahoga County can continue and to provide for the usual, daily operation of a County entity.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:

SECTION 1. That the Cuyahoga County Council authorizes an Economic Development Fund Business Growth and Attraction loan in the amount not-to-exceed \$2,000,000.00 to 105th Cedar Partners, LLC for the benefit of a project located at East 105th Street and Cedar Avenue, Cleveland.

SECTION 2. That the County Executive and/or Director of Development are authorized to execute all documents consistent with said loan and this Resolution.

SECTION 3. It is necessary that this Resolution become immediately effective for the usual daily operation of the County and the reasons set forth in the preamble. Provided that this Resolution receives the affirmative vote of at least eight members of Council, it shall take effect and be in force immediately upon the earliest occurrence of any of the following: (1) its approval by the County Executive through signature, (2) the expiration of the time during which it may be disapproved by the County Executive under Section 3.10(6) of the Cuyahoga County Charter, or (3) its passage by at least eight members of Council after disapproval pursuant to Section 3.10(7) of the Cuyahoga County Charter. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

SECTION 4. It is found and determined that all formal actions of this Council relating to the adoption of this Resolution were adopted in an open meeting of the Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

On a motion by _____, seconded by _____, the foregoing Resolution was duly adopted.

Yeas:

Nays:

County Council President

Date

County Executive

Date

Clerk of Council

Date

First Reading/Referred to Committee: September 13, 2016
Committee(s) Assigned: Economic Development & Planning

Journal _____
_____, 20__

County Council of Cuyahoga County, Ohio

Resolution No. R2016-0159

Sponsored by: County Executive Budish/Department of Development	A Resolution authorizing an Economic Development Fund loan in the amount not-to-exceed \$2,000,000.00 to JumpStart, Inc. for administration of the Accelerated Growth Program; authorizing the County Executive and/or Director of Development to execute all documents consistent with said loan and this Resolution; and declaring the necessity that this Resolution become immediately effective.
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WHEREAS, the County Executive/Department of Development has submitted an Economic Development Fund loan in the amount not-to-exceed \$2,000,000.00 to JumpStart, Inc. for administration of the Accelerated Growth Program; and

WHEREAS, the primary goals of this project are to identify, encourage and develop small to medium-sized businesses and further their realistic growth plans more efficiently and effectively and with less risk; and

WHEREAS, the proposed funding source for the loan is 100% from the Economic Development Fund; and

WHEREAS, it is necessary that this Resolution become immediately effective in order that critical services provided by Cuyahoga County can continue and to provide for the usual, daily operation of a County entity.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:

SECTION 1. That the Cuyahoga County Council hereby authorizes an Economic Development Fund loan in the amount not-to-exceed \$2,000,000.00 to JumpStart, Inc. for administration of the Accelerated Growth Program.

SECTION 2. That the County Executive and/or Director of Development are authorized to execute all documents consistent with said loan and this Resolution.

SECTION 3. It is necessary that this Resolution become immediately effective for the usual daily operation of the County and the reasons set forth in the preamble. Provided that this Resolution receives the affirmative vote of at least eight members of Council, it shall take effect and be in force immediately upon the earliest occurrence of

SUMMARY

ACCELERATED GROWTH PROGRAM

Cuyahoga County wishes to encourage the growth of small, female and minority-owned businesses and to assist in bolstering the conditions for their success through its new **Accelerated Growth Program for Small Business Lending**. Through its Request for Qualifications (RFQ 36307), the County sought a partner to identify, encourage and develop such small to medium-sized businesses and to further their realistic growth plans more efficiently and effectively and with less risk through this program. The County chose the proposal submitted by JumpStart, Inc. and its affiliate Growth Opportunity Partners for administration of the program and the utilization of up to \$2,000,000 in County loan proceeds to the organization's FOCUS Fund for just such purposes.

JumpStart, Inc. will administer this fund which will provide businesses necessary capital to accelerate growth goals and will provide technical assistance & credit products in a manner that is expected to best facilitate the borrowing businesses' growth, job creation and market expansion activities. JumpStart established its affiliate Growth Opportunity Partners as a solution to help accelerate the growth of small businesses in Cuyahoga County and Northeast Ohio. 60% or more of its lending will be to businesses located in low to moderate income communities (LMI), including women and minority-owned businesses.

The Accelerated Growth Program will use County resources, **provided in the form of a loan to JumpStart, Inc.**, to provide technical assistance and credit products (i.e. loans) offered by Growth Opportunity Partners through the FOCUS Fund in flexible credit vehicles which are not currently offered by other financiers in the small business capital space. These alternatives to traditional credit offerings will extend opportunity to promising businesses which fall just short of meeting requirements for bank and SBA-approved lending. It should also make them more attractive for later conventional financing and potential follow-on funding from other sources.

Growth Opportunities will make loans to businesses that it identifies as having the greatest potential for growth, return on investment, and attractiveness for innovation, job creation, market expansion and investment potential.

The total amount of the County's loan to JumpStart, Inc. shall be not more than \$2,000,000.

Including the County loan, the required total of the overall fund (i.e. FOCUS fund) for this endeavor will be no less than nine million dollars (\$9,000,000) utilizing other public and/or private resources.

Loan term shall be no greater than 84 months (7 years). Rate of interest shall be five percent (5%) per annum. Principal and interest payments shall be deferred to the end of the loan term. JumpStart, Inc. will repay the County loan and provide sufficient guaranty so as to ensure loan repayment by providing a letter of credit or suitable pledge of available equity resources to repay the loan in full at the end of the loan term.

JumpStart, through Growth Opportunities, shall be responsible for the full operation of the Accelerated Growth Program, including outreach/marketing of the program, intake/applicant processing, microloan underwriting, investment closing/disbursements, loan servicing (as necessary), and overall financial management and reporting. Growth Opportunity Partners will review and select loan recipient candidates from the applicants based on their established investment standards.

JumpStart, through Growth Opportunities, will measure and report program performance, impact, and trends. Measuring portfolio performance provides critical information that will help the County evaluate, monitor, and study the outcomes and overall effectiveness of the program.

Metrics:

- Dollars Leveraged
- Follow-on Funding
- Job Creation and Job Placements
- Payroll Growth
- Borrower Demographics